

THE FINANCIAL PROFESSIONAL FACTSHEET



Educating and Developing
Financial Professionals

Retirement Facts

State Pension

State Pension (Contributory)	€238.30 per week [€12,392 p.a.]
Personal + Adult dependant (66 and over)	€451.80 per week [€23,494 p.a.]
Personal + Adult dependant (under 66)	€397.10 per week [€20,649 p.a.]

Monthly cost of Annual Single Life Pension equivalent to €10,000 in today's terms.

If You Start Funding At Age	Retirement Age 60			Retirement Age 65		
	Pension @ 60	Initial Monthly Premium		Pension @ 65	Initial Monthly Premium	
		Gross	Net of 40%		Gross	Net of 40%
30	€20,976	€723	€434	€23,732	€519	€312
35	€18,539	€887	€532	€20,976	€619	€371
40	€16,386	€1,132	€679	€18,539	€759	€455
45	€14,483	€1,540	€924	€16,386	€969	€581
50	€12,801	€2,357	€1,414	€14,483	€1,318	€791
55	€11,314	€4,806	€2,884	€12,801	€2,017	€1,210

Assuming salary inflation at 2.5% pa and contributions increase at 2.5% pa

Figures assume premiums invested in a PRSA with an annual fund management charge of 1% pa and a premium contribution charge of 5%. Investment fund growth is assumed to be 5% pa pre retirement, which is not guaranteed as funds may fall as well as rise. Pension based on annuity rates available for an individual single life pension, guaranteed 5 years, increasing at 1.5% pa in retirement, assuming 2% pa interest rate.

Compulsory Purchase Gender Neutral* Annuity Rates (guide March 2017)

	Single		Joint Life	
	Level	↑@ 1.5% pa	Level	↑@ 1.5% pa
Age 60	3.51%	2.76%	3.15%	2.43%
Age 65	4.10%	3.34%	3.63%	2.90%

Standard annuities and guaranteed 5 years assumed in all cases.
Joint life rates assume annuity reduces to 2/3rd and joint life is same age.
Source: Irish Life.
*not applicable to Defined Benefit pension scheme funds
€100,000 lump sum, 2% commission

Funding Occupational Pensions

Maximum Ordinary Annual % x remuneration, for maximum
approvable retirement benefits

Current Age	NRA 60		NRA 65	
	Female	Male	Female	Male
30	67%	72%	49%	54%
35	80%	86%	58%	63%
40	100%	108%	69%	76%
45	133%	144%	86%	95%
50	200%	216%	115%	126%
55	400%	432%	173%	189%

Based on Revenue Practice guidelines (July 2008) for calculating the maximum ordinary annual contribution (employer + employee) payable in respect of a scheme member under all occupational pension schemes related to the same employment.

Assuming member has no retained benefits or other retirement benefits related to the same employment, and will have completed at least 10 years service by NRA.

ARF Requirements*

Guaranteed income: (in payment for life)	€12,700
Or Invest in AMRF or Annuity	€63,500

*assuming eligibility conditions satisfied

ARF Funds - Tax Treatment on Death*

Funds to	Income Tax	Inheritance Tax
Spouse's / Civil Partner's ARF	No. Subsequent withdrawals subject to PAYE	No. (Spouse / Civil Partner exemption)
Child under 21	No	Yes. Taxable Inheritance.
Child over 21	Yes. Subject to 30% income tax.	No. Exempt
Other (Incl. to spouse/civil partner directly)	Yes. Treated as income of deceased in year of death. By default QFM deducts higher rate income tax at source under PAYE.	Yes. Taxable Inheritance (spouse/civil partner exempt)

*The above applies to gross ARF funds i.e. set up after April 2000.

Pension Fund Taxation

- Imputed distribution on ARFs is 4%, if attained age 61 or over in the tax year, increasing to 5%, if attained age 71 or over in the tax year; it is calculated on the value of the fund as at 30th November.
 - The imputed distribution rises to 6% (if attained age 61 or over in the tax year) in respect of ARFs with asset values in excess of €2 million as at 30th November (or, where an individual owns more than one ARF, where the aggregate value of the assets in those ARFs exceeds €2 million).
 - Imputed Distribution on a similar basis applies to the non ring-fenced amount in all vested PRSAs and from age 75 also for all non vested PRSAs.
- AMRF holders can opt to take one withdrawal in a year up to a maximum of 4% of the value of the AMRF at the time of withdrawal (regardless of the level of accumulated gains or losses); any withdrawal is subject to PAYE and USC.
- The rate of tax on a chargeable excess is 40%, the higher rate of income tax. This is reduced by a tax credit for any standard rate income tax deducted from pension lump sums taken since 1st January 2011.

