

AON

Getting the most from your money - Tax Basics

Financial Wellbeing

Presenter: Carraig Rushe



Agenda



Introduction
Introduction to
Financial Wellbeing



Payslip
Understanding
your Payslip



**Tax and Tax
Reliefs**
Tax on Income
and tax credits &
reliefs



MyGovID
Registering for
the first time



Tax Refunds
Using ros.ie to
claim tax relief



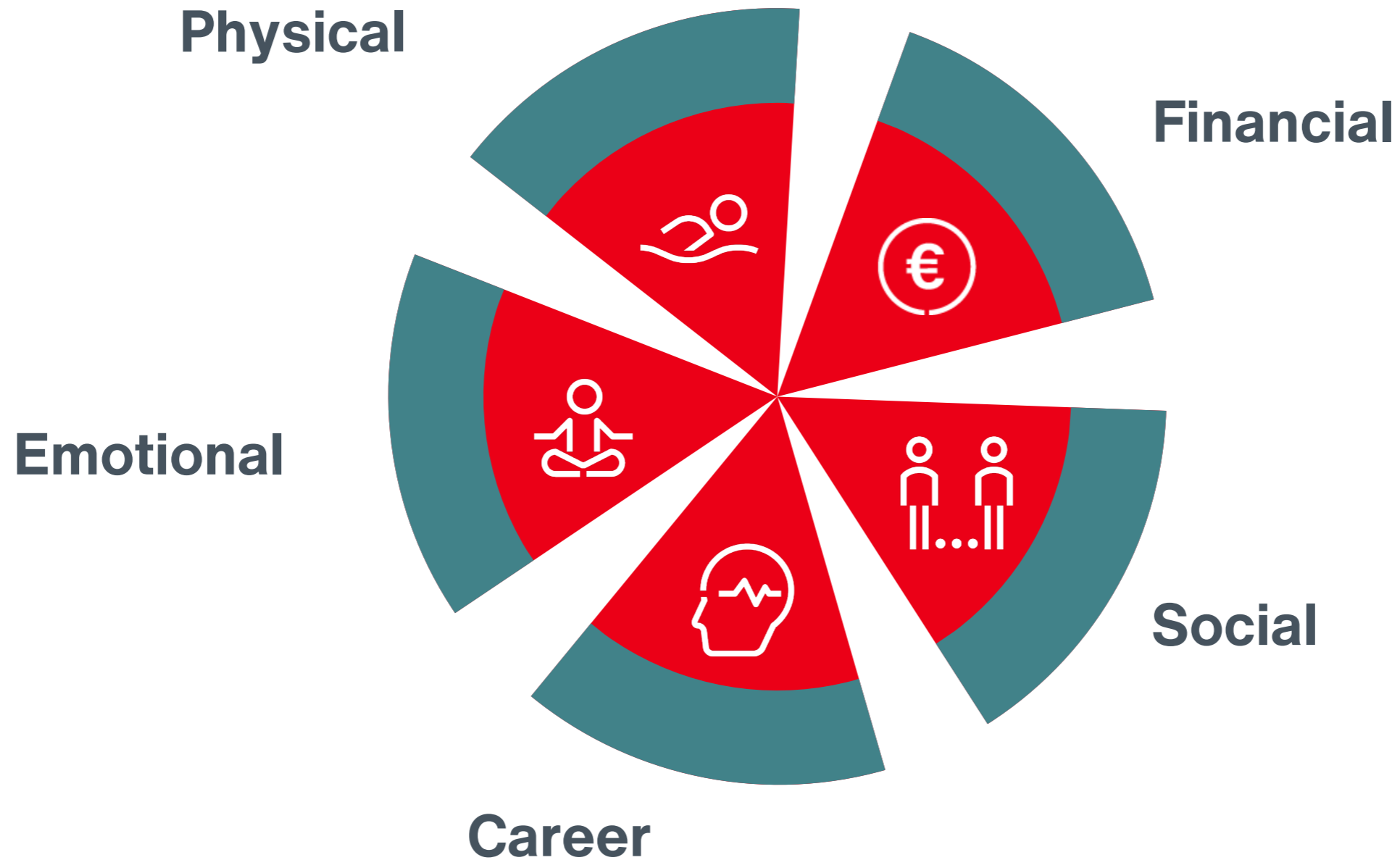
**Tips and
Support**
Managing
your money

