



# Irish Life



## YOUR PAYMENT EXPLAINED

*Plain and Simple...*

We understand that you may have some questions about your payment. The aim of this flyer is to explain your payment in the simplest terms possible and address any questions you may have.

We have included

- Top Ten Frequently Asked Questions
- A Practical Guide to Your Payslip
- Steps You Should Take to Make Sure Future Payments are Taxed Correctly

## Question 1.

### Why am I receiving this payment?

The Finance Act 2006 introduced a requirement on all ARF's that a minimum withdrawal is to be taken from ARF plans each year. This is called the imputed distribution payment.

With effect from 2012, the imputed distribution also applies to Vested PRSA's.

A vested PRSA is:

- a PRSA where the PRSA customer has taken their retirement lump sum and left the rest of their fund invested in the PRSA;

Or

- a PRSA where benefits have been paid from the main scheme (in the case of a PRSA where additional voluntary contributions (AVCs) have been paid).

## Question 2.

### What is the minimum withdrawal amount?

The current minimum withdrawal amount is 5% of the value of your funds at the end of each year.

If you have a Vested PRSA, depending on your circumstances at the time you take your retirement lump sum, you may have to keep up to €119,800 in your vested PRSA - this is called your restricted fund.

You will have to appoint a nominee Qualified Fund Manager (QFM) if the total value of your ARFs and vested PRSAs (less the restricted fund if you have one) is more than €2,000,000. If your total value is more than €2,000,000, the minimum withdrawal is 6%. The nominee QFM is responsible for making sure a withdrawal of 6% is taken from the total value of your vested PRSAs (above the restricted amount) and ARFs.

It is your responsibility to tell us if you have other ARFs and vested PRSAs with a total value of more than €2,000,000.

## Question 3.

### Is this withdrawal liable for tax?

Yes. Any payment from an ARF or Vested PRSA is retirement income and is treated like normal income. This means that you are liable to pay income tax, the Universal Social Charge (USC), PRSI (if applicable) and any other charges or levies due at the time of your payment.

## Question 4.

### What rate of tax have I paid?

Irish Life is obliged to deduct income tax at the highest rate (currently 41%) on all imputed distribution payments.

However if you have sent us an up to date tax cert for this year we will have applied this against your payment

Your payslip will show what tax details we have received from Tax Office and which have been applied. We have included in this flyer a practical guide to explaining your payslip.

Your standard rate cut off point is the level of income you can receive and pay tax on at the lower rate (currently 20%). Anything above this level is liable to tax at the higher rate (currently 41%).

Your tax credits are then used to reduce the level of tax calculated on your payment.

## Question 5.

### Why am I paying PRSI?

Not everyone pays PRSI. If you are over 66 you are not liable to pay PRSI.

PRSI must be deducted on all payments from an ARF, AMRF or Vested PRSA if you are under age 66. The rate of PRSI due is 4% of the overall payment amount.

## Question 6.

### Why am I paying USC?

The Universal Social Charge or USC, is calculated based on the full payment amount. Depending on your personal circumstances, individual rates may apply. However, we need to be advised of these individual rates by Tax Office in order to apply them. This is advised to us in the form of your tax cert.

If we have not been advised by the Tax Office of the rates of USC to use, we will have deducted it at a rate of 7%.

The current standard USC rates are as follows:

Annual Income Amount	USC Rate
Income up to €10,036	2%
Between €10,037 - €16,016	4%
Over €16,016	7%

## Question 7.

### I think I've paid too much tax. How do I claim it back?

If you think you've paid too much tax, you need to contact your local tax office. Your local tax office will require a copy of your P60 for the year the payment was made. They will then assess this payment in line with your personal tax circumstances and issue any refund if due.

## Question 8.

### When will I receive my P60?

Irish Life will issue your P60 in February of the year following your payment. For example if you received a payment in December 2012 you will receive your P60 in February 2013.

## Question 9.

### My payment has been transferred to my bank account. When can I access this money?

Your payment has been transferred to your bank account by Electronic Fund Transfer and is immediately available for you to access.

