



## Financial Factsheet – 2015

### Advisory Services – Irish Life Retail

#### 1. RETIREMENT PLANNING

##### 1.1 Tax Relief on Pension Contributions

Limits for tax relief on contributions to PRSAs, RACs and Employee contributions to Occupational Pension Schemes (including AVCs)

Age attained during tax year	% of Salary / Net Relevant Earnings
Under 30	15%
30 – 39	20%
40 – 49	25%
50 – 54	30%
55 – 59	35%
60 and over	40%

An earnings cap of **€115,000** applies for tax relief purposes to aggregate contributions to PRSAs, RACs, and employee / AVC contributions to occupational pension schemes.

The earnings limit of €115,000 will also apply to contributions paid in 2015 which are backdated to the 2014 tax year.

The earnings cap does not apply to employer contributions to occupational pension schemes.

For occupational pension schemes the total contribution (Employer and Employee) must be within overall Revenue maximum contribution levels.

##### 1.2 Occupational Pension Schemes

Sample Maximum Contribution Rates, as % of Salary.

Male Current Age	Retirement Age	
	60	65
30	72%	54%
35	86%	63%
40	108%	76%
45	144%	95%
50	216%	126%
55	432%	189%

Female Current Age	Retirement Age	
	60	65
30	67%	49%
35	80%	58%
40	100%	69%
45	133%	86%
50	200%	115%
55	400%	173%

The table assumes that the member is married with at least 10 years service at retirement. Existing pension benefits are not included in the above rates. These rates are calculated using current Capitalisation Factors published by the Revenue Commissioners. Member's total pension fund is restricted to €2 million (Standard Fund Threshold)

##### Revenue Maximum Approvable Pension Benefits – Uplifted Scale.

Service @ NRA	Max. as fraction of Final Remuneration
1yr	4/60ths
2yrs	8/60ths
3yrs	12/60ths
4yrs	16/60ths
5yrs	20/60ths
6yrs	24/60ths
7yrs	28/60ths
8yrs	32/60ths
9yrs	36/60ths
10yrs	40/60ths

##### Revenue Maximum Approvable Lump Sum Benefits – Uplifted Scale

Service @ NRA	Max. as fraction of Final Remuneration
1 – 8 yrs	3/80ths each year
9yrs	30/80ths
10yrs	36/80ths
11yrs	42/80ths
12yrs	48/80ths
13yrs	54/80ths
14yrs	63/80ths
15yrs	72/80ths
16yrs	81/80ths
17yrs	90/80ths
18yrs	99/80ths
19yrs	108/80ths
20yrs	120/80ths

##### 1.3 Maximum Pension Benefits

The **Standard Fund Threshold** is **€2,000,000**

The **Maximum Retirement Lump Sum** from all pension plans is **€500,000**.

##### Taxation of Retirement Lump Sum

Lump Sum	Income Tax
First €200,000	Exempt
Next €300,000	20% Income Tax
Balance	Marginal rate income tax plus PRSI & USC

The €200,000 and €500,000 limits include all retirement lump sums taken since 7<sup>th</sup> December 2005

## 1.4 ARFs

**Requirements** (assuming eligibility conditions are satisfied)

- A guaranteed **pension income in payment** for life of **€12,700 pa**, or
- Invest **€63,500 in an AMRF or Annuity**, or entire fund if less.

### Imputed ARF & Vested PRSA Distributions

- ARF or vested PRSA holders are required to take a 4% withdrawal from age 61, this increases to 5% from age 71. Where total value of ARFs & vested PRSAs exceeds €2 million a rate of 6% applies.
- If clients do not take this income they will be liable to income tax, PRSI and Universal Social Charge in the same way as if an actual withdrawal had been made.
- Income tax, PRSI and USC will depend on the individuals own circumstances.
- Imputed distribution applies to AMRFs & vested PRSAs holding the AMRF equivalent from age 75.

### Taxation of ARF Funds on Death of Original ARF holder

Funds to	Income Tax	Inheritance Tax
Spouse's / Registered Civil Partner's ARF	<b>No.</b> Future withdrawals subject to PAYE	<b>No.</b> Spouse's / Civil Partner Exemption
Child under 21	<b>No.</b>	<b>Yes.</b> Taxable Inheritance.
Child over 21	<b>Yes at 30%</b>	<b>No.</b> Exempt
Other (Incl. spouse / civil partner directly)	<b>Yes.</b> Income of deceased in year of death. QFM deducts higher rate tax under PAYE	<b>Yes.</b> Taxable Inheritance (spouse / civil partner exempt)