1

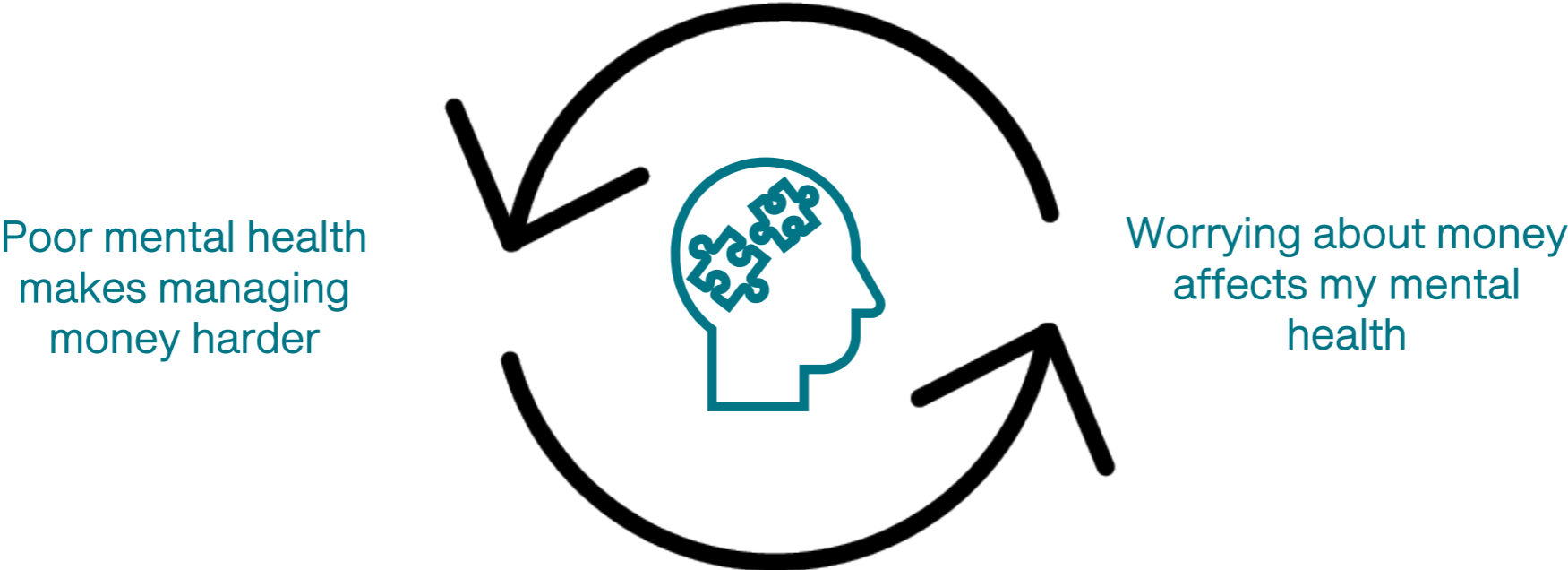
Introduction to Financial Wellbeing



Introduction to Financial Wellbeing



Mental and financial wellbeing



The importance of staying in control of our finances

- 80% of employees experiencing financial difficulty state that it impacts negatively on their stress levels, job satisfaction and mental health
(Aon Employee Mindset Study 2020)
- Two-thirds of employees are struggling from month to month
(Aon Employee Mindset Study 2020)
- Employees four times more likely to be suffering from mental health problems than those who felt positive about the state of their finances
(Financial Times Salary Finance Survey 2019)