## Question 10.

### I've received this payment by cheque. Can I get it paid directly to my bank account next year?

Of course. The quickest, easiest and safest way for you to receive your payment is by Electronic Fund Transfer directly to your bank account. Once the money is transferred to your account, you can access it immediately. This means, you won't experience any postage delays and it saves you the trouble of having to visit your local bank to lodge a cheque and waiting for it to clear.

If you want to receive future payments by Electronic Fund Transfer, you will need to contact us with your bank details. You can do this by writing to us or by sending us an e-mail. See overleaf for our contact details.

# A Practical Guide to Your Payslip

Irish Life

Lower Abbey  
Dublin 1  
Telephone 01  
Fax 01 704 19

This is your unique customer reference number and should be quoted in all correspondence.



Private & Confidential  
Name  
Address 1

Client number: XXXXXX  
Payment date: XX 200X

This is your plan number from where the gross amount is being paid.

This is the tax/levy deduction in this payroll period.

Plan number	Amount	Deductions in total	
XXXXXXXX	XXX.XX	PAYE	XXX.XX
		PRSI	XXX.XX
		USC	XXXX
Total gross payment this period			
Gross Payment for PAYE XXX.XX		Total deductions XXX.XX	Net payment XXX.XX
Monthly amount	Cumulative YTD	Message box	
Pay period XXXXX	Gross XXX.XX	Details of revisions to your plan(s) are on the reverse of this payslip	
Tax credit X	Tax credit XXX.XX		
Cut off X	Cut off XXX.XX		
PPS No XX	PAYE XXXX.XX		
PRSI Class X	PRSI X.XX		
Tax Status XXX			

This payment is only payable to the person named above.  
Irish Life Assurance plc is regulated by the Central Bank of Ireland

This shows the payroll period in which the payment is made in the year 2012

Net Payment – this is the net payment amount you have received

Tax Credits – these are the tax credits you have assigned to Irish Life for this payment

This section shows the tax and other deductions you have paid.

Cut Off – this is the amount of standard cut off point you have assigned to Irish Life. Any payment you receive over this level will be liable for tax at the higher rate.



## **Important -** The Steps You Should Take to Make Sure Future Payments are Taxed Correctly

To make sure that your future payments are taxed in line with your own personal circumstances you should contact your local tax office to discuss assigning any available tax credits or standard rate cut off point you may have to Irish Life.

### **To do this you should:**

1. Contact your local tax office
2. Give them your PPS number
3. Explain you are receiving a payment from Irish Life
4. Ask them to allocate unused or available tax credits or cut off points, to Irish Life under our specific tax registration number. Our tax registration number is 4820009C.

Your local tax office will then forward these details to Irish Life. Irish Life will update these details to our records and apply them to your future payments.



You can contact your Tax Office by phoning the LoCall number listed below:

- **Border Midlands West Region**  
**1890 777 425**  
Cavan, Donegal, Galway, Leitrim, Longford, Louth, Mayo, Monaghan, Offaly, Roscommon, Sligo and Westmeath
- **Dublin Region**  
**1890 333 425**  
Dublin (City and County)
- **East & South East Region**  
**1890 444 425**  
Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford and Wicklow
- **South West Region**  
**1890 222 425**  
Clare, Cork, Kerry and Limerick

**Remember to always quote your PPS Number when contacting your Tax Office.**



# Irish Life

## How to contact us

**Write to:**

Irish Life Assurance plc,  
Lower Abbey Street,  
Dublin 1

**Phone:**

01 704 1010  
8am to 8pm Monday to Thursday  
10am to 6pm Friday  
9am to 1pm Saturday

**Email:**

pensioncustomerservice@irishlife.ie

**Fax:**

01 242 2920

**Call in:**

Irish Life Visitor Centre,  
Lower Abbey Street, Dublin 1.  
9am to 5pm Monday to Friday



**www.irishlife.ie**

Don't forget you can find the most up to date information on your plan through our website and online services.