



STATUTORY INSTRUMENTS.

**S.I. No. 700 of 2023**



USC REGULATIONS 2023

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The Revenue Commissioners, in exercise of the powers conferred on them by section 531AAB of the Taxes Consolidation Act 1997 (No. 39 of 1997), hereby make the following regulations:

1. (1) These Regulations may be cited as the Universal Social Charge Regulations 2023.

(2) These Regulations shall come into operation on 1 January 2024 apart from Regulation 3(c) which will come into operation on the date of the making of these Regulations.

2. In these Regulations “Principal Regulations” means the Universal Social Charge Regulations 2018 (S.I. No. 510 of 2018).

3. The Principal Regulations are amended –

(a) in Regulation 2(1), by the substitution of the following definition for the definition of “notional payment”:

“‘notional payment’, in relation to an employee who is in receipt of relevant emoluments in the form of—

- (a) perquisites and profits that are chargeable to USC by virtue of those perquisites and profits being chargeable to income tax under section 112 of the Act,
- (b) the benefit of the private use of a car or a van that is chargeable to USC by virtue of the benefit of that use being chargeable to income tax under section 121 or 121A, as the case may be, of the Act, or
- (c) a gain realised on the exercise of, or by the assignment or release of, a right chargeable to income tax under section 128 of the Act,

means an amount equal to—

- (i) the amount that, on the basis of the best estimate that can reasonably be made, is the amount of relevant emoluments likely to be chargeable to USC in respect of the relevant emoluments referred to in subparagraph (a) or (b); or
- (ii) the gain as calculated by reference to section 128(4) of the Act in respect of the

relevant emoluments referred to in subparagraph (c).”

(b) in Regulation 4, by the insertion of “subject to subsections (6) and (7) of section 531AOA of the Act” after “and shall,”  
and

(c) by the insertion of the following Regulation after Regulation 21:

“Certain repayment before end of the year

21A. (1) If, owing to irregular payment of emoluments, an employee is not entitled to receive emoluments in the last income tax month of the year, the employer may make any such repayment of USC to the employee, as may be appropriate, having regard to the employee’s cumulative relevant emoluments for the USC year in question and the corresponding cumulative USC relating to such emoluments. The employer shall use the appropriate revenue payroll notification as the basis for the calculation of any such USC to be repaid.

(2) Paragraph (1) shall apply only where a revenue payroll notification is sent or made available to the employer and where USC is deductible by reference to cumulative relevant emoluments and cumulative USC.”

GIVEN under my hand,  
21 December 2023

NIALL CODY,  
Revenue Commissioner

## EXPLANATORY NOTE

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

These Regulations, which will come into operation on 1 January 2024 with the exception of 21A which will come into operation on the date of making of the Regulations, amend the USC Regulations, 2018, that prescribe the manner in which, the deduction of tax from salaries and wages under the “Pay As You Earn” system, as it applies to Universal Social Charge operates.

The main changes are as follows:

Regulation 2(1) is amended to align the definition of “notional payment” for USC purposes with the amendment to section 985A Taxes Consolidation Act 1997. This is to ensure that emoluments under section 128 Taxes Consolidation Act 1997 (i.e. gains realised by the exercise/assignment/release of a right on or after 1 January 2024 chargeable to income tax under section 128) are treated as notional payments by the employer and that the gain is calculated by reference to section 128(4).

Regulation 4 is amended to recognise changes in section 531AOA which limit the repayment and credit due for universal social charge to a 4 year period commencing from the end of the year of assessment in which the Income Tax month falls. Section 535AOA also now provides for refusal of a repayment to be notified in writing and a right of appeal by persons aggrieved by the application of the new measures. Section 531AR provides that Income Tax assessing provisions in section 990 apply to USC.

A new Regulation 21A is inserted which provides that an employer may, in certain circumstances and where no payment of emolument is made during the last income tax month of the year, make a repayment of USC to an employee during the last income tax month of the year so that the employee can get the benefit of any unused rates and bands at the end of the year under the cumulative PAYE system.

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