**RATES OF TAX**

**INCOME TAX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Tax Year** | **Single or Widowed or Surviving Civil Partner, without qualifying child** | **Single or Widowed or Surviving Civil Partner, qualifying for Single Person Child Carer Credit** | **Married or in a Civil Partnership, one Spouse or Civil Partner with Income** | **Married or in a Civil Partnership, both Spouses or Civil Partners with Income** | **Rate** |
|  | **€** | **€** | **€** | **€** | **€** |
|  2020 | 35,300 Balance | 39,300Balance | 44,300 Balance | \*70,600Balance | 20%40% |
| *\*Note: Transferrable between spouses/civil partners up to a maximum of €44,300 for any one spouse/civil partner* |

**EXEMPTION LIMITES**

**The exemption limits for persons aged 65 years and over remain unchanged:**

|  |  |
| --- | --- |
| **Personal Circumstances** | **2020 €** |
| Single or Widowed or a Surviving Civil Partner, 65 years of age & over | 18,000 |
| Married or in a Civil Partnership, 65 yearsof age & over | 36,000 |

The above exemption limits increase by €575 for each of the first two dependent children and by €830 for the third and subsequent children.

**INCOME TAX CREDITS**

|  |  |
| --- | --- |
| **Tax Year 2020** | **€** |
| Single Person | 1,650 |
| Married or in a Civil Partnership | 3,300 |
| Employee Tax Credit | 1,650 |
| Earned Income Tax Credit Max | 1,500 |
| Widowed Person or Surviving Civil Partner (without qualifying child) | 2,190 |
| Single Person Child Carer Tax Credit | 1,650 |
| Incapacitated Child Credit Max | 3,300 |
| Blind Tax Credit:Single PersonMarried or in a Civil PartnershipOne Spouse or Civil Partner Blind Married or in a Civil Partnership Both Spouses or Civil Partners Blind | 1,6501,650 3,300 |
| Widowed Parent:Bereaved in 2019Bereaved in 2018Bereaved in 2017Bereaved in 2016Bereaved in 2015 | 3,6003,1502,7002,2501,800 |
| Age Tax Credit:Single or Widowed or Surviving Civil PartnerMarried or in a Civil Partnership | 245490 |
| Dependent Relative | 70 |
| Home Carer Tax Credit | 1,600 |
| Employment of Carer for Incapacitated Person (max) | 75,000 @ Marginal Rate |
| Tuition Fee (academic year 2020/21) | 7,000\* (maximum @ 20%) |

\*No relief on first €3,000 for full-time, no relief on first €1,500 for part-time.

**OTHER INCOME TAX RELIEFS**

**PENSION CONTRIBUTIONS**

|  |  |
| --- | --- |
| **Age** | **% of Net Relevant Earnings** |
| Up to 30 years | 15% |
| 30 but less than 40 | 20% |
| 40 but less than 50 | 25% |
| 50 but less than 55 | 30% |
| 55 but less than 60 | 35% |
| 60 years or overs | 40% |

There is an earnings cap on the amount of net relevant earnings (“NRE”) of €115,000 for 2020.

**EMPLOYMENT AND INVESTMENT INCENTIVE (EII) - 2020**

EII is a tax relief which aims to encourage individuals to provide equity based finance to trading companies.

Full income tax relief (40%) to be provided in the year in which the investment is made, for shares issued after 8 October 2019.

The Maximum investment on which you can claim relief in a year is €250,000 where those shares are held for a minimum period of 4 years only.

**Universal Social Charge (USC)**

**Standard Rates of USC**

|  |  |
| --- | --- |
| **2020** | **Rate** |
| Income up to €12,012.00 | 0.5% |
| Income from €12,012.01 to €19,874.00 | 2% |
| Income from €19,874.01 to €70,044.00 | 4.5% |
| Income above €70,044.00 | 8% |

The USC Rate applying to “relevant income” in excess of €100,000 in 2020 is 11%.

The USC property relief surcharge rate is 5%.

**Reduced Rates of USC**

|  |
| --- |
| Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.  Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less. |
| **2020** | **Rate** |
| Income up to €12,012.00 | 0.5% |
| Income above €12,012.00 | 2% |

Note 1. ‘Aggregate’ income for USC purposes does not include payments from the Department of Employment Affairs and Social Protection (DEASP).

Note 2. A ‘GP only’ card is not considered a full medical card for USC purposes.

**USC Exempt Categories**

* Where an individual’s income for a year does not exceed €13,000;
* All DEASP payments;
* Income already subjected to DIRT.

**Pay Related Social Insurance (PRSI)**

The amount of PRSI that an employee and the employer pays will depend on the employee’s earnings and the social insurance class that the employee is insured under.

**EMPLOYEE**

|  |  |
| --- | --- |
| **CLASS A1** | **2020** |
| Rate of PRSI | 4% |

Employees are exempt from PRSI on earnings of €352 or less per week.

A tapering PRSI Credit exists for Class A and Class H employees earning between €352.01 and €424.00 in a week. The PRSI Credit reduces the amount of PRSI charged in a week.

**EMPLOYER**

|  |  |
| --- | --- |
| **Employee Income** | **2020** |
| Not exceeding €395 per week | 8.8% |
| Exceeding €395 per week | 11.05% |

**SELF-EMPLOYED**

|  |  |  |
| --- | --- | --- |
| **Rate** | **Minimum Contribution** | **Exemption Threshold** |
| 4% | €500 | €5,000 p.a |

Self-employed must pay PRSI if he/she have a minimum annual income of €5,000 and aged between 16 and 66.

An individual who is self-employed, usually pays PRSI at class S. This rate is 4% of that individual gross income, within a minimum payment of €500. PRSI is calculated on the gross income once any capital allowances have been deducted.

**PRSI EXEMPTION:**

An employee or a self-employed person aged 66 or over do not have to pay PRSI on their income.