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89% of PAYE employees overpay tax

The average refund in 2016 was €1,100

Tax

*Source: Midas PAYE customer statistics, 2016. Midas is a tax based service and not a regulated financial product. Cornmarket Retail Trading Ltd. is a wholly-owned subsidiary of Cornmarket Group Financial Services Ltd. Telephone calls may be recorded for quality control and training purposes.

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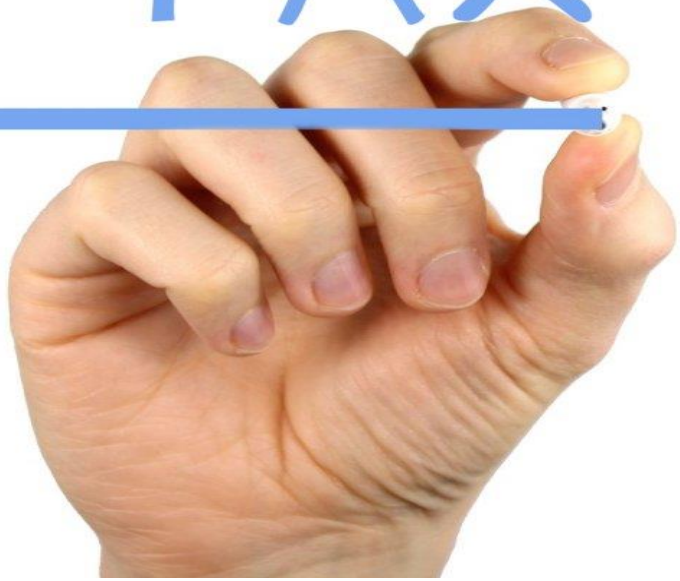
INCOME TAX



What should I pay?

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The aim of today

To cover the basics - how to check what you should be paying, if you are tax compliant and find out if you are due a refund.

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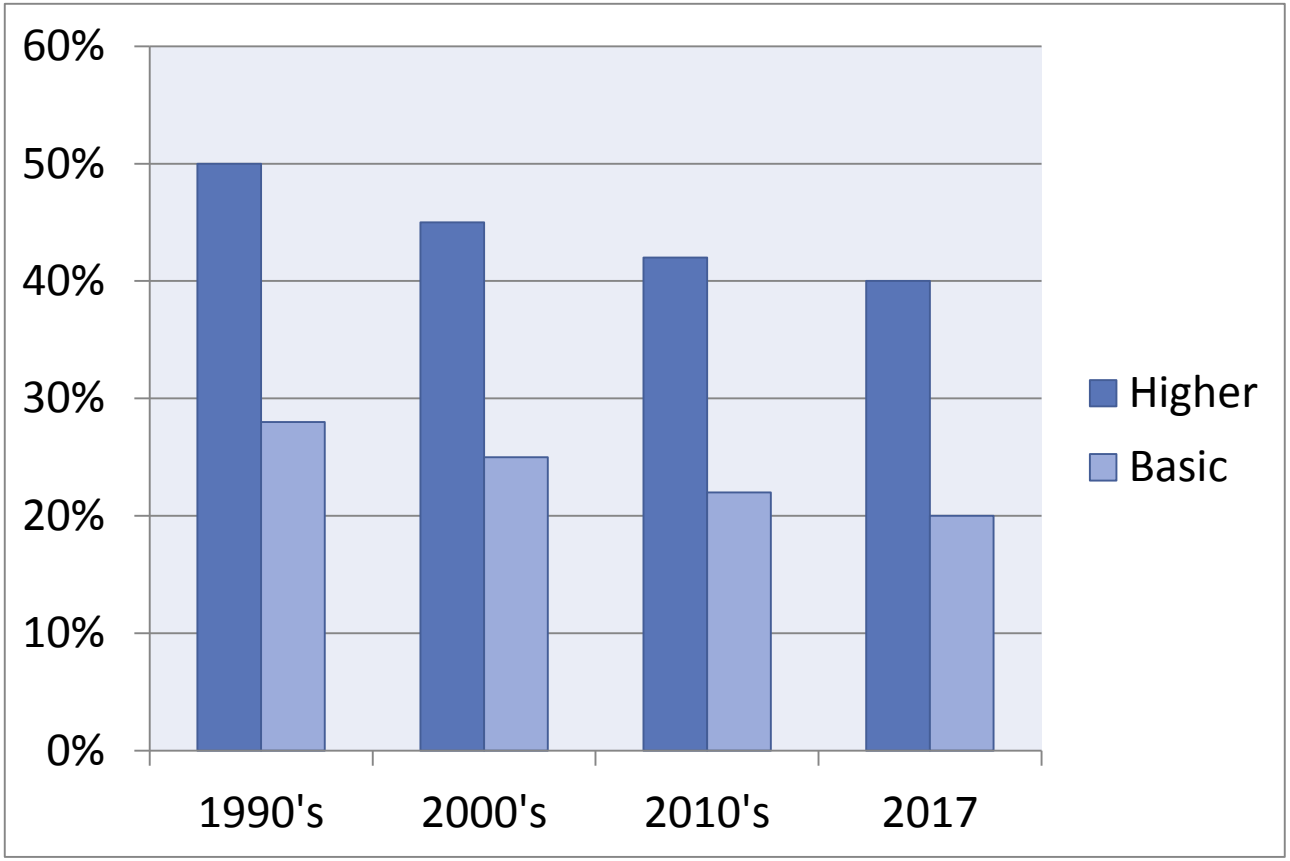
Irish Average Historic Income Tax Rates



