

RE-INVENTING THE FUTURE

STRATEGIES AND SOLUTIONS
FOR SUSTAINABLE SUCCESS

Pensions – Time to Think Outside the “Money” Box?

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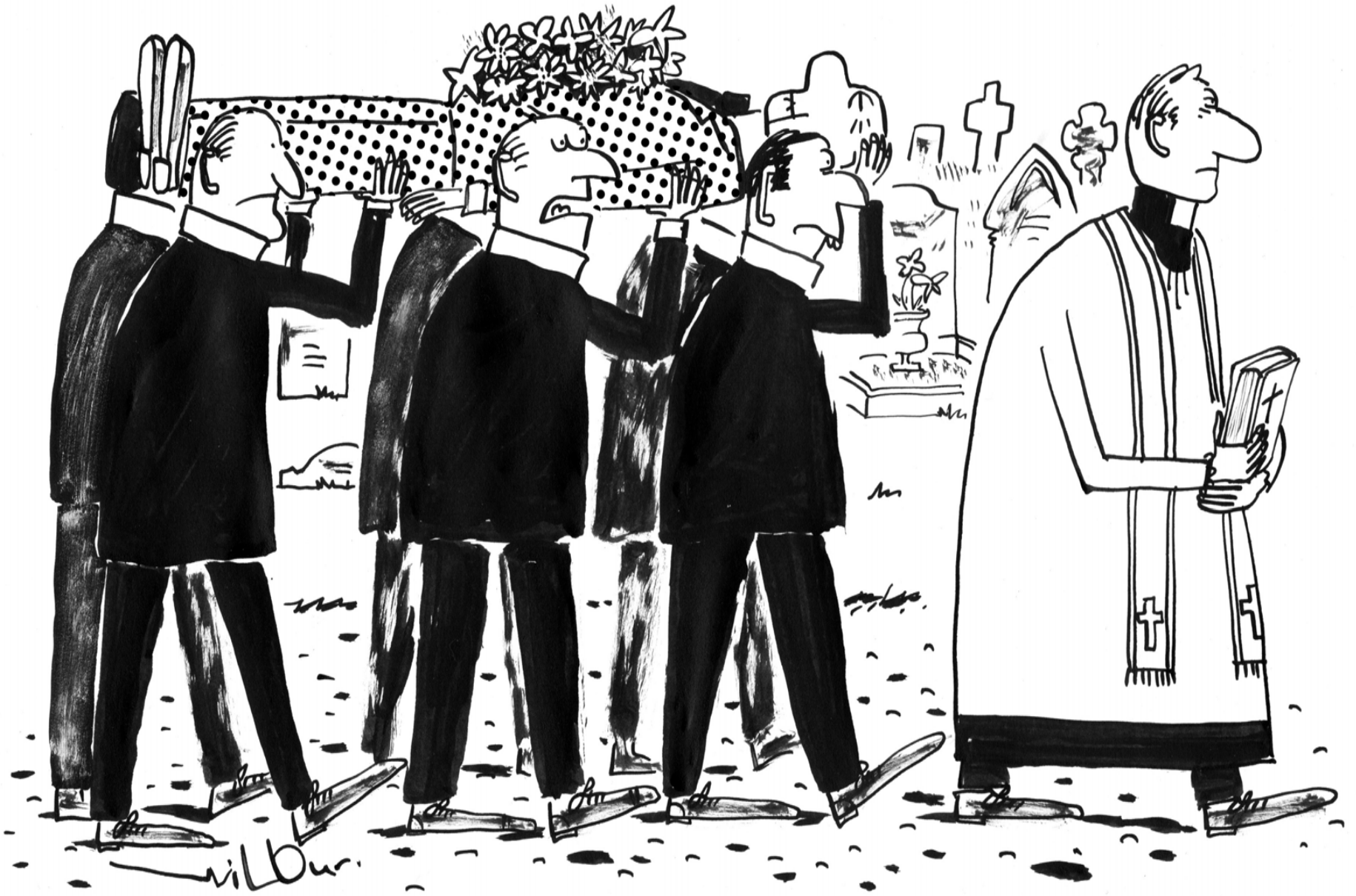
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HE WAS ALWAYS ONE FOR THINKING OUTSIDE THE BOX.

What the Government wants



- The manifestos
 - Fine Gael
 - Labour
- Programme for Government
 - The 4 Year Plan
- Commission on Taxation
- Tax Strategy Group



- .5% levy (temporary!)
- Abolition of PRSI relief
- Reduce standard fund threshold to EUR1.5m
- ARF's increased tax charge



- Cap tax relief employer/employee contributions
- Reduce maximum tax free lump sum
- Bring pension contribution in as Specified High Earner's Relief

Programme for Government



- Maximum pension EUR60,000 p.a.
 - x 20 = EUR1.2m fund
 - X 25 = EUR1.5m fund

- Universal coverage?
 - Link to the USC

Commission on Taxation



- Some recommendations implemented already!
- Matching contributions concept
- EUR1 per EUR1.60

Tax Strategy Group



- Detailed notes from 2009
- Thoughts of the “Permanent Government”
- They don’t like ARF’s!

What is a pension?



- A rose by any other name would smell as sweet
- We are all entrepreneurs/business owners?
- Time to incorporate

The one man company (or was Shakespeare a woman?)



- 10 year plan
- 5 years full-time, 5 part-time
- Target EUR750,000 tax free



Retirement relief



- EUR750,000 tax free
- But be careful!
 - “Full-time” working director
 - Technical rules
 - Over 55
 - Marginal relief



What else?



- State sponsored tax avoidance
- Mandatory disclosure (not!)
 - Approved profit sharing scheme
 - BES
 - Film relief

PFT reached



- AVC contributions each year of EUR50k for 10 years
 - Tax relief on contributions at 41%
 - Assume net growth of 30% to EUR650k
 - Excess over PFT taxed and drawdowns subject to tax and USC
 - Return of EUR199k

BES alternative



- Assume annual BES contribution of EUR50k for 10 years
 - Tax relief on investment at 41%
 - Retention period 5 years
 - Assume nil growth - return of EUR500k
 - If any growth – CGT on uplift only.