Applies to ARFs set up post April 2000 and to Vested PRSAs

## 2. SOCIAL INSURANCE

### 2.1 PRSI Classes

Benefit Entitlement	<u>Class A</u> Employees	<u>Class S</u> Self Employed & Company Directors
Job Seekers	Yes	No
Illness	Yes	No
Invalidity Pension	Yes	No
State Pension (Contributory)	Yes	Yes
Widow(er)'s Contributory Pension	Yes	Yes

### 2.2 State Pension Age

The state pension age increased to age 66 in 2014 and is due to increase to

- Age 67 in 2021
- Age 68 in 2028

## 2.3 PRSI and Universal Social Charge Rates

PRSI rates	A1	S1
<b>Employee</b> All Income (earnings less than €352pw exempt)	4%	4%
<b>Employer</b> All income	10.75%	n/a

Universal Social Charge	Employee	Self Employed
Income up to €12,012	1.5%	1.5%
Between €12,013 and €17,576	3.5%	3.5%
Between €17,577 and €70,044	7%	7%
Between €70,045 and €100,000	8%	8%
Income in excess of €100,000	8%	11%

Full medical card holders & over 70s pay the USC at the reduced rates below unless they have earnings greater than €60,000

Income up to €12,012	1.5%	1.5%
Income in excess of €12,013	3.5%	3.5%

The USC exemption threshold is €12,012. The USC is paid on gross income, before the deduction of capital allowances or pension contributions. It does not apply to social welfare payments, including contributory and non – contributory social welfare pensions.

### 2.4 Social Insurance Benefits

For further details on Social Welfare Benefits and qualifying conditions see [www.welfare.ie](http://www.welfare.ie)

	Weekly Benefit
<b>State Pension Contributory</b>	
Personal Rate	€230.30
Personal + Adult dependant (over 66)	€436.60
<b>Widow/Widowers Contributory Pension (under 66)</b>	€193.50
<b>Invalidity Pension</b>	
Personal Rate (under 65)	€193.50
Personal + Adult dependant (under 66)	€331.60
<b>Jobseekers / Illness Benefit</b>	
Personal Rate	€188.00
Personal + Adult dependant	€312.80
<b>Jobseekers Allowance</b>	
<u>18 to 24 years of age</u>	
Personal Rate	€100.00
Personal + Adult dependant	€200.00
<u>25 years of age</u>	
Personal Rate	€144.00
Personal + Adult dependant	€268.80
<u>26 years of age and over</u>	
Personal Rate	€188.00
Personal + Adult dependant	€312.80
Where a person aged 18 to 24 has a dependent child the basic person rate (€188) applies	
<b>Increase for each Dependant Child</b>	€29.80

## 2.5 Child Benefit (Children's Allowance)

Rate per child	€135
----------------	------

## 3. INCOME & CAPITAL GAINS TAX

### 3.1 Income Tax Standard Rate Bands

<u>Single / Widowed</u>	
No dependant children	€33,800
With dependant children	€37,800
<u>Married</u> – one income	€42,800
<u>Married</u> – two incomes	€42,800 + increase
<i>Increase is the lower of €24,800 and income of lower earning spouse</i>	

### 3.2 Income Tax Exemption Limits

Single / Widowed (aged 65 +)	€18,000
Married (either spouse over 65)	€36,000

### 3.3 Income Tax Rates

Standard Rate	20%
Higher Rate	40%

### 3.4 Income Tax Credits

<u>Personal Credits</u>	
Single	€1,650
Married	€3,300
<u>Additional Credit for</u>	
One Parent Family	€1,650
PAYE	€1,650
Age Allowance	€245

### 3.5 Mortgage Interest Relief

Home Loans		
	<b>Single</b> Years 1 – 7	<b>Married</b> Years 1 – 7
First Time Buyers	€10,000	€20,000
Others	€3,000	€6,000

#### Rate at which relief will be granted

	First Time Buyers	Others
Years 1 & 2	25%	15%
Years 3 – 5	22.5%	15%
Years 6 & 7	20%	15%

A special rate of 30% applies to first time buyers for mortgages taken out between 01/01/2004 and 31/12/2008 for tax years 2012 to 2017.

- Mortgage Interest Relief will be abolished entirely by the end of 2017.
- Qualifying loans taken out before 31 December 2012 will continue to get relief until 31 December 2017.

- Loans taken out from 1 January 2013 will not qualify for mortgage interest relief.

### Rented Residential Property

Only 75% of any interest on a loan for the purchase, repair or improvement of a rented residential property can now be offset against Case V rental income.

### 3.6 Benefit in Kind (BIK)

Preferential Loans – Specified Rates	
Qualifying Home Loan	4%
Other	13.5%
Small Benefit Exemption Threshold	€250

### 3.7 Permanent Health Insurance (Income Protection)

Tax relief on contributions to a maximum of 10% of total income. PRSI relief is no longer available. (This is completely separate from the limits that apply for pension contributions.)