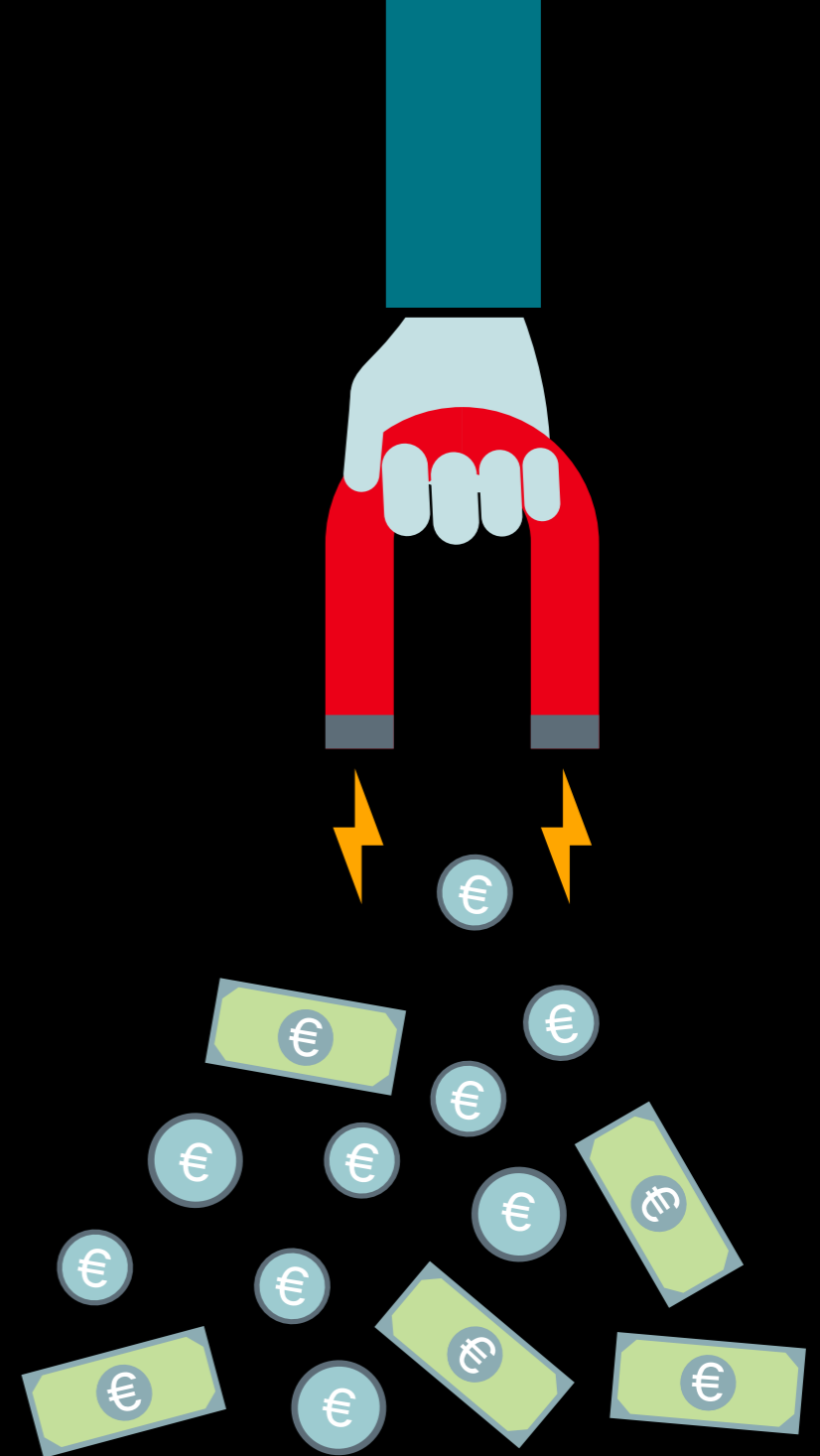


“

**It's not your salary
that makes you
rich, it's your
spending habits.**

”

Charles A. Jaffe



Understanding Tax Basics

The best way
to teach kids
about **taxes**
is by eating...

30%

...of their ice cream!



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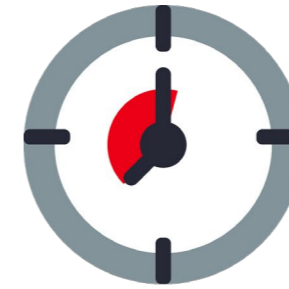
Understanding your Payslip



Understanding your payslip

In this section we'll go through...

