

# Personal tax tips for PAYE umbrella contractors and permanent employees in Ireland

## **Income protection policy**

Tax relief is applicable when you take out an income protection policy (policy taken out in case of an accident, illness etc.) NB - The policy must be approved by Revenue as a Permanent Health Benefit Scheme.

## **Health insurance**

If you are an umbrella contractor or if you are permanent and you pay your health insurance yourself you can benefit from tax relief at a rate of 20 per cent on the cost of your premium, reducing the net cost to yourself.

## **Maternity leave**

Women who return to work from maternity leave may be able to benefit from unused tax credits. Ensure your umbrella payroll company or employer confirms all your tax credits are used.

## **DIRT**

If you are a first-time buyer you can claim DIRT on the money you save for a deposit for your home.

## **Tax-saver commuter tickets**

Do you use public transport to get to work on a daily basis? Ask your umbrella payroll provide or employer to purchase the commuter tickets on your behalf in order to claim tax relief. Depending on the mode of transport and your rate of pay you can save approximately anything between a third and half of the costs.

## **Flat rate expenses**

Professionals such as teachers, nurses, doctors and tradesmen can claim back an annual expense allowance to cover required items like tools, uniforms etc. that you pay for yourself i.e. not covered by your employer.

## **Civil partnership / Marriage**

Are you married or have you entered into a civil partnership in the last few years and didn't inform Revenue? If one of you is not working and you become jointly assessed it will increase your take home pay by a few thousand (on the average industrial wage). Once you are married or are civil partners, you can share tax credits and have more of your income taxed at the lower rate, which can boost your take-home pay if you file as jointly assessed.

## **Pension contributions**

As a PAYE umbrella employee or a direct employee you can pay into a personal pension scheme and reduce your tax burden as a result. Use an independent financial adviser to come up with the best scheme to meet your needs.

And finally, remember to look at the revenue website to check for any further tax savings you can make: <http://www.revenue.ie/en/personal/index.html>