



## 2018 BUDGET UPDATE

Finance Minister Donoghue announced details of the 2018 Budget on 10<sup>th</sup> October. There were no major changes to pension legislation announced. DIRT tax will decrease by 2% to 37% from 01 January 2018 while CAT thresholds remain unchanged. Stamp Duty on non-residential property increased from 2% to 6%. As expected there were a number of changes to the Universal Social Charge as well as an increase in the standard rate income tax bands effective from January 2018. The Minister also increased all weekly social welfare payments, including an increase in the State Pension of €5 per week with effect from the last week in March 2018.

### PRODUCT IN FOCUS: WHOLE OF LIFE COVER

Whole of Life cover is a straightforward long term life cover policy with no expiry date. The policy can be easily set up for **inheritance tax planning**, to help pay funeral costs or to provide a legacy after you are gone. Inheritance tax planning is not something that only the very wealthy need to think about. If you leave your assets, like your home or savings, to someone other than your spouse or civil partner, they could be liable to inheritance tax of 33% on the value of these assets. Traditionally, whole of life cover increases on a regular basis and any saving element is used offset against the increased premium.

We can now offer you whole of life cover which can also be used as a **saving policy**. You will have two options after the policy has been in force for 15 years:

**Option 1 - Protected Cover:** You can stop paying the premium and choose to have a lower amount paid out when you die, *or*

**Option 2 - Protected Cashback:** You can choose to take an immediate cashback amount and end the policy.

**Example:** John is a 50 year old male who takes out Whole of Life cover for €50,000, costing €100 per month. After 15 years he has paid €19,699 to the policy. He can choose:

**Option 1** - Stop paying into this policy now and have protected cover of €18,711 for the rest of his life, *or*

**Option 2** - Encash the policy and take €13,788 as protected cashback (savings), which means that €50,000 life cover has only cost him €32.84 per month for the last 15 years.

Please give us a call to discuss this cover in more detail and to see if it is suitable to your needs.

### OCTOBER PENSION DEADLINE

Individuals who both pay and file their tax returns through the Revenue On-line Service (ROS) have until Tuesday 14th November 2017 to pay a pension contribution and elect to backdate the income tax relief against the 2016 tax year. Those who do not qualify for the ROS extension must do this by 31st October 2017. There is no option to defer. If you do not take this opportunity, you will not get another chance to reduce your 2016 income tax liability.

The self-employed, proprietary directors and people with non-PAYE income are required to file self-assessment tax returns under the Pay and File system with Revenue. Employees and directors in occupational pension schemes can also reduce their 2016 tax bill if they pay an AVC single premium on or before 31<sup>st</sup> October 2017 and file a return by 31st October 2017.

With interest rates at an all-time low it makes sense to avail of the numerous tax advantages of adding to your pension. Contributions can be made via a company plan, a PRSA, an AVC PRSA or a Personal Pension. Plus your contributions will grow DIRT free within your pension fund.

### CROSS ATLANTIC CHARITY CYCLE 2017

Well done to everyone who took part in this year's CROSS Atlantic Charity Cycle which took place over 5 days along 580km of the Wild Atlantic Way from Sneem to Galway. The cycle is in aid of the cancer charity, Friends of C.R.O.S.S., which supports the cancer research programme at Trinity College Dublin and St. James's. We would like to thank everyone who kindly donated to the cause.

**Be sure to check out our new website at [www.olliemoranfs.com](http://www.olliemoranfs.com) for all your financial needs!**