- **Payslip Tax Codes**
- **Personal Public Service Number**
- **Gross Pay**
- **Net Pay**
- **Tax Credits**
- **Tax Reliefs**



Payslip		
	+	-
Overtime		

Staff No	12345		Date	22/12/2022	Department	IE 000		
Name	Sally Sample		Period	12	Cost Centre	10123		
Company	Acme Corp		PPS No	012345A	Category			
Payment	Units	Rate	Value	Description	Employee TP	Employee TY	Employer TP	Employer TY
Salary			4583.33	PAYE	986.66	6178.29		
Benefits Allowance			83.33	PRSI	186.66	1229.96	515.66	3397.83
				USC on 30749.96	151.86	976.98	0.00	0.00
				Benefit	83.33	745.84	0.00	0.00
				Pension	64.48			

Notes:

Tax Calculation		Tax & PRSI Information		Other Information	Net Pay Reconciliation	
Gross Pay	30749.96	PRSI code	A1		+ Gross Pay	4666.66
Notional Pay / BIK	0.00	Insurable Weeks YTD	1		- Deds from Gross	0.00
Deductions from Gross	0.00				- Total Tax & PRSI	1325.21
Taxable Pay	30749.96				- Total Misc Deds	124.31
2941.67 @ Standard Rate	a. 588.33				+ Non Taxable Adj	0.00
1724.99 @ Higher Rate	b. 690.00	Tax O			+Rounding	0.00
Tax Credit	c. 291.67					
Total tax a + b + c	6178.29				Net Pay	3217.14

Tax Reliefs

- Reduce tax
- e.g. pension contributions

Note: The following payslips are generic examples for illustration purposes only and do not reflect the same payslip that RNLI employees receive.

Staff No	12345		Date	22/12/2022	Department	IE 000		
Name	Sally Sample		Period	12	Cost Centre	10123		
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Tax Credit	c. 291.67					
Total tax a + b + c	6178.29				Net Pay	3217.14

Tax Credits

- Reduce your tax bill
- Same for everyone
- Personal circumstance

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Name	Sally Sample	Period	12	Cost Centre	10123			
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Total tax a + b + c	6178.29				Net Pay	3217.14

Gross Pay

The total amount you're paid before any deductions are made

Note: The following payslips are generic examples for illustration purposes only and do not reflect the same payslip that RNL employees receive.

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Net Pay

The total amount each time you're paid after income tax, PRSI, USC and other deductions

Note: The following payslips are generic examples for illustration purposes only and do not reflect the same payslip that RNLI employees receive.

3

Types of tax



“

**The hardest thing in
the world to
understand is
income tax ”**

Albert Einstein

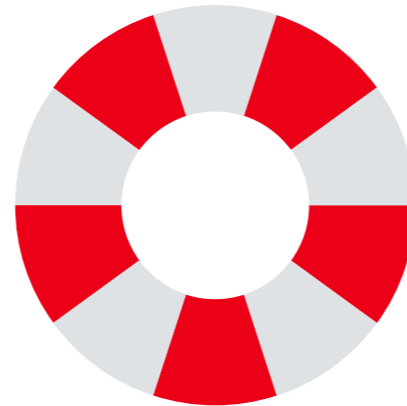


Understanding Tax

Types of tax and reliefs available



Income Tax



Pay Related Social Insurance (PRSI)



Universal Social Charge (USC)

