

# Tax E-News

Welcome to our latest monthly tax newswire. We hope you enjoy reading this newsletter and find it useful. Contact us if you wish to discuss any issues further.

October 2019



## Tax Relief for Pension Contributions

Contributions to an exempt approved scheme are allowable as an expense in assessing an employee's liability to tax under Schedule E. This is only an income tax relief and does not apply to the Universal Social Charge (USC) and Pay Related Social Insurance (PRSI). The following are the applicable pension plans:

- Occupational pension plans
- Personal Retirement Savings Accounts (PRSAs)
- Retirement Annuity Contracts (RACs)
- Certain overseas plans

Tax relief for employee pension contributions is subject to two main limits under Section 790A TCA 1997:

### 1. Age-related earnings percentage limit

You can get tax relief on your pension contributions up to the relevant age-related percentage limit of your earnings in any year. This relief is only from the employment in respect of which the contributions are made.

The age-related earnings percentage limits are:

| Age        | Percentage Limit % |
|------------|--------------------|
| Under 30   | 15%                |
| 30 - 39    | 20%                |
| 40 - 49    | 25%                |
| 50 - 54    | 30%                |
| 55 - 59    | 35%                |
| 60 or over | 40%                |

### 2. Total earnings limit

The maximum amount of earnings taken into account for calculating tax relief is €115,000 per year.

#### Contributions to more than one pension product

Where an individual has two sources of income e.g. earnings from employment and profits from self-employment and is making pension contributions to an occupational pension scheme

and to a personal pension plan, a single aggregate earnings limit of €115,000 applies in determining the amount of tax relieviable contributions.



## KEY FILING DATES - OCTOBER 2019

| TAX HEAD                                     | RETURN  | PERIOD   | PAYMENT & FILING DATE                  |
|--|---|--|--|
| Dividend Withholding Tax                     | DWT   | September 2019   | 14 <sup>th</sup> October 2019          |
| Professional Services Withholding Tax (PSWT) | F30   | September 2019   | 14 <sup>th</sup> October 2019          |
| PAYE/PRSI/USC/LPT                            | Monthly Deductions                            | September 2019   | 23 <sup>rd</sup> October 2019          |
| Corporation Tax                              | Preliminary tax                               | Accounting periods ending 30 <sup>th</sup> November 2019 | 23 <sup>rd</sup> October 2019          |
| Corporation Tax                              | Corporation Tax Return (Form CT1)             | Accounting periods ending 31 <sup>st</sup> January 2019  | 23 <sup>rd</sup> October 2019          |
| Relevant Contracts Tax (RCT)                 | RCT Monthly Return                            | September 2019   | 23 <sup>rd</sup> October 2019          |
| Corporation Tax                              | Returns of Third-Party Information (Form 46G) | Accounting periods ending 31 <sup>st</sup> January 2019  | 31 <sup>st</sup> October 2019          |
| Corporation Tax                              | Close companies with undistributed profits    | Accounting periods ending 30 <sup>th</sup> April 2018    | 31 <sup>st</sup> October 2019          |
| Income Tax                                   | Income Tax Return                             | 2018   | 31 <sup>st</sup> October 2019 See note |
| Income Tax                                   | Preliminary Tax                               | 2019   | 31 <sup>st</sup> October 2019 See note |

**Note:** On 9<sup>th</sup> May 2019, Revenue announced an extension to the ROS Return filing and tax payment date for certain customers. The new deadline of 12<sup>th</sup> November 2019 applies to Customers who file the 2018 Form 11 Return and make the appropriate payment through ROS for Preliminary Tax for 2019 and Income Tax balance for 2018.

**Please contact a member of our team if you would like to discuss any of the issues raised.**

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