Current rates are 40% + 20% depending on income.

Source: Revenue

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Who Pays Tax in Ireland?

Gross Income	No. of Tax payers	Gross Income	Tax/USC collected
€30 - €35k	184,329	€5,933m	€527m
€35 - €40k	151,485	€5,653m	€621m
€40 - €50k	251,631	€11,236	€1,587m
€50 - €60k	180,317	€9,859	€1,717m
€60 - €70k	112,431	€7,266	€1,405m

Over a quarter of all tax income (€5,857m) is collected from people earning €30k - €70k

Source: Revenue, 2015.

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The PAYE System

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Your Tax Credit Certificate

It instructs your employer on what Tax to deduct.

TAX CREDIT AND UNIVERSAL SOCIAL CHARGE CERTIFICATE

Tax Credits | Self € | Spouse €

Tax Rate Bands €

USC Rate Bands €

If it's wrong……

YOU PAY too much or too little!

Text "CERT" and your PPSN to 51829 to get a copy.

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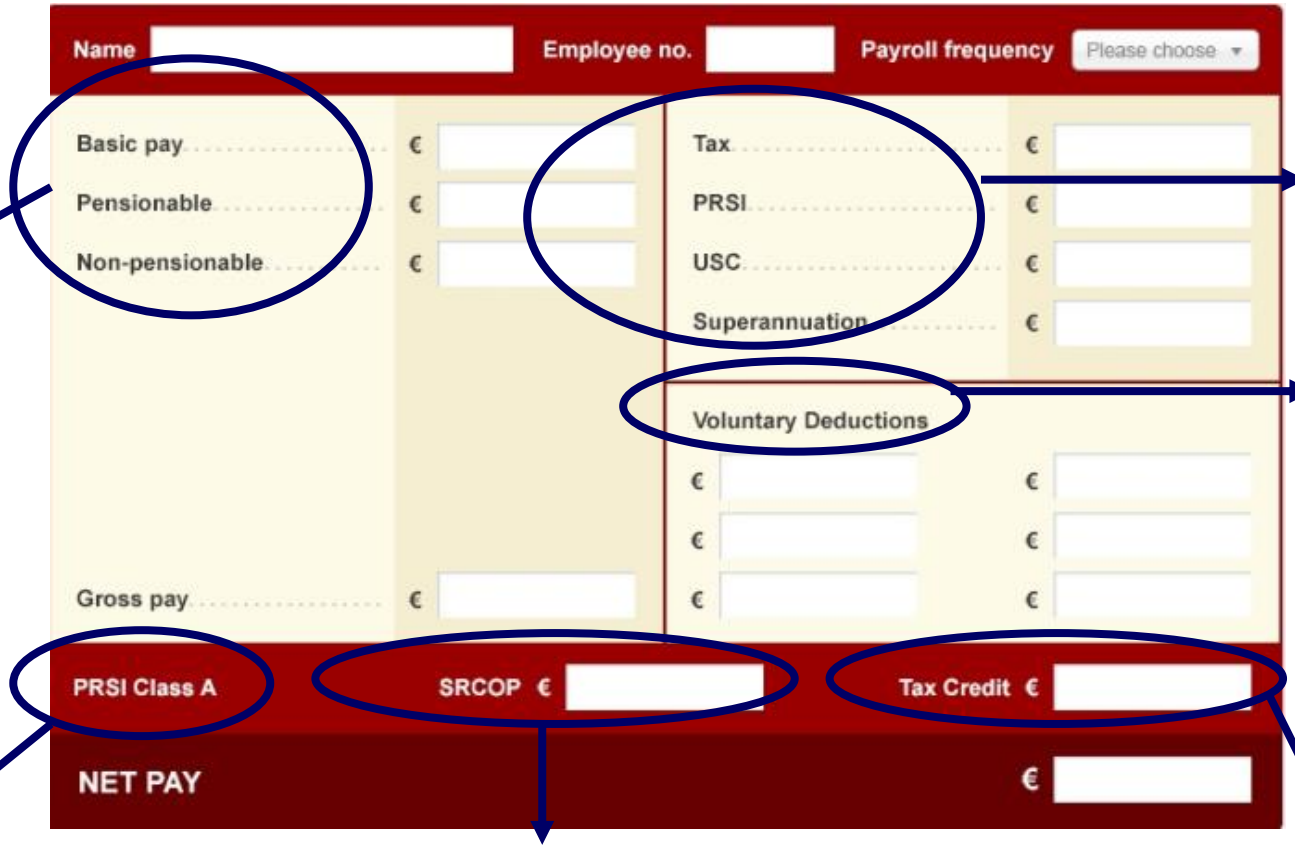
Your Payslip



