

## Sage Micropay – Budget Changes

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*This article highlights the legislation changes in your Sage payroll software for the 2018 tax year.*

*The year-end update is due for release at the end of November/early December. Once installed, all legislation changes for the new tax year update automatically within your 2018 software.*

### Emergency tax

*From 1 January 2018, there is an increase of €750.00 in the income tax standard rate band for all earners.*

*This affects the cut off point for emergency tax as follows:*

<i>Length of time on emergency tax Status</i>	<i>Tax rate 1 cut-off point</i>
<i>Month 1, or weeks 1 to 4</i>	<i>2880.00 monthly, or 665.00 weekly</i>
<i>Month 2, or weeks 5 to 8</i>	<i>2880.00 monthly, or 665.00 weekly</i>
<i>Month 3 or week 9 onwards</i>	<i>0.00</i>

### Universal social charge (USC)

*The following rates and thresholds apply from 1 January 2018:*

<i>Rates</i>	<i>Yearly earnings</i>
<i>0.5%</i>	<i>0.01 - 12,012.00</i>
<i>2%</i>	<i>12,012.01 - 19,372.00</i>
<i>4.75%</i>	<i>19,372.01 - 70,044.00</i>
<i>8%</i>	<i>70,044.00 and above</i>

*Employees aged 70 or older, and medical card holders are exempt from paying USC at rates 4.75% and 8%. If your employees earn less than €13,000 in the year, they're exempt from USC.*

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### Pay related social insurance (PRSI)

#### Employee PRSI

There are no changes to employee PRSI in 2018.

#### Employer PRSI

From 1 January 2018, the following rate changes apply:

<b>Weekly Earnings</b>	<b>PRSI subclass</b>	<b>Employer rate</b>
0.01 to 37.99	J0	0.5%
38.00 to 352.00	A0	8.6%
352.01 to 376.00	AX	8.6%
376.01 to 424.00	AL	10.85%
424.01 and above	A1	10.85%

### Minimum wage rate

From 1 January 2018, the minimum wage rate increases to €9.55 per hour.

### Recording illness benefit payments - No longer relevant in 2018

From 1 January 2018, you shouldn't record any illness benefit payments in your payroll. Revenue claim all tax relating to illness benefit directly from the employee by reducing their P2C tax credit allowances.

You receive notification from Revenue of these reduced credits through an amended P2C tax certificate. If you use Revenue Online Service (ROS), you can download the amended P2C file from their website. You can then import the P2C file directly into your 2018 payroll software.