

Tax-saving opportunities for the Self-employed

Every year thousands of self-employed people across Ireland use their pension as a great way of reducing their tax liability. It's easy, efficient, and if you aren't doing it, you should ask yourself why not!

If you are **self-employed** you must calculate your tax liability and make a payment by 31 October 2023 (or 15 November 2023 for ROS users) in respect of your:

1. Final Tax Assessment for 2022;
2. Preliminary Tax for 2023.

You can reduce your 2022 Final Tax liability and your 2023 Preliminary Tax liability by making contributions to a Personal Pension plan or PRSA and electing to backdate the tax relief to 2022.

Your pension contributions are subject to age-related limits

| Age Band | % of Net Relevant Earnings |
|--------------|----------------------------|
| Up to age 29 | 15% |
| 30 – 39 | 20% |
| 40 – 49 | 25% |
| 50 – 54 | 30% |
| 55 – 59 | 35% |
| 60 and over | 40% |

Notes:

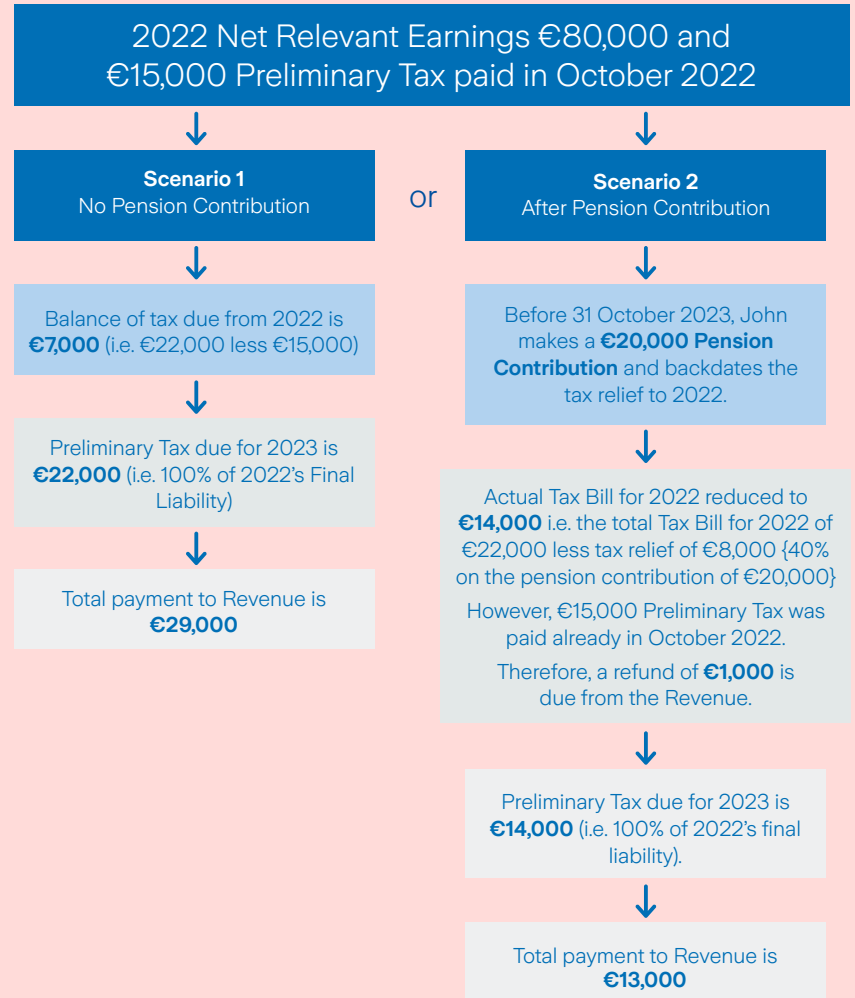
1. An earnings cap of €115,000 applies to contributions. Pension contributions made by you in 2022 must be deducted from the maximum tax-allowable contribution calculated based on these limits.
2. Age is age on your birthday in 2022.
3. Retirement benefits are subject to separate Revenue limits.
4. Reference throughout this document to 'Tax' refers to 'Income Tax'.



Note: If you use the Revenue Online Service (ROS) to both file your tax returns and pay your taxes you have until 15 November 2023 to file and pay for 2022.

Example

John is self-employed, aged 45 years, and his Net Relevant Earnings for 2022 were €80,000. He has paid €15,000 Preliminary Tax in 2022 and his total tax bill for 2022 is €22,000. This leaves him owing €7,000 for 2022. He does not currently pay pension contributions. The two scenarios below show just how a lump sum pension contribution can save John lots of money!



Make the most of the tax-efficiency of pension contributions now – you may never get such good value again!

Zurich Life Assurance plc

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Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

The information contained herein is based on Zurich Life's understanding of current Revenue practice as at August 2023 and may change in the future.

Intended for distribution within the Republic of Ireland.

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