Revenue Uplifted Scales for Occupational Pension Schemes

Years of service completed by NRA	"Uplifted Pension"	Years of service completed by NRA	"Uplifted Lump sum"
1	1/10 th x 2/3rds	1-8	3/80ths for each year of service
2	2/10 th x 2/3rds	9	30/80ths
3	3/10 th x 2/3rds	10	36/80ths
4	4/10 th x 2/3rds	11	42/80ths
5	5/10 th x 2/3rds	12	48/80ths
6	6/10 th x 2/3rds	13	54/80ths
7	7/10 th x 2/3rds	14	63/80ths
8	8/10 th x 2/3rds	15	72/80ths
9	9/10 th x 2/3rds	16	81/80ths
10	2/3rds	17	90/80ths
		18	99/80ths
		19	108/80ths
* As a fraction of final remuneration		20	120/80ths

Tax relief on Personal Contributions

Age attained in tax year	Personal Pensions/PRSA's (Employee & AVC)
Under 30	15% of NRE (Earnings)
30 - 39	20% of NRE (Earnings)
40 - 49	25% of NRE (Earnings)
50 - 54	30% of NRE (Earnings)*
55 - 59	35% of NRE (Earnings)
60 and over	40% of NRE (Earnings)

Maximum net relevant earnings on which relief allowed in 2017 is **€115,000**. This limit will also apply to contributions paid in 2017 which are to be backdated to the 2016 tax year.

Employee contributions to pension arrangements are subject to employee PRSI and the Universal Social Charge.

**30% limit applies to certain professional sportspeople, under age 50, in relation to their sports income.*

Lump Sum	Income Tax
First €200,000	Exempt
Next €300,000	Standard rate income tax
Balance	Marginal rate income tax + USC

Tax-free retirement lump sums taken on or after 7th December 2005 will count towards "using up" the tax free amount so that if an individual has already taken tax free retirement lump sums of €200,000 or more since 7th December 2005, any further retirement lump sums paid to the individual will be liable to income tax at either standard rate, or at marginal rate where the aggregate retirement lump sums exceed €500,000.

Fund Thresholds

- Standard Fund Threshold is €2m from 1/1/2014.
- For Defined Benefit entitlements an age related factor will be used to calculate an individual's Personal Fund Threshold for all benefits accruing after 1/1/2014 (a valuation multiple of 20 is used for all benefits accrued before 1/1/2014.)

INVESTMENTS

Interest Rates

Bank Deposits (sample "best" March 2017)*	
Demand Deposit	0.60% AER (gross)
Notice Account (30 Day)	0.65% AER (gross)
Term (14 month fixed)	0.8% AER (gross)

State Savings Schemes	
Savings Bonds (3 years)	0.33% AER (tax free)
National Solidarity Bond (4 years)	0.50% AER (tax free)
Saving Certificates (5 years)	0.98% AER (tax free)

*conditions apply.

Source: Competition and Consumer Protection Commission

Compound Interest Effect

After	Future Value of €1,000	
	↑ at 2% pa	at 5% pa
1 yr	€1,020	€1,050
2 yrs	€1,040	€1,103
3 yrs	€1,061	€1,158
4 yrs	€1,082	€1,216
5 yrs	€1,104	€1,276
10 yrs	€1,219	€1,629
15 yrs	€1,346	€2,079
20 yrs	€1,486	€2,653

Inflation Effect

After	Real Value of €1,000 today	
	Inflation @ 2% pa	Inflation @ 5% pa
1 yr	€980	€952
2 yrs	€961	€907
3 yrs	€942	€864
4 yrs	€924	€823
5 yrs	€906	€784
10 yrs	€820	€614
15 yrs	€743	€481
20 yrs	€673	€377

Life Expectancies*

Can be used to highlight potential long term income needs for an individual (single life) or in the case of a couple the **joint life last survivor** table shows the expected average period until the death of two people (male and female) both the same age now.

