

# Tax deadline

## How to minimise your tax liability while maximising your pension

### Pension savings

Choosing to contribute to a pension is a very important step in your life. It's a tax efficient way to help ensure you are financially secure in retirement. The advantage of a pension contribution before the tax deadline is that the contribution can be set against your income tax bill for 2019.

If you pay a pension contribution in respect of 2019 earnings, in 2020, then your preliminary tax will be calculated as 100% of your final liability for 2019. The deadline for making a return and payment via post is **31 October or 10 December** for electronic returns.

### Benefits of a pension contribution pre tax - deadline

**Tax relief** - You can get tax relief on your pension contributions. Any investment growth on your pension is tax-free. Tax relief is based on the following limits subject to an earning cap of €115,000.

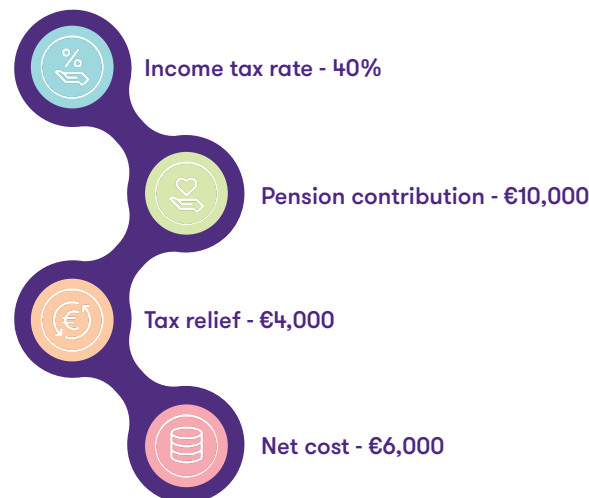
% of net relevant earnings	Age bracket
40%	60 and over
35%	55-59
30%	50-54
25%	40-49
20%	30-39
15%	Under 30

**Flexible** - You're in control, you decide how often and how much you want to contribute to your pension.

**An arrangement to suit your needs** - Depending on your needs, there are various types of pension arrangements that can be used as a retirement savings vehicle.

**Final opportunity to reduce last year's tax bill** - Once the deadline passes you will have no option to pay a contribution in respect of the previous years earnings.

### What will it cost me?



### Example - how does it work?

A male, aged 45, with net relative earnings from 2019 of €60,000 and a tax bill of €20,000. Maximum individual pension contribution can be 25% of €60,000 which is €15,000 and based on marginal rate of tax, this would mean a net cost of €9,000. The €6,000 relief that the pension contribution attracts will **reduce his tax bill to €14,000, as well as reducing preliminary tax liability.**

### Contact

If you would like to review your overall financial circumstances and discuss making a pension contribution, please contact Debbie Fry or Liam Naughton.



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