

A charge to employer and employee PRSI on share based remuneration (including share options) was announced in the National Recovery Plan 2011-2014. The legislation introducing these charges was implemented in Finance Act 2011, as well as via Regulations made by the Department of Social Protection.

The Minister for Finance has now clarified that the charge to PRSI (both employer and employee) will not apply where the share based remuneration was the subject of a written agreement, entered into between the employer and the employee before 1 January 2011. The PRSI charge will however, apply to share based remuneration where this is subject to agreements entered into on or after 1 January 2011.

The legislative changes required to underpin this clarification will be made in the next Social Welfare Bill.