Single Life		
Current Age	Males Years	Females Years
50	38.7	40.7
55	33.7	35.5
60	28.6	30.4
65	23.8	25.3
70	19.0	20.4
75	14.7	15.8
80	10.6	11.6

Joint Life Last Survivor

Current Ages (Male/Female)	Years
50	46.4
55	40.9
60	35.4
65	30.0
70	24.6
75	19.6
80	14.8

*Source: Irish Life Assurance plc. Based on annuitant mortality experience

TAX FACTS

Income Tax		2017
Standard Rate		20%
Higher Rate		40%
Standard Rate Band		
Single/Widowed <i>No dependant children</i>		€33,800
<i>With dependant children</i>		€37,800
Married/Civil Partners - one income		€42,800
Married/Civil Partners - two incomes		€42,800
<i>*Increase is lower of €24,800 and income of lower earning spouse.</i>		+ €24,800*
Tax Credits		
Single Person		€1,650
Married/Civil Partners		€3,300
Widowed/Surviving Civil Partners <i>(no dependant children)</i>		€2,190
Additional Credit for One Parent Family, Widowed & Other		€1,650
PAYE Credit		€1,650
Earned Income (excluding PAYE income) Credit		€950 max
Blind Tax Credit		€1,650
Dependant Relative		€70
Age Tax Credit -65 & over		€245
Home Carer's Tax Credit		€1,100
Limit for Medical Expenses per adult		€1,000
Exemption Limits		
	Single/Widowed/Surviving Civil Partner	Married/Civil Partner*
Aged 65 or over, with no child dependants	€18,000	€36,000
*At least one aged 65 or over		

Universal Social Charge	
Income 2017	
First €12,012	0.5%
Next €6,760	2.5%
Next €51,272	5%*
Balance	8%
<i>Individuals who have income from self-employment that exceeds €100,000 in a tax year are subject to a 3% surcharge. A USC rate of 11% therefore applies to any income in excess of €100,000. USC does not apply where total income does not exceed €13,000 or income that is already subject to DIRT. USC is not payable on state pensions. *rate reduced to 2.5% if over 70 and income is below €60,000, or if full medical card holder at any age.</i>	

Important Tax Dates for 2017	
Income Tax	
31/10/2017	
- Return Filing date and Payment of Balance of Income Tax for 2016.	
- Preliminary Income Tax due for 2017.	
Mid November 2017	
- Deadline for Online Returns.	
Capital Gains Tax	
15/12/2017	
- Payment of CGT on disposals made in the period 1st January 2017 to 30th November 2017.	
31/1/2018	
- Payment of CGT on disposals made in December 2017.	

Capital Gains Tax 2017	
Rate 33%*	
Annual Exemption for Individuals €1,270	
Retirement Relief €750,000 (<i>limit</i>)	
Tax Year expenditure incurred	Indexation Factor where asset is disposed of in 2003 or later tax years
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
Indexation only applies for periods of ownership up to 31/12/2002.	
*Reduced to 20% for post 1/1/2016 (reduced further to 10% for post 1/1/2017) gains on disposal of business assets up to €1m.	

Corporation Tax Rates 2017	
Trading Income	12.5%
Knowledge Development Box Profits	6.25%
Non-Trading Income	25%

Capital Acquisitions Tax	
Threshold 2017	Relationship
€310,000**	Child, or, minor child of a deceased child.
€32,500	Brother, sister, child of a brother or sister, lineal ancestor or descendant.
€16,250	Other
Tax Rate	33%
**Applies on or after 12th October 2016	
Annual Gift Exemption €3,000	

Tax on Investment Products 2017	
DIRT Rate: 39%	
The following are among those who can claim exemption from/ reclaim DIRT:	
- First time buyers who purchase their first home between 14/10/2014 and 31/12/2017 can claim a refund of DIRT incurred in the previous 48 months on savings up to 20% of the purchase price.	
- Those individuals who are over age 65 and below the income exemption limits.	
Exit Tax	
Collective Investments	41%
Corporate Investors	25%
Personal Portfolio/Wrappers	60%