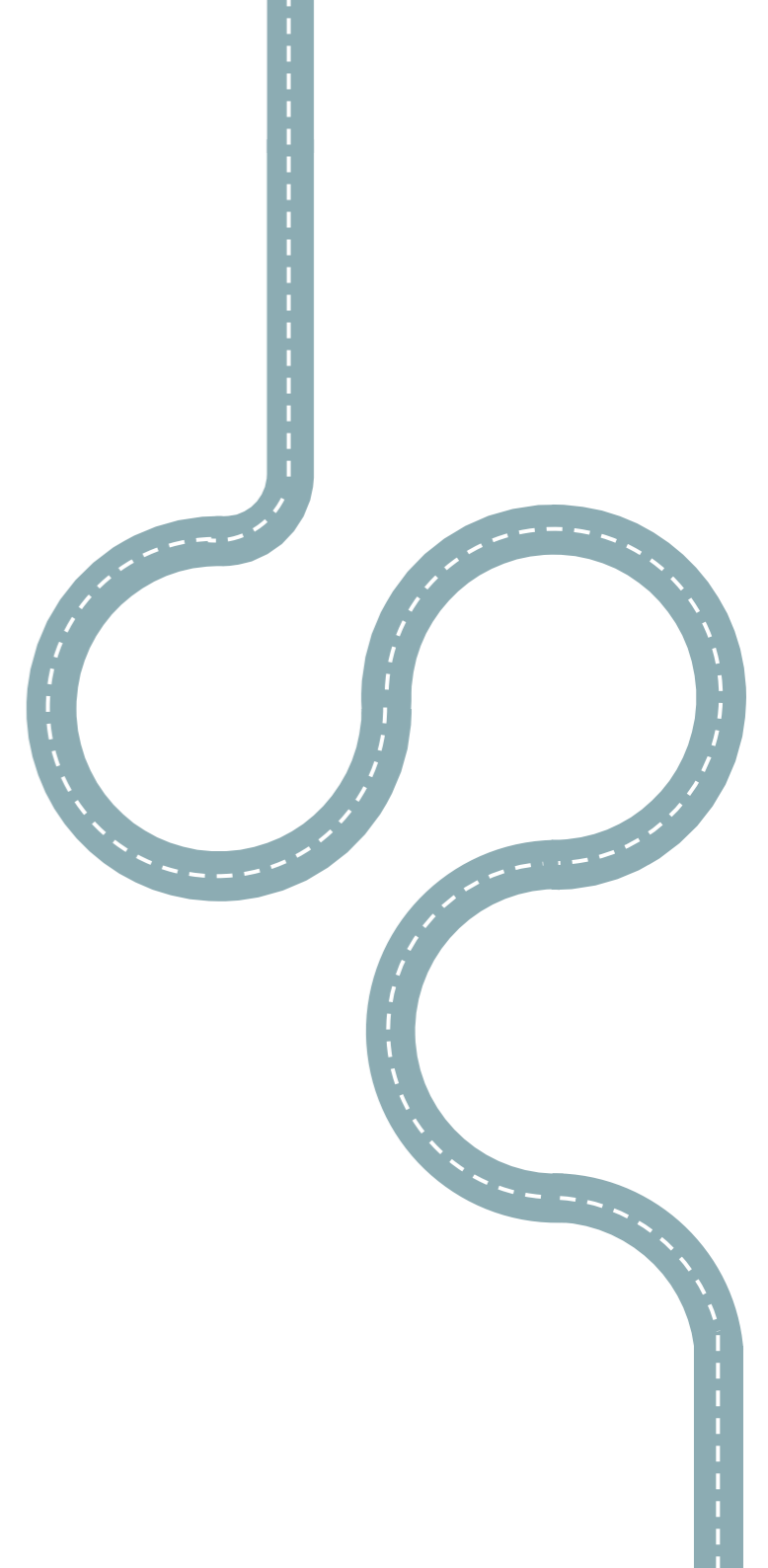
Income Tax

	Initial @ 20%	40%
Single	€36,800	Balance
Married/Civil Partner (One income)	€45,800	Balance
Married/Civil Partner (Two incomes)*	€73,600	Balance
1 parent**	€40,800	Balance

* Increase is lower of €27,800 and income of lower earning spouse

** Includes widowed parent and surviving partner

- Tax treatment depends on your personal circumstances.
- Your circumstances and the tax rules may change in the future.



Tax Credits

Tax Credits (2022 Tax Year)

Single	€1,700
Married/Civil Partner	€3,400
Widowed parent (PAYE)	€1,700
Single person child carer	€1,650
Employee (PAYE)	€1,700
Home Carer	€1,600