1.Check your Point on the Salary Scale

5. Check your deductions

6. Not taxable

2. Check your PRSI class (A1 / D)

3. Standard Rate Cut-Off Point should be at least €1,300

4. PAYE should be at least 128

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Standard Rate Bands 2017

Personal Circumstances	
Single	€33,800 @ 20% Balance @ 40%
Lone Parent	€37,800 @ 20% Balance @ 40%
Married with one income	€42,800 @ 20% Balance @ 40%
Married/Civil Partnership with two incomes*	€67,600 @ 20% Balance @ 40%

*transferrable between spouses, maximum of €42,800 with one spouse.

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Methods of Assessment

3
methods

Single Assessment – taxed as a single person throughout the year and at end of year review.

Separate Assessment – taxed as a single person throughout the year. Unused credits and rate bands may be transferred between spouses after year end.

Joint Assessment – taxed jointly throughout the year. Allows flexibility in allocating tax credits and rate bands.

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How many people here do a Tax return?

The average Tax Refund was €1,100 last year!

To date **we have claimed back over €40 million** in overpaid tax on behalf of Public Sector employees like you.

Source: Midas PAYE customer statistics 2016.

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Why PAYE/Public Sector Employees Overpay Tax

Factors

- ✓ Married
- ✓ Change Job
- ✓ Agency Work
- ✓ Income changes
- ✓ Birth of child
- ✓ Human error when calculating and deducting tax.

Repercussions

- X Not sharing credits and cut-off points in a tax efficient manner
- X Not claiming the appropriate tax credits, reliefs, rate bands, etc
- X Not availing of all allowances & entitlements
- X Tax Credit Certificate details incorrect
- X Incorrect allocations accumulate year on year.

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Tax reliefs/allowances available

Are you availing of all the reliefs available to you?

Tuition Fees €€

Employment expenses €€

Medical Expenses €€

Salary Protection €€

Pension €€

Tax Bands incorrect €€

Mortgage Interest Relief €€

Rent Credit €€

You can claim back tax for a period of up to 4 years!

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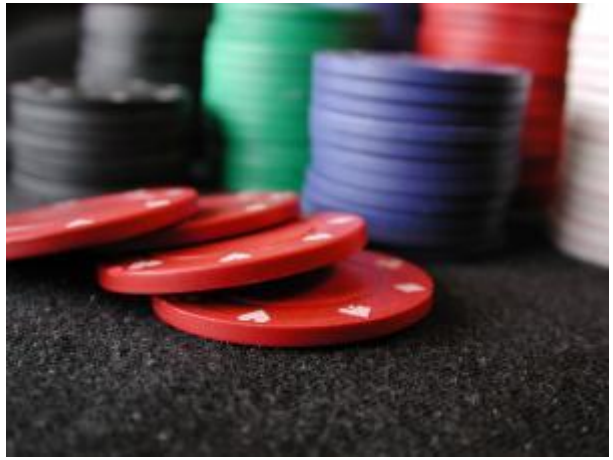
Tax credits

The more credits you accumulate, the less tax you pay.

….they are worth money

and shouldn't be ignored!



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Personal Tax Credits 2017

Personal Circumstances	
Single Person Credit	€1,650
Married Person Credit	€3,300
PAYE Credit	€1,650
Single Parent	€1,650

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Other Tax Credits

- ✓ Home Carer - €1,100*
- ✓ Incapacitated Child - €3,300
- ✓ Dependant Relative - €70**
- ✓ Age Credit - Single €245 / Married €490

**Cannot have an annual income in excess of €7,200.*
***Cannot be claimed in conjunction with Home Carer's Credit.*

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Maximise your Allowances
&
Reliefs

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Claim relief on your Medical Expenses

1. **Make your medical insurance claim (www.hia.ie)**
   Tax relief at source, unless paid by employer.