PROPERTY & MORTGAGE FACTS

Estimated Monthly repayment per €1,000 borrowed

Interest Rate assumed	Mortgage Term				
	10 yrs	15 yrs	20 yrs	25 yrs	30 years
4%	€10.11	€7.38	€6.04	€5.26	€4.76
5%	€10.58	€7.88	€6.57	€5.82	€5.34
6%	€11.06	€8.40	€7.12	€6.40	€5.95

Mortgage Interest Relief

Maximum allowance

	1st time buyer of principal private residence between 1/1/2004 and 31/12/2008	1st time buyer With qualifying home loan from 1/1/2009 onwards	Other Qualifying mortgage
Single	€3,000	€10,000*	€3,000
Married/ Widowed/ Civil Partners	€6,000	€20,000*	€6,000

Rate at which relief is granted

	30%	25%	15%
Yr 1 & 2	30%	25%	15%
Yr 3 – 5	30%	22.5%	15%
Yr 6 & 7	30%	20%	15%
Yr 8+	30%	15%	15%

*Falls to €3,000/€6,000 after year seven.

For all mortgages started between 1 January 2004 and 31 December 2012, entitlement to relief expires at the end of 2017.

For mortgages started before 01/01/2004, entitlement to relief expired in 2009.

No relief is allowed for mortgages taken out after 31 December 2012.

A Help to Buy (HTB) incentive is available for first-time buyers in respect of principal private residences. It applies only to new houses and self builds. The relief takes the form of a rebate of an amount equal to income tax (including DIRT, but not USC or PRSI) paid over the previous four tax years. The maximum rebate available is 5% of the purchase price of a new home valued at up to €400,000. Where a new home is valued between €400,000 and €500,000, the maximum rebate (i.e. €20,000) continues to be available. No rebate is available for new purchases costing over €500,000. The relief is linked to a mortgage being taken out for a minimum of 70% of the purchase price. Relief is provided at deposit stage (signing of contract).

For Buy to Let residential properties, 80% of mortgage interest can be offset against rental income for income tax purposes.

	2017
Mortgage interest offset	80%

BIK – Preferential Loans – Specified rates 2017

Qualifying Home Loan	4%
Other	13.5%

Stamp Duty Rates	First €1m	Balance
Residential	1%	2%
Commercial	2%	2%

Capital Gains Tax

For properties bought after 6/12/2011 and up to 31/12/2014, where the property is held for more than seven years, the gains accrued in that seven year period will not attract CGT.

Local Property Tax

The standard yearly rate is 0.18% of the market value up to €1m and 0.25% on excess above €1m. Local authorities can increase or decrease these rates by a maximum of 15%.

PROTECTION FACTS

Entitlement to Social Insurance Benefits

Benefit Entitlement	Class A Employees	Class S Self Employed & Company Directors
Jobseekers Benefit	Yes	No
Illness Benefit	Yes	No
Invalidity Pension	Yes	Yes (from December 2017)
State Pension (Contributory)	Yes	Yes
Widow(er)'s/Civil partner's Contributory Pension	Yes	Yes

PRSI Rates and Benefits for 2017

	A1	S1
Employee	*4.0% on all income	4.0% on all income
Employer	10.75%** (incl. 0.7% Training levy)	Nil

* Employees earning less than €352 pw are exempt from PRSI. Tapered PRSI relief if weekly earnings are between €352 and €424, with no PRSI relief if weekly earnings are over €424.

** Employer PRSI is 8.50% if weekly earnings are €376 or less.

PRSI is payable on rental income, dividends and interest on deposits and savings (if the total of such income exceeds €5,000 pa) (self employed already liable with no threshold).

Weekly Benefits

	From March 2017
State Pension (Contributory)	
Personal Rate	€238.30
Personal + Adult dependant 66 and over	€451.80
Personal + Adult dependant under 66	€397.10
Widow's/Widower's/Surviving Civil Partner's Contributory Pension (under 66)	€198.50
Invalidity Pension	
Personal Rate	€198.50
Person + Adult dependant under 66	€340.20
Illness/Jobseekers Benefit	
Personal Rate (over age 25)	€193.00
Person + Adult dependant	€321.10
Increases for each Dependant Child	
Old Age Retirement, Invalidity Pension	€29.80
Disability & Unemployment Benefit	€29.80
Widow's/Widower's/Surviving Civil Partner's Pension	€29.80
Child Benefit	€140 per month per child [€1,680 pa per child]