### 3.8 Capital Gains Tax

Tax Rate	33%
Annual Exemption	€1,270

<u>Retirement Relief Limits</u>	<u>Relief available up to</u>
Disposer under 66	
Disposal to a child	No limit
Disposal to other than a child	€750,000
Disposer over 66*	
Disposal to a child	€3,000,000
Disposal to other than a child	€500,000

\* wef 01/01/2014

### 3.9 CGT Indexation Relief

Tax Year Asset Acquired	Multiplier for disposal
1985 / 86	1.713
1986 / 87	1.637
1987 / 88	1.583
1988 / 89	1.553
1989 / 90	1.503
1990 / 91	1.442
1991 / 92	1.406
1992 / 93	1.356
1993 / 94	1.331
1994 / 95	1.309
1995 / 96	1.277
1996 / 97	1.251
1997 / 98	1.232
1998 / 99	1.212
1999 / 00	1.193
2000 / 01	1.144
2001	1.087
2002	1.049
2003 to date	1.000

### 3.10 Tax Payment Dates

Income Tax	
31 October 2015	<ul style="list-style-type: none"> <li>Return filing date and payment of balance of Income Tax for 2014</li> <li>Preliminary Income Tax due for 2015</li> </ul>
12 November 2015	<ul style="list-style-type: none"> <li>Extension to return filing date and payment for users of the ROS (Revenue Online Service)</li> </ul>

Capital Gains Tax (CGT)	
Mid December 2015	<ul style="list-style-type: none"> <li>Payment of CGT on disposals from 1 January 2015 to 30 November 2015.</li> </ul>
31 January 2016	<ul style="list-style-type: none"> <li>Payment of CGT on disposals made from 1 December 2015 to 31 December 2015.</li> </ul>

Capital Acquisitions Tax (CAT)	
31 October 2015	<ul style="list-style-type: none"> <li>Payment of CAT on gift / inheritance from 1 September 2014 to 31 August 2015.</li> </ul>
12 November 2015	<ul style="list-style-type: none"> <li>Extension where CAT return and payment made through ROS (Revenue Online Service)</li> </ul>
31 October 2016	<ul style="list-style-type: none"> <li>Payment of CAT on gift / inheritance from 1 September 2015 to 31 August 2016.</li> </ul>

### 4. CAPITAL ACQUISITIONS TAX

Thresholds	
<b>Group A</b>	€225,000 (Child)
<b>Group B</b>	€30,150 (Lineal ancestor/descendant, brother, sister or child of brother or sister)
<b>Group C</b>	€15,075 (Others)
The thresholds apply to all gifts and inheritances received since 5 December 1991.	
<b>Tax Rate</b> on all gifts/inheritances above threshold	33%
<b>Annual Gift Exemption</b>	€3,000
The annual small gift exemption can be availed of regardless of the relationship between the donor and the beneficiary. The exemption is limited to one gift per beneficiary from each donor in a calendar year. It does not impact on the CAT Thresholds noted above.	

### 5. CORPORATION TAX

Tax rates	
Trading Income*	12.5%
Non-trading Income	25%
* unless income is from an excepted trade (e.g. certain land dealing activities)	

### 6. STAMP DUTY

#### 6.1 Residential Property

Consideration	Rate
First €1,000,000	1%
Balance	2%

#### 6.2 Commercial Property

A single rate of stamp duty for commercial properties of 2% applies in respect of instruments executed after 6 December 2011.

Consanguinity Relief, which reduces the stamp duty liability by 50%, no longer applies to commercial properties from 1 January 2015.

### 7. SAVINGS & INVESTMENT TAX

Life Assurance Policies	41%
Company Owned Life Assurance Policies	25%
Personal Portfolio / Wrapper Products	60%
Deposit Interest Retention Tax*	41%

\* Regardless of frequency of interest credited (PRSI on unearned income will not apply to amounts paid out on life assurance policies.)

#### Contact Details

##### Life Advisory Services:

Caitriona Gaffney: 01 856 3160  
(Manager) Caitriona.Gaffney@irishlife.ie

Edel Hughes: 01 856 3150  
(Specialist) Edel.Hughes@irishlife.ie

##### Pension Advisory Services:

Patrick O'Shea 01 856 3166  
(Manager) Patrick.O'Shea@irishlife.ie

Marie Ann Reidy: 01 856 3171  
(Specialist) MarieAnn.Reidy@irishlife.ie

The information contained in this document is based on Irish Life's (ILA) understanding of legislation as at March 2015 which may change in the future. While great care has been taken to ensure the accuracy of the information it contains, ILA cannot accept responsibility for its interpretation, nor does it provide legal or tax advice.