



Case Number: 2022-31438

9 August 2022

Dear Mr Mullane,

The Minister for Social Protection, Heather Humphreys T.D., forwarded your letter and papers for examination and direct response to you.

Under social welfare legislation any payments received by way of pension are not regarded as reckonable emoluments for the purposes of self-employed pay related social insurance (PRSI). However, unlike annuity products, Approved Retirement Funds (ARFs) are not pensions but are treated as assets. As such, those distributions from ARFs for people under State pension age, fall within the charge to Class S self-employed PRSI, if the requirements for Class S are met. Self-employed people such as farmers, certain company directors, sole traders and certain people with income from investments, rents or maintenance where the income is €5000 or more a year from all sources are liable to Class S social insurance charge.

If the recipient of the distribution is a modified contributor, then he or she is liable to Class K social insurance charge on that distribution.

If a person under the age of 66, who is not a modified contributor, is receiving a distribution from an ARF then any income of €5,000 or more a year will incur a PRSI charge of 4% or €500 whichever is greater. Class S contributions may be used to qualify for the state pension (contributory).

The Social Welfare Consolidation Act 2005 (as amended) provides that an application for the return of social insurance contributions shall be made within 4 years of the last day of the contribution year in respect of which contributions were paid. It is in line

Arás Mhic Dhiarmada, Sráid Stórais, Baile Átha Cliath 1, D01 WY03--  
Arás Mhic Dhiarmada, Store St., Dublin 1, D01 WY03--

M+353(0)86 850 0793 T+353(0)1 704 3042  
[www.gov.ie/dsp](http://www.gov.ie/dsp)

with the Revenue time limit for the refund of tax and as is the case with respect to refunds of tax, there is no discretion within the governing legislation to allow contributions to be returned outside of this time limit.

Yours sincerely



Marguerite O'Flaherty

Assistant Principal - PRSI Policy

**An Roinn Coimirce Sóisialaí--**  
**Department of Social Protection--**

**Arás Mhic Dhiarmada, Sráid Stórais, Baile Átha Cliath 1, D01 WY03--**  
**Arás Mhic Dhiarmada, Store St., Dublin 1, D01 WY03--**

**M+353(0)86 850 0793 T+353(0)1 704 3042**  
**[www.gove.ie/dsp](http://www.gove.ie/dsp)**