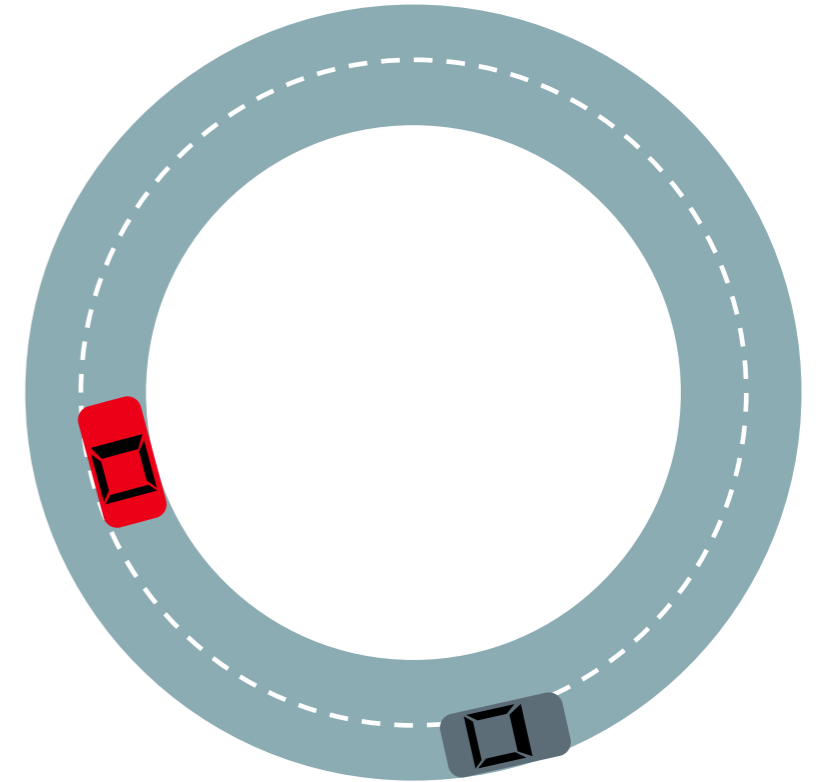
Tax credits are for awareness purposes only in this presentation. For any questions on your own personal circumstance, you need to contact your local tax office. Not HR.

USC Rates

Rate	PAYE Income band
0.5%	Up to €12,012
2%	From €12,012.01 to €21,295
4.5%	From €21,295.01 to €70,044
8%	From €70,044.01 and over*

*A higher rate of 11% applies to self employed earnings €100,000

Note: All Tax rates illustrated in this presentation are effective for 2022 and may be subject to change each year



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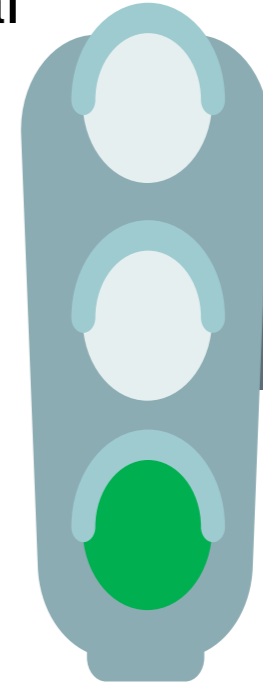
Understanding your tax credits and reliefs



Understanding your tax credits and reliefs

Useful tax reliefs

- Medical (e.g. GP, Consultant, Physio, Scans) & Non routine Dental
- Dental
- Treatment benefits (dental- scale and polish, optical and hearing)
- Bike to Work – <http://www.cyclescheme.ie>
- Rent a Room
- RNLI Pension Scheme
- Other e.g. third level fees, ECCE (Childcare)
- Working from home



Useful Tax Reliefs to be aware of

Working from home relief

To qualify as an e-worker, you must have a letter from your employer for (previous) tax year with respect to working from home i.e. as per Govt guidelines. See www.revenue.ie for further details.

What can I claim for?

- Electricity
- Heating
- Broadband

How can I claim?

- Collect copies of utility bills and calculate amount due
- Then claim via www.revenue.ie - Go to Tax credits and reliefs page and then 'Your Job' tab

What can I get?

Up to 30% back on electricity and heating and broadband (note 10% max was allowable for electricity and heating pre 2022)



Working from home - Tax Relief Example

How do I calculate?

Multiply your allowable utility bills by the number of days worked from home, divide by 365 and:

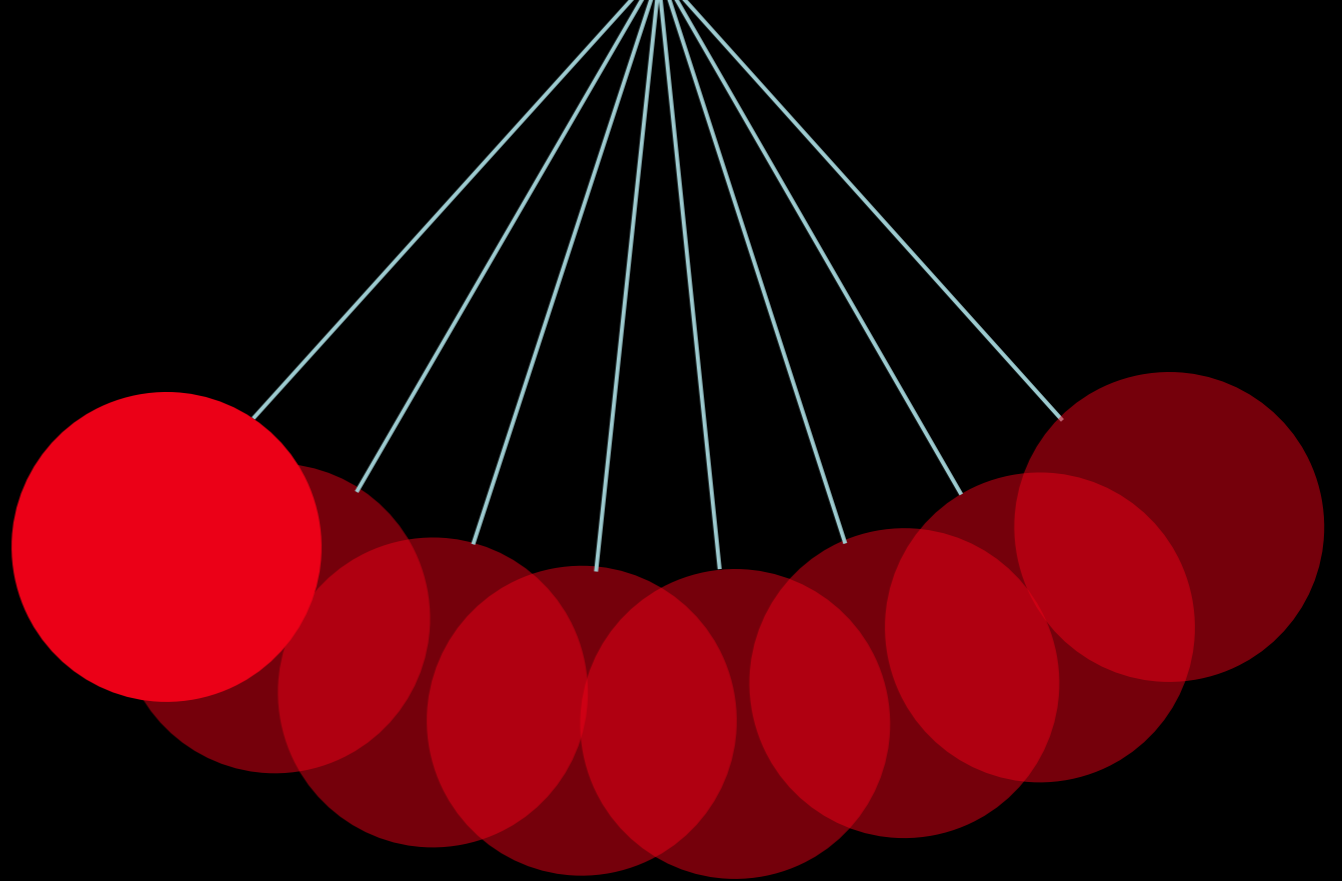
- multiply by 30% (0.3) for electricity and heating (from 2022 tax year onwards)
- multiply by 30% (0.3) for broadband

Description	Calculation	Amount
Cost of Heating and Electricity bills in 2022		€3,000
Multiply by days working from home x 170*	$3,000 \times 170$	510,000
Divide by 365 ~	$510,000/365$	€1,397.26
Cost at 30%	$€1,397.26 \times 0.3$	€419.17
Net Amount due from revenue [^]	$€418.03 \times 0.4$	€167.67

- *days worked from home
- [^]assumed at 40% income tax rate
- ~ 366 days is used for 2020

Note: If there is more than 1 person claiming, the cost due must be divided by the amount each person paid

AON Also – you claim after the year has passed so if claiming for 2020 and 2021 for electricity and heating, you must use the 10% rate.



Citizen's Advice:

Guide to understanding
taxes, credits and reliefs

<https://bit.ly/HowTaxCalc>

5

Registering for a
My Gov ID



Registering for a My Gov ID

What is a My Gov ID for?

- **Single sign on for government services**
 - Welfare
 - Revenue
 - Driving Licence
 - Voting

www.mygovid.ie



Registering for a My Gov ID

What do I need to register?

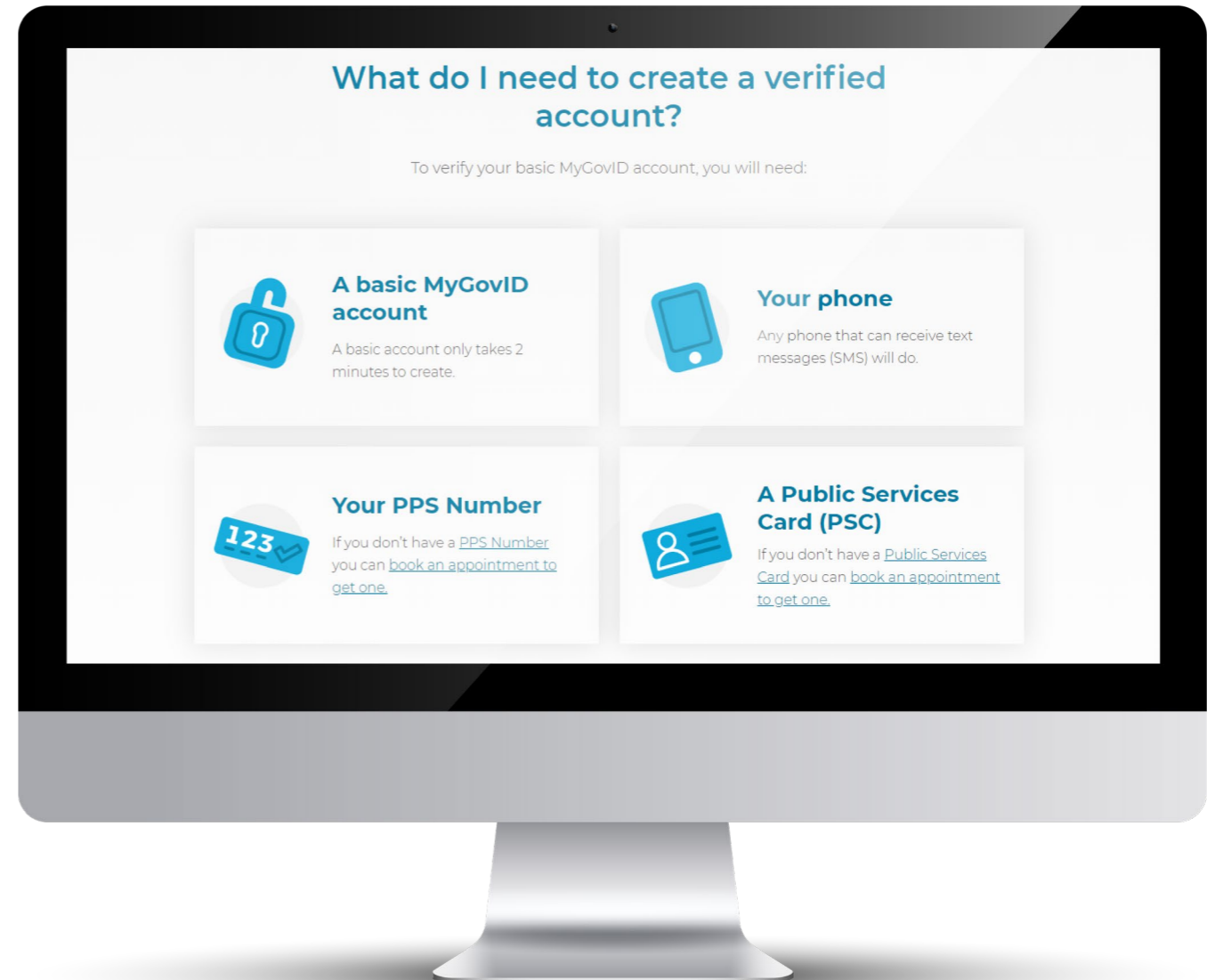
Basic Account:

- Name
- Email Address

Verified Account

- Phone Number
- PPS Number
- Public Services Card

www.mygovid.ie



5

Tax Refunds

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Tax Refunds

Income Tax Return

