



Taxes and Banking



Employees in Ireland pay tax through the PAYE (Pay As You Earn) system. This means that your employer deducts the tax you owe directly from your wages, and pays this tax directly to the Revenue Commissioners.

How do I pay my income tax in Ireland?

It is important to ensure that your tax is dealt with properly and that your employer deducts the right amount of tax from your pay. To ensure that this happens, you will need to do two things (as soon as possible):

- Apply to the Department of Social and Family Affairs for a PPS number. This is your individual identification number used for all dealings with Revenue and other government departments. On receipt of this number you should give it to your employer.
- Apply for a certificate of tax credits by completing a **Form 12A** (available from your local tax office or to download from www.revenue.ie) and send it in to your local tax office. Your employer can supply any relevant information that you need to complete this form, for example, employer's PAYE registered number. Revenue will send you a certificate of tax credits and issue a copy of your tax credits to your employer so that the correct deductions of tax can be made from your salary.

Your own personal circumstances decide the amount of tax credits you are entitled to. The tax office will then forward you a detailed statement of your tax credits. Your employer will also be notified of your tax credits.

How much tax will I pay?

The amount of tax you pay depends on a variety of factors including your marital status, whether you have children, whether you are in rented accommodation.

What are tax credits?

Tax credits reduce the amount of income tax that you pay. Under the tax credit system you are entitled to tax credits depending on your personal circumstances, for example, married person's tax credits, PAYE tax credit, rental accommodation tax credit and medical expenses. For more information go to: www.revenue.ie

How do I claim tax credits?

The quickest and easiest way to claim tax credits is to use PAYE anytime.

PAYE anytime is an internet system that lets you do business with Revenue electronically 365 days a year. To use PAYE anytime you must register first: www.revenue.ie

Alternately, you can contact Revenue by phoning the PAYE LoCall Service which operates from Monday to Friday. You will need your PPS number to use this service.

Information facilities are also available in certain Revenue offices. Local Enquiry Offices are located in county offices outside Dublin.

What is the income levy?

An income levy was introduced on 1st January 2009. The levy is paid on gross income, before deductions or contributions to pensions. Social welfare payments, including contributory and non-contributory pensions, are exempt from the income levy.

What is Emergency Tax?

If your employer has not received either:

- A certificate of tax credits from the tax office, or
Form P45 (parts 2 and 3) from you, about your previous employment

Your employer will have to deduct tax on an emergency basis when paying your wages or salary. This means that a larger amount of tax is deducted from your pay than is necessary so you should obtain your tax credit certificate.

P45s and P60s

What are P45s and P60s?

P45: If you leave your employment your employer must give you a P45. This is a statement of your pay and the tax and PRSI to date deducted by your employer. It is a very important document and you need it if:

- You are changing job – to give to your new employer in order to avoid paying emergency tax
- You are unemployed – to claim a tax refund, to claim social welfare benefits

If your employer does not give you a P45 you should ask for it.

P60: At the end of each tax year your employer must give you a P60 which is a statement of your pay and of the tax and PRSI deducted by your employer during the year. The P60 has two parts and it is an important document. You need it to send to the tax office to claim a statement of your tax liability (P21) at the end of the year or if you need to claim a benefit you would send the second part to the Department of Social and Family Affairs as evidence of your paid PRSI contributions.

What if my employer does not supply me with a P45 or P60?

You can inform your local tax office if your employer or former employer does not issue you with a P45 or P60.

What if I suspect that my employer is not making PRSI and tax contributions on my behalf?

Your employer is legally obliged to provide you with a payslip that details the tax and PRSI deductions and PRSI contributions made on your behalf.

Where can I report an employer that is not making PRSI contributions on my behalf?

If you are still working with your employer you can complain in confidence (at your local social welfare office) and your name will be kept private. If it is proved that your current or former employer did not pay PRSI on your behalf, the employer may be forced to back-pay your PRSI contributions.

For your own security it is important that your employer pays your social insurance contributions. Being included in the PRSI system ensures you get your rights in relation to social welfare payments if you become unemployed, ill, if you are injured in work, if you take maternity leave or apply for a pension.

You should report the problem to your local Revenue office. Details of your local Revenue office can be found by entering your PPS Number at the 'Contact Locator' link at www.revenue.ie.

Have I committed an offence if I have worked for an employer and not paid PRSI?

Provided that you did not consent to the employer not paying contributions on your behalf you have not committed an offence. If you report an employer that has failed to pay contributions it may be possible that the inspectors can force the employer to back-pay your PRSI.

Where can I get more information about tax?

You can

- Visit www.revenue.ie
- Call to your local tax office
- Call to the Central Revenue Information Office located in Cathedral Street, Dublin 1 or the Revenue Information Office, Level 2, The Square, Tallaght, Dublin 24,
- Phone the PAYE Locall Service

It is now also possible to conduct your tax business online. You will need to go to www.reachservices.ie and go through a registration process.

For more about the Tax system in Ireland visit our website: www.livinginireland.ie

Banking

Who offers accounts?

Banks, building societies, credit unions and the post office offer different accounts.

What do I need to open a bank account?

To open a bank account in Ireland you must have:

- 1 – 2 forms of photo identification and
- Proof of address in Ireland

What forms of photo identification can be used?

- A valid passport
- Driver's licence
- Age Card issued by the Gardaí
- An identification form with a photograph signed by a member of An Garda Síochána

- Documents issued by Government departments showing your name.

What can I use as proof of address?

- A recent utility bill (for example electricity or telephone bill)
- A statement from the tax office
- A current car or home insurance policy that shows your address
- A document issued by a Government department that shows your address
- A social insurance document that shows your address
- A letter from your employer or licensed employment agency stating that you started work but cannot yet provide evidence of your Irish address (you will have to provide evidence of your address at a later date).

Where can I get independent advice and information about banking products and services?

The Financial Regulator provides consumer information and education about the costs, risks and benefits of financial products.

Lo-Call: 1890 777 777

Telephone: 01 4104000 or visit the Consumer Information Centre, College Green, Dublin 2.

Website: www.itsyourmoney.ie

Where can I get help with my household budget or managing my money?

The Money Advice and Budgeting Service (MABS) is a free and confidential service for people in Ireland with debt and money management problems. There are MABS offices all over Ireland, staffed by trained Money Advisers. Money Advisers will:

Help you deal with your debts and create a budget

Examine your income to make sure you are not missing out on any of your entitlements

- Contact your creditors on your behalf with offers of payment if you are not able to do it yourself
- Help you decide on the best way to make the payments

For details of your nearest MABS office go to www.mabs.ie or contact the MABS Helpline: 1890 283 438