2. **Avail of the Drug Payments Scheme - max €144 pm (www.hse.ie)**

3. **Apply for your tax relief through Form Med 1.**

Flat Rate Expenses

Agreed between Revenue and your Union for expenses incurred directly related to the nature of your employment.

- ✓ **Teachers/Lecturers on full hours: €518**
- ✓ **Principals, Professors, Heads of Schools/Departments: €608**
- ✓ **Teaching Council: €90**

Relief at your marginal tax rate (20% or 40%)

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Qualifying Health Expenses

- Doctor, GP, consultant or hospital fees
- Items or treatments prescribed by a Doctor
- Approved nursing home fees (40%)
- Non-routine Dental Treatments
- Prescribed medicines
- Certain dietary products, e.g. Coeliac/Diabetic.

*****keep the receipts for 6 years*****

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Tuition Fees

- Relief for Fees for approved 3rd Level Colleges
- Primary 2 year+ / Masters 1 Year +
- Ireland and EU based courses
- Limits: €7,000 total fees per person p.a.
- Exemption (per household):
  - First €3,000 for full time course not claimable
  - First €1,500 for part time course not claimable.

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Other Income

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Other Income

- Landlord
- Self Employment
- Deposit Interest where DIRT paid
- Foreign Income
- Irish Dividends where 20% tax deducted.

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Earning more than €5,000
outside of PAYE Income

If you earn more than €5,000 of income from any source outside the PAYE system you are obligated to file a return annually.

If you don’t file a return, penalties and late fees apply.

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Rental Income

Income - Expenses = Taxable Profits

Example of allowable expenses

- Mortgage interest (75%, 80% 1/1/17)
- Insurance
- Mortgage protection
- Management Fees
- Letting Fees
- Repairs & Maintenance
- Advertising
- Accountancy fees
- Painting & Decorating
- PRTB
- Utility bills
- Wear & Tear on Fixtures & Fittings.

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Rental Income 2016

	Taxpayer's View	Revenue's View
Monthly Rental Income	€1,000	€1,000
Mortgage repayment / interest	(€1,200)	(€720)*
Profit / (Loss)	**(€200)**	**€280**

* Assuming 80% of repayment is interest, restricted to 75% allowable.

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Remind me why we should file regular tax returns?

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Age Considerations

20

- Multiple Jobs, e.g. Subbing
- Rent Relief
- Medical expenses

30

- Mortgage Relief
- Pension Contributions
  - Sharing Credits
- Medical expenses

40

- AVC's
- Tuition Fees
- Medical expenses

50

- Parent Nursing Home Fees
- Last Minute AVC's
  - CAT/CGT

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50

Tuition Fees

Parent Nursing Home Fees

Medical expenses

55

Last Minute AVC's

CAT/CGT

Medical expenses

60

Inheritance Planning

1st Spouse Retirement

Medical expenses

65

2nd Spouse Retirement

DIRT Refund

Age Credit

Medical expenses

66

State Pension

PRSI Exemption

Medical expenses

70

Cap on USC

ARF Distributions

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Organising Your Affairs

- ✓ Request & review your Tax Credit Certificates.
- ✓ Ensure correct allocation of Standard Rate Band between spouses.
- ✓ Notify amendments to Inspector.
- ✓ File Tax Returns annually.
- ✓ Review previous Tax years.
- ✓ Make sure you claim for Spouses & Childrens'/training & temporary/marriage gratuity interest and other Superannuation deductions.

*****Seek professional advice*****

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MidasTax Service

Expert Team led by Qualified Chartered Tax Advisor with 20 years industry experience.

- ✓ Remove the stress & the unknown of filing your own return
- ✓ Full support service – Home, Phone and the MyCornmarket App
- ✓ One-stop shop for all your financial & tax planning needs
- ✓ Rental returns, Capital Gains and Capital Acquisition Tax returns
- ✓ Public Sector Specialists with detailed knowledge of all areas.

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EXPERTS IN PUBLIC SECTOR TAX & FINANCE

It pays to be tax compliant…

To date we have claimed back over €40 million in overpaid tax on behalf of Public Sector employees like you*.

PAYE

€30 per month

89% receive a refund.

Only 5% owe money*

Self-assessed

€47.50 per month

20% owe money*

*Source: Midas, customer statistics, 2016. Midas is a tax based service and not a regulated financial product. Cornmarket Retail Trading Ltd. is a wholly-owned subsidiary of Cornmarket Group Financial Services Ltd. Telephone calls may be recorded for quality control and training purposes.

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Thank You.

If you need any help with your tax affairs we are available

on (01) 408 4106.

Any Questions?

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