

FINANCIAL FACTSHEET 2023



INCOME TAX, PRSI & USC

STANDARD RATE BANDS

Single / Widowed	
No dependant children	€40,000
With dependant children	€44,000
Married – one income	€49,000
Married – two incomes	€49,000 + increase
Increase is the lower of €31,000 and income of lower earning spouse	

EXEMPTION LIMITS

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

INCOME TAX RATES

Standard Rate	20%
Higher Rate	40%

INCOME TAX CREDITS

Personal Credits	
Single	€1,775
Married	€3,550
Single Person Child Carer Credit	€1,650
Employee Tax Credit	€1,775
Earned Income (Self Employed)	Max €1,775
Age Allowance	€245

BENEFIT IN KIND (BIK)

	Specified Rates
Preferential Loans	
Qualifying Home Loan	4%
Other	13.5%
Small Benefit Exemption Threshold (non-cash benefit)	€1,000

PRSI

	A1	S1
Employee		
All Income	4%	4%
(Employee earnings less than €352pw exempt)		
Employer		
Income up to €441 pw (€22,932pa)	8.8%	n/a
Income exceeding €441 pw	11.05%	

PRSI is payable on rental income, dividends and interest on deposits and savings (if the total exceeds €5,000 pa)

UNIVERSAL SOCIAL CHARGE

	Employee	Self Employed
Income up to €12,012	0.5%	0.5%
Between €12,012 and €22,920	2%	2%
Between €22,920 and €70,044	4.5%	4.5%
Between €70,044 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	0.5%	0.5%
Income in excess of €12,012	2%	2%

The USC exemption threshold is €13,000. 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.

CORPORATION TAX

	Rates
Trading Income*	12.5%
Non-trading Income	25%

* unless income is from an excepted trade (e.g. certain land dealing activities)

SAVINGS & INVESTMENT TAX



	Rates
Life Assurance Plans	41%
Company Owned Life Assurance Plans	25%
Personal Portfolio / Wrapper Products	60%
Deposit Interest Retention Tax	33%

PRSI on unearned income will not apply to amounts paid out on life assurance policies.



CAPITAL TAXES

CAPITAL GAINS TAX

Tax Rate	33%
Annual Exemption	€1,270

RETIREMENT RELIEF LIMITS

Relief available up to

Disponer under 66

Disposal to a child
Disposal to other than a child

No limit
€750,000

Disponer over 66

Disposal to a child
Disposal to other than a child

€3,000,000
€500,000

CAPITAL ACQUISITIONS TAX

Thresholds

Group A (Child)

€335,000

Group B

(Lineal ancestor/descendant, brother, sister or child of brother or sister)

€32,500

Group C (Others)

€16,250

The thresholds apply to all gifts and inheritances received since 5 December 1991

Tax Rate

on all gifts/inheritances above threshold

33%

Annual Gift Exemption

€3,000

The annual small gift exemption can be availed of regardless of the relationship between the disponer and the beneficiary.

The exemption is limited to €3,000 per beneficiary from each disponer in a calendar year. It does not impact on the CAT thresholds noted above.



TAX PAYMENT DATES

INCOME TAX

31 October 2023

- Return filing date and payment of balance of Income Tax for 2022
- Preliminary Income Tax due for 2023

Mid-November 2023

- Extension to return filing date and payment for users of the ROS (Revenue Online Service)

CAPITAL GAINS TAX

15 December 2023

- Payment of CGT on disposals from 1 January 2023 to 30 November 2023.

31 January 2024

- Payment of CGT on disposals made from 1 December 2023 to 31 December 2023

CAPITAL ACQUISITIONS TAX

31 October 2023

- Payment of CAT on gift / inheritance from 1 September 2022 to 31 August 2023.

Mid-November 2023

- Extension where CAT return and payment made through ROS (Revenue Online Service)



STAMP DUTY

RESIDENTIAL PROPERTY

Rates

First €1,000,000

1%

Balance

2%

COMMERCIAL PROPERTY

7.5%



MORTGAGE INTEREST RELIEF

Mortgage interest relief ended on 1 January 2021 and is no longer available



SOCIAL WELFARE

PRSI CLASSES

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

STATE PENSION AGE

In 2022 the Department of Social Protection announced a series of reforms including:

- maintaining the State Pension age at 66
- introducing a new flexible pension age model
- from January 2024, people will have the option to continue working up until the age of 70 in return for a higher pension
- move fully to a 'Total Contributions Approach' for calculation of individual pensions entitlements on a phased basis over 10 years starting in January 2024.

Legislation is to follow in due course in order to implement these reforms.

The Benefit Payment for 65-year-olds is available to people aged 65, no longer in employment or self-employment, and who have the necessary PRSI contributions.

SOCIAL INSURANCE BENEFITS

Weekly Benefit

State Pension Contributory	
Personal Rate	€265.30
Personal + Adult dependant (over 66)	€503.10
Widow/Widowers Contributory Pension (under 66)	€225.50
Invalidity Pension	
Personal Rate (under 66)	€225.50
Personal + Adult dependant (under 66)	€386.60
Jobseekers / Illness Benefit	
Personal Rate	€220.00
Personal + Adult dependant	€366.00
Jobseekers Allowance (means tested)	
<u>18 to 24 years of age and not living independently</u>	
Personal Rate	€129.70
Personal + Adult dependant	€259.40
<u>25 years of age and over</u>	
Personal Rate	€220.00
Personal + Adult dependant	€366.00
A person aged 18 to 24 could qualify for a personal rate of €220 in certain circumstances e.g. where they have a dependent child.	
Dependant Child	
Increase Under 12	€42.00
Increase Over 12	€50.00
Child Benefit	
Monthly rate per child	€140

For further details on Social Welfare Benefits and qualifying conditions such as means testing for adults dependents see www.gov.ie

INCOME PROTECTION



PERMANENT HEALTH INSURANCE

Tax relief is available 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.



RETIREMENT PLANNING

INDIVIDUAL TAX RELIEF ON PENSION CONTRIBUTIONS

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 to an individual's contributions to PRSAs, RACs, and employee / AVC contributions to company pension schemes.
- The earnings cap and age attained % of earnings limit does not apply to employer contributions to occupational pension schemes or PRSAs.
- For company pension schemes the total contribution must be within overall Revenue maximum contribution levels.

REVENUE MAXIMUM APPROVABLE COMPANY 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



RETIREMENT PLANNING (CONTINUED)

REVENUE MAXIMUM APPROVABLE COMPANY PENSION 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

Reductions apply where member leaves service or takes benefits before NRA

SAMPLE MAXIMUM COMPANY PENSION 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%	59%
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)

MAXIMUM PENSION BENEFITS

The Standard Fund Threshold is €2,000,000

The maximum retirement lump sum from all pensions 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 7th December 2005 plus lump sums from foreign pensions since 1 January 2023.

IMPUTED DISTRIBUTIONS ON ARFS & VESTED PRSAS

- Minimum 4% withdrawal from age 61, this increases to 5% from age 71 (age 60 & 70 respectively if date of birth is 1 January)
- 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.
- No withdrawals can be taken from Vested PRSAs after 75, the imputed distribution tax will continue to apply.

TAXATION OF ARFS, VESTED PRSAS & VESTED RACS FUNDS ON DEATH OF ORIGINAL PLANHOLDER

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