

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 2022 in respect of your:

1. Final Tax Assessment for 2021;
2. Preliminary Tax for 2022.

You can reduce your 2021 Final Tax liability and your 2022 Preliminary Tax liability by making contributions to a Personal Pension plan or to a PRSA plan by 31 October 2022 (or 16 November 2022 for ROS users) and also by these respective dates electing to backdate the tax relief to 2021. Your pension contributions are subject to the age-related limits shown below:

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:

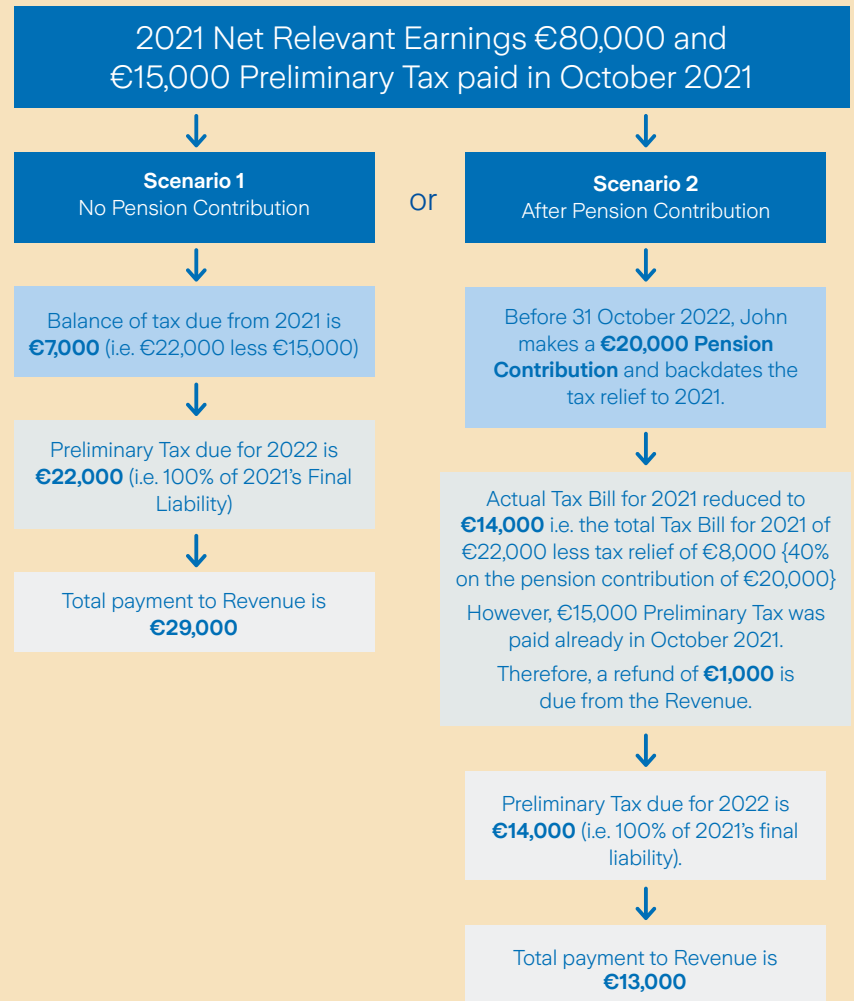
1. An earnings cap of €115,000 applies to contributions. Pension contributions made by you in 2021 must be deducted from the maximum tax-allowable contribution calculated based on these limits.
2. Age is age on your birthday in 2021.
3. Retirement benefits are subject to separate Revenue limits.
4. Reference 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 16 November 2022 to file and pay for 2021.

Example

John is self-employed, aged 45 years, and his Net Relevant Earnings for 2021 were €80,000. He has paid €15,000 Preliminary Tax in 2021 and his total tax bill for 2021 is €22,000. This leaves him owing €7,000 for 2021. 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 September 2022 and may change in the future.

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