

# Budget 2024

## Advisory Services Update



# Few Pension Changes

## NO CHANGE TO

- Tax relief on pension contributions
- Tax exemption on pension investment income
- €200,000 tax free retirement lump sum
- €2m standard fund threshold



## REVENUE MY ACCOUNT / ROS

New requirement to upload pension tax certificate or pension contribution details form. Clients can do a word doc or PDF with this info:

- Client name and address
- Amount paid and date contribution paid
- Policy number and insurance company
- Type of pension
- Confirm no tax relief provided through payroll

Template Pension Contribution Details Form can be found [here](#)

# State Pension

## WEEKLY RATE

State Pension (Contributory) €12 per week full rate increase to €277.30 per week



## DEPT OF SOCIAL WELFARE UPDATE

Draft state pension legislation published:

- Option from January 2024 to work and pay PRSI until age 70 for a higher state pension
- Total Contribution Approach continues to give 1/40<sup>th</sup> of state pension per 52 weeks of PRSI contributions
- Gradual withdrawal of Yearly Average calculation method over 10 years from 2025
- Improved eligibility rules for long-term carers

# No Change to Protection, Savings & Investments

## CAPITAL ACQUISITIONS TAX (CAT)

### Group Thresholds

Group 1: €335,000

Group 2: €32,500

Group 3: €16,250



**No Change to Tax Rate**

33% tax after thresholds

Annual Small Gifts Exemption €3,000

## TAX TREATMENT OF DEATH BENEFITS



No change to taxation treatment of death benefits payable from protection plans

## GOVERNMENT LEVY AND EXIT TAX



Government Levy (Stamp Duty) 1%



Exit Tax 41% - Personal Investors



Exit Tax 25% - Corporate Investors



# Other Items of Interest

## TAXATION REVIEW



Announcement that the working group review of taxation of funds, life assurance policies and other investment products to be finalised summer 2024.

## CGT RETIREMENT RELIEF

Extension to the age limit for the higher level of relief from 65 to 70. New limit of €10 million for relief available on disposals to a child before age 70



## ONE YEAR MORTGAGE INTEREST TAX RELIEF

Relief at 20% tax rate on difference between interest paid in 2023 compared with 2022, capped at €1,250. For primary dwelling mortgages of between €80,000 and €500,000 as at 31/12/2022.

## GROUP B THRESHOLD FOR FOSTER CHILDREN



CAT legislation to be amended to allow foster children avail of the Group B Capital Acquisitions Tax threshold based on their relationship to their foster parents.

## RENT TAX CREDIT

Increase from €500 to €750 per year. Extended to parents paying for students in 'rent a room' or 'digs', backdated to 2022



## ELECTRICITY CREDIT



Electricity credit for all households totalling €450 to be paid in 3 instalments of €150; the first payment will be made before the end of the year.



# Income Tax Rates, Bands & Credits

Income Tax	2024	
<b>Income Tax Rates</b>		
Standard Rate	20%	-
Higher Rate	40%	-
<b>Standard Rate Bands</b>		
Single Widowed		
No dependent children	€42,000	↑
With dependent children	€46,000	↑
Married - one income	€51,000	↑
Married - two incomes	€51,000 + increase	↑
<i>Increase is the lower of €33,000 and income of lower earning spouse</i>		

2024 Tax Credits		
<b>Personal Credits</b>		
• Single	€1,875	↑
• Married	€3,750	↑
Single Person Child Carer Credit	€1,750	↑
Employee Tax Credit	€1,875	↑
Earned Income (Self employed)	€1,875	↑
Renters Tax Credit*	€750	↑
Home Carer Credit	€1,800	↑

For more information see [www.revenue.ie](http://www.revenue.ie)



# PRSI & USC

PRSI Rates	2024		
<b>Individual</b>	<b>A1</b>	<b>S1</b>	
All income	4%	4%	-
Earnings less than €352 pw exempt			
<b>Employer</b>			
Income up to €21,320	8.8%		-
Income exceeding €21,320	11.05%		-
<i>Income threshold for higher rate employer PRSI increasing to €410pw (€21,320 a year)</i>			

Review of PRSI announced with potential future increase in rates of 0.1%

USC Rates January 2024	Employee	Self Employed	
Income up to €12,012	0.5%	0.5%	-
Between €12,012 and <b>€25,760</b> ↑	2%	2%	-
Between <b>€25,760</b> and €70,044 ↓	4%	4%	-
Between €70,044 and €100,000	8%	8%	-
Income in excess of €100,000	8%	11%	-
<i>Total income less than €13,000 is exempt from the USC</i>			
<b>Full Medical Card Holders &amp; Over 70s</b>	Employee	Self Employed	
Income up to €12,012	0.5%	0.5%	-
Income in excess of €12,012	2%	2%	-
<i>Those with earnings greater than €60,000 will pay the normal USC rates</i>			

For more information see [www.revenue.ie](http://www.revenue.ie)



# CAT, Savings & Investment Tax

Capital Acquisitions Tax		
Group A	€335,000 (child)	-
Group B	€32,500 (lineal ancestor / descendent, brother, sister or child of brother / sister)	-
Group C	€16,250 (others)	-
<i>The thresholds apply to all gifts and inheritances received since 5 December 1991</i>		
<b>Tax Rate</b> on all gifts / inheritances above thresholds	33%	-
<b>Annual Gift Exemption</b>	€3,000	-
<i>The annual small gift exemption can be availed of regardless of the relationship between the disponent and the beneficiary. The exemption is limited to one gift per beneficiary from each disponent in a calendar year. It does not impact on the CAT thresholds noted above.</i>		

Savings & Investment Tax	2024	
Life Assurance Exit Tax		
➤ Personal Plans	41%	-
➤ Corporate owned	25%	-
➤ Wrapper products	60%	-
<i>No changes announced in the Budget to Exit Tax rates, we await details of Finance Bill for confirmation of any changes.</i>		
Deposit Interest Retention Tax (DIRT)	33%	-

For more information see [www.revenue.ie](http://www.revenue.ie)





# Social Welfare Benefits

State Pension Benefits	2024
<b>Personal Rates</b>	
State Pension (Contributory)	€277.30 ↑
State Pension (non-Contributory)	€266.00 ↑
Invalidity Pension	€237.50 ↑
<b>Increase for Qualified Child</b>	
Children under 12	€46.00 ↑
Children over 12	€54.00 ↑
<b>Child Benefit</b>	
Monthly rate per child	€140.00 -

## €12pw Increase

- On all personal rate pension payments with proportional increase for qualified dependents and those on reduced rates

## Other Supports

- 100% Christmas bonus for regular Social Protection payments in early December
- Once-off double week for regular Social Protection payments in January
- Double Child Bare monthly benefit payment before end of 2023
- Extension of Child Benefit to age 18 for those in full time education
- Once-off payments for recipients of
  - Fuel allowance: €300 payment
  - Carer Support Grant: €400 payment
  - Living Alone Allowance: €200 payment
  - Disability Allowance, Invalidity Pension, Blind Pension: €400 payment
  - Working Family Payment: €400 payment

For more information see [www.gov.ie](http://www.gov.ie)

### Contact Details

**Email:** [advisoryservices@irishlife.ie](mailto:advisoryservices@irishlife.ie)

#### **Pensions**

Patrick O'Shea  
087 344 0573

#### **Life**

Caitriona Gaffney  
087 396 4908

The information contained in this document is based on Irish Life's understanding of Budget 2024 announced 10<sup>th</sup> October 2023. While great care has been taken to ensure the accuracy of the information contained, Irish Life cannot accept responsibility for its interpretation nor does it provide legal, tax or financial advice.

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