

Retirement Facts

State Pension (from January 2011)

State Pension (Contributory)/(Transition)	€230.30 per week [€11,976 p.a.]
Personal + Adult dependant (over 66)	€436.60 per week [€22,703 p.a.]
Personal + Adult dependant (under 66)	€383.80 per week [€19,958 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 41%		Gross	Net of 41%
30	€24,273	€446	€263	€28,139	€306	€181
35	€20,939	€544	€321	€24,273	€375	€221
40	€18,061	€688	€406	€20,939	€458	€271
45	€15,580	€919	€542	€18,061	€578	€341
50	€13,439	€1,366	€806	€15,580	€772	€455
55	€11,593	€2,621	€1,546	€13,439	€1,148	€677

Assuming salary inflation at 3% pa and contributions increase at 3% pa

Figures assume premiums invested in a unit-linked fund with an average annual return of 6% gross, before charges. Unit linked fund values are not guaranteed and may fall as well as rise. Pension based on annuity rates available for a male single life pension, guaranteed 5 years, increasing at 3% pa in retirement, assuming 5% interest rate.

Compulsory Purchase Annuity Rates (guide December 2010)

	Single		Joint Life	
	Level	↑@ 3% pa	Level	↑@ 3% pa
Male 60	5.14%	3.42%	4.62%	2.94%
Male 65	5.82%	4.11%	5.13%	3.48%
Female 60	4.88%	3.18%	4.54%	2.88%
Female 65	5.48%	3.79%	5.04%	3.40%

Assumed guaranteed 5 years in all cases.
Joint life rates assume annuity reduces to 2/3rd and joint life is same age, different sex.

ARF requirements*

	Current	Proposed**
Guaranteed income: (in payment for life) OR	€12,700 pa	1.5 x Annual State Pension (approx. €18,000 pa)
Invest in AMRF or Annuity	€63,500	10 x Annual State Pension (approx. €120,000)

*assuming eligibility conditions satisfied

**Figures to be confirmed in Finance Bill 2011

ARF Funds- tax treatment on death*

Funds to	Income Tax	Inheritance Tax
Spouse's ARF	No. Subsequent withdrawals subject to PAYE	No. (Spouse exemption)
Child under 21	No	Yes. Taxable Inheritance.
Child over 21	Yes. Subject to standard rate income tax.	No. Exempt
Other (Incl. to spouse 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 exempt)

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

Funding Occupational Pensions

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

Current Age	NRA 60		NRA 65	
	Male	Female	Male	Female
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.

Assumes 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.

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 2011 is **€115,000**. **This limit will also apply to contributions paid in 2011 which are to be backdated to the 2010 tax year.**

From 1/1/2011 employee contributions to pension arrangements will be subject to employee PRSI and the new Universal Social Charge. Employer PRSI relief applying to certain employee contributions (under the 'net pay' system) will be reduced by 50% from 1/1/2011

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

Taxation of Retirement Lump Sums from 1/1/2011

Lump Sum	Income Tax
First €200,000	Exempt
Next €375,000	Standard rate income tax
Balance	Marginal rate income tax

Tax-free retirement lump sums taken on or after 7 December 2005 will count towards "using up" the new tax free amount so that if an individual has already taken tax free retirement lump sums of €200,000 or more since 7 December 2005, any further retirement lump sums paid to the individual on or after 1/1 2011 will be liable to income tax at either standard rate, or at marginal rate where the aggregate retirement lump sums exceed €575,000.

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	1/10th x 2/3rds	1-8	3/80th for each year of service
2	2/10th x 2/3rds	9	30/80ths
3	3/10th x 2/3rds	10	36/80ths
4	4/10th x 2/3rds	11	42/80ths
5	5/10th x 2/3rds	12	48/80ths
6	6/10th x 2/3rds	13	54/80ths
7	7/10th x 2/3rds	14	63/80ths
8	8/10th x 2/3rds	15	72/80ths
9	9/10th x 2/3rds	16	81/80ths
10	2/3rds	17	90/80ths
		18	99/80ths
		19	108/80ths
		20	120/80ths

* As a fraction of Final Remuneration

Investment Facts

Interest Rates

Bank Deposits (guide December 2010)	
(min deposit €5k)	
Demand Deposit (7 day notice)	0.10% (Gross)
Term 1 year fixed	1.95% (Gross)
An Post	
SAVINGS BONDS (3 years)	A.A.R. 3.23%
SAVINGS CERTS (5 yrs 6 mths)	A.A.R. 3.53%
A.A.R. = Average Annual Rate if held for term	

Compound Interest Effect

After	Future Value of €1,000	
	↑ at 3% pa	↑ at 5% pa
1 yr	€1,030	€1,050
2 yrs	€1,061	€1,103
3 yrs	€1,093	€1,158
4 yrs	€1,126	€1,216
5 yrs	€1,159	€1,276
10 yrs	€1,344	€1,629
15 yrs	€1,558	€2,079
20 yrs	€1,806	€2,653

Inflation Effect

After	Real Value of €1,000 today	
	Inflation @ 3% pa	Inflation @ 5% pa
1 yr	€971	€952
2 yrs	€943	€907
3 yrs	€915	€864
4 yrs	€888	€823
5 yrs	€863	€784
10 yrs	€744	€614
15 yrs	€642	€481
20 yrs	€554	€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	Females
	Years	
50	29.3	31.8
55	24.7	27.2
60	20.4	22.7
65	16.4	18.5
70	12.8	14.5
75	9.7	10.9
80	7.3	8.0

Joint Life Last Survivor	
Current Ages (Male/Female)	Yrs
50	36.3
55	31.5
60	26.7
65	22.1
70	17.8
75	13.9
80	10.5

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

Tax Facts

Income Tax 2011		
Standard Rate	20%	
Marginal Rate	41%	
Universal Social Charge (USC)		
Income up to €10,036	2.0%	
Income > €10,036 to €16,016	4.0%	
Income > €16,016	7.0%*	
*4% rate applies to income in excess of €16,016 for individuals age 70 or over. Applies to gross income. Those earning less than €4,004 pa will be exempt from the UCS.		
Standard Rate Band		
Single/Widowed		
No dependant children	€32,800	
With dependant children	€36,800	
Married - one income	€41,800	
Married - two incomes	€41,800	
Increase is lower of €23,800 and income of lower earning spouse.	+ €23,800	
Tax Credits		
Single Person	€1,650	
Married	€3,300	
Widowed (no dependant children)	€2,190	
Additional Credit for one Parent Family Widowed & Other	€1,650	
PAYE	€1,650	
Blind Allowance	€1,650	
Dependant Relative	€70	
Age Allowance - 65 & over	€245	
Home Carer's Allowance	€810	
Exemption Limits		
	Single/Widowed	Married
Aged 65 +	€18,000	€36,000

Corporation Tax rates 2011	
Manufacturing income	10%
Trading Income	12.5%
Non-Trading Income	25%

Tax on Investment Products from 1/1/2011

DIRT

Interest credited at least annually	27%
Interest not credited at least annually	30%

Exit Tax

Collective Investments	30%
Personal Portfolio/Wrappers	50%

Important Tax Dates

Income Tax 31/10/2011

- Return Filing date and Payment of Balance of Income Tax for 2010.
- Preliminary Income Tax due for 2011.

Capital Gains Tax

15/12/2010

Payment of CGT on disposals made in the period 1st January 2010 to 30th November 2010.

31/1/2011

Payment of CGT on disposals made in December 2010.

Capital Gains Tax 2011	
Rate	25%
Annual Exemption for Individuals	€1,270
Retirement Relief	€750,000 (limit)
Tax Year expenditure incurred	Disposal in year ending 31/12/2003 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.	

Capital Acquisitions Tax from 8th December 2010*

Threshold*	Relationship
€332,084	Child, or, minor child of a deceased child.
€33,208	Brother, sister, child of a brother or sister, lineal ancestor or descendant.
€16,604	Other
Tax Rate	25%

*Thresholds apply to benefits taken on or after 8th December 2010. Thresholds, as indexed, for 2011 not currently available.

All benefits received since 5/12/1991 are taken into a/c for the threshold.

Property & Mortgage Facts

Mortgage Interest Rates (December 2010)

Typical Standard Variable Rate 3.50% (APR 3.6%)
Gross Monthly repayment per €1,000 borrowed

Over 20 years	€5.80
25 years	€5.01
30 years	€4.49

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 year 1 to 7	Other Year 1 to 7
Single	€10,000	€3,000
Married/Widowed	€20,000	€6,000

Rate at which relief is granted from 1/1/2009

	25%	15%
Yr 1 & 2		
Yr 3 - 5	22.5%	15%
Yr 6 & 7	20%	15%

Relief is normally only available in the first 7 years of a mortgage.

Finance Act 2010

- extension of relief until 2017 for those whose relief was to expire in 2010 or after.
- qualifying loans taken out on or before 31/12/2011 will continue to get relief until 2017.
- transitional measures for qualifying loans taken out during 2012.
- Loans taken out on or after 1/1/2013 will not qualify for relief and mortgage interest relief will be abolished completely at the end of 2017.

BIK - Preferential Loans - Specified rates 2011

Qualifying Home Loan	5.0%
Other	12.5%

Stamp Duty

Residential Property

Consideration	Rate of Duty*
First €1,000,000	1%
Balance	2%

*Applies in respect of instruments executed on or after 8th December 2010. Stamp duty exemptions and reliefs which applied e.g. in relation to first time buyers and purchasers of new residential property, have been abolished with effect from 8th December 2010.

Commercial Property

Consideration	Exempt
Not exceeding €10,000	
€10,001 to €20,000	1%
€20,001 to €30,000	2%
€30,001 - €40,000	3%
€40,001 - €70,000	4%
€70,001 - €80,000	5%
Over €80,000	6%*

*applies from 15/10/2008

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	No
State Pension (Transition)	Yes	No
State Pension (Contributory)	Yes	Yes
Widow(er)'s contributory Pension	Yes	Yes

PRSI Rates and Benefits from January 2011

	A1	S1
Employee	4.0% on all income <i>First €127 pw exempt</i>	4.0% on all income
Employer	10.75% <i>(incl. 0.7% Training levy)</i>	Nil

Employees earning less than €352 pw are exempt from PRSI. If earning > €352, first €127 pw is exempt and balance is liable.

Weekly Benefits from January 2011

State Pension (Contributory)/(Transition)	
Personal Rate	€230.30
Personal + Adult dependant over 66	€436.60
Personal + Adult dependant under 66	€383.80
Widow/Widowers Contributory Pension (under 66)	€193.50
Invalidity Pension	
Personal Rate	€193.50
Person + Adult dependant under 66	€331.60
Illness/Jobseekers Benefit	
Personal Rate	€188.00
Person + Adult dependant	€312.80
Increases for each Dependant Child	
Old Age Retirement, Invalidity Pension	€29.80
Disability & Unemployment Benefit	€29.80
Widow/Widower's Pension	€29.80

Child Benefit (Children's Allowance) from January 2011

First and 2nd child:	€140 per month per child [€1,680 pa per child]
3rd child:	€167 per month per child [€2,004 pa per child]
4th and subsequent child:	€177 per month per child [€2,124 pa per child]