How to claim Personal Income Protection tax relief on Revenue.ie



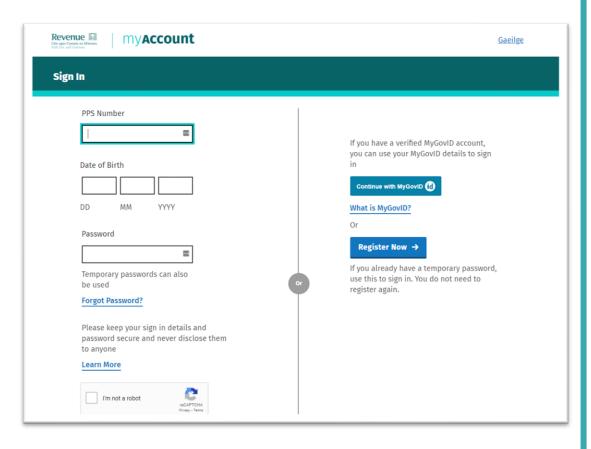
Claiming tax relief Personal Income Protection



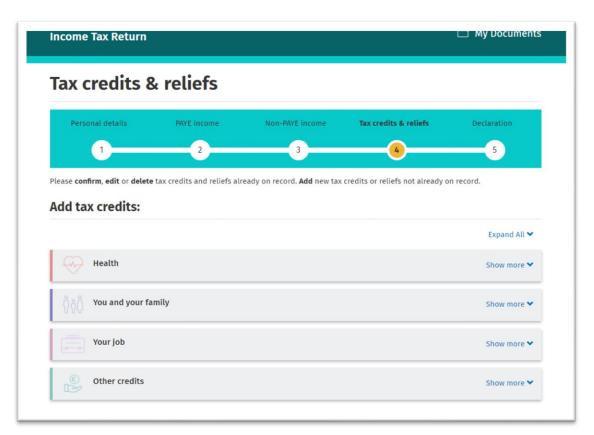
How to claim income protection tax relief on Revenue.ie Personal Income Protection

Step 1 - Log in to My Revenue

https://www.revenue.ie/en/Home.aspx



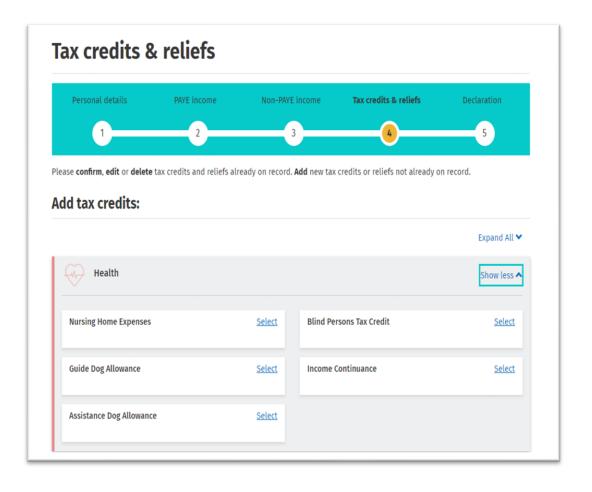
Step 2 – On 'Health' click on 'Show more'



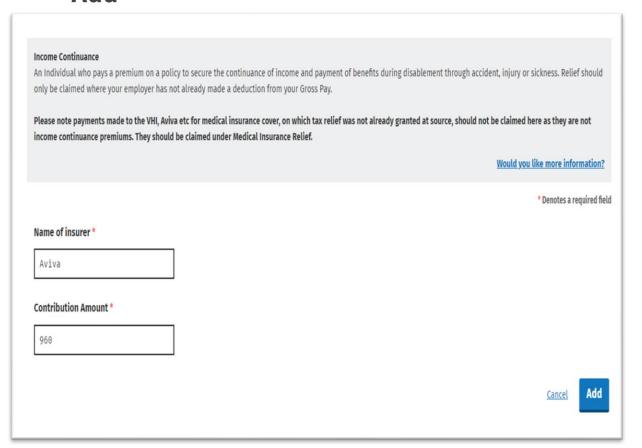


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Step 3 – Select 'Income Continuance'



Step 4 – Add details of Income Protection Provider and annual contribution and click 'Add'



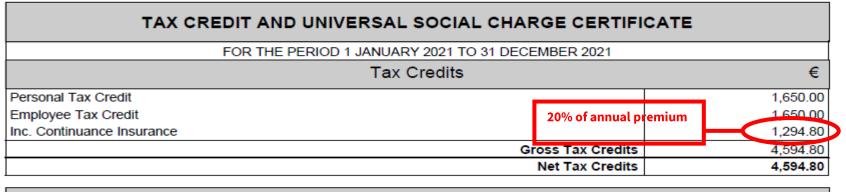


Amended Tax credit cert explanation

Income protection premium

€6474 per annum

Tax relief at 40% €2,589



Tax Rate Bands		€
Rate Band 1		35,300.00
This Rate Band is increased by: Inc. Continuance Insurance	Annual premium a tax free allowance	6,474.00
The amount of your income taxable at 20%	шжигесинен	41,774.00
All income over €41,774.00 is taxable at 40%		

USC Rate Bands	€
Rate Band 1	12,012.00
The amount of your income chargeable at 0.5%	12,012.00
Rate Band 2	8,675.00
The amount of your income chargeable at 2%	8,675.00
Rate Band 3	49,357.00
The amount of your income chargeable at 4.5%	49,357.00
All income over €70,044.00 is chargeable at 8%	



Tax credit cert explanation

Tax payable with no Income Protection

Tax payable with no Income Protection				
Annual Salary	€ 70,044			
		_		
Tax credit (Personal & Employee)	€ 3,300.00			
]		
Tax payable if no IP in place				
Taxable salary at 20%	€ 35,300.00	€ 7,060.00		
Taxable salary at 40%	€ 34,744.00	€ 13,897.60		
	Tax due	€ 20,957.60		
Tax due less credit (€3,300)	€ 17,657.60			
		<u> </u>		
Tax payable	€ 17,657.60			

Tax Payable with Income Protection

Tax Payable with Income Protection				
Annual Salary	€ 70,044			
		1		
Tax credit (Personal & Employee)	€ 3,300.00			
Income Continuance Tax Credit	€ 1,294.80			
Income Protection premium	€6474 pa			
Tax relief due from Income Protection	€ 2,589.60			
Tax payable with IP				
Taxable salary at 20%	€ 41,774.00	€ 8,354.80		
Taxable salary at 40%	€ 28,270.00	€ 11,308.00		
	Tax due	€ 19,662.80		
Tax due less credit (€3,300 & €1,294.80)	€ 15,068.00			
Tax payable	€ 15,068.00			

Tax payable €17,657.60 - €15,068.00 = €2,589.60

Client is paying less tax with IP as the difference between tax payable with IP and without IP is € 2,589.60



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For more information

https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/health-and-age/permanent-health-benefit-contributions/index.aspx

The tax treatment will depend on your individual circumstances. If you are unsure of any aspect of the tax treatment of premiums or benefits, please contact your Financial Broker for more information.

Tax relief Executive Income Protection

- Executive Income Protection is owned by the employer and taken out on behalf of employees.
- No contribution cert issued with Executive Income Protection
- The premiums paid towards the policy qualify as taxdeductible business expenses under section 81 Tax Consolidation Act 1997 for policy costs incurred.
- The benefit is paid gross to the employer who is then expected to deduct the relevant tax, PRSI and Universal Social Charge amounts under the PAYE system, before paying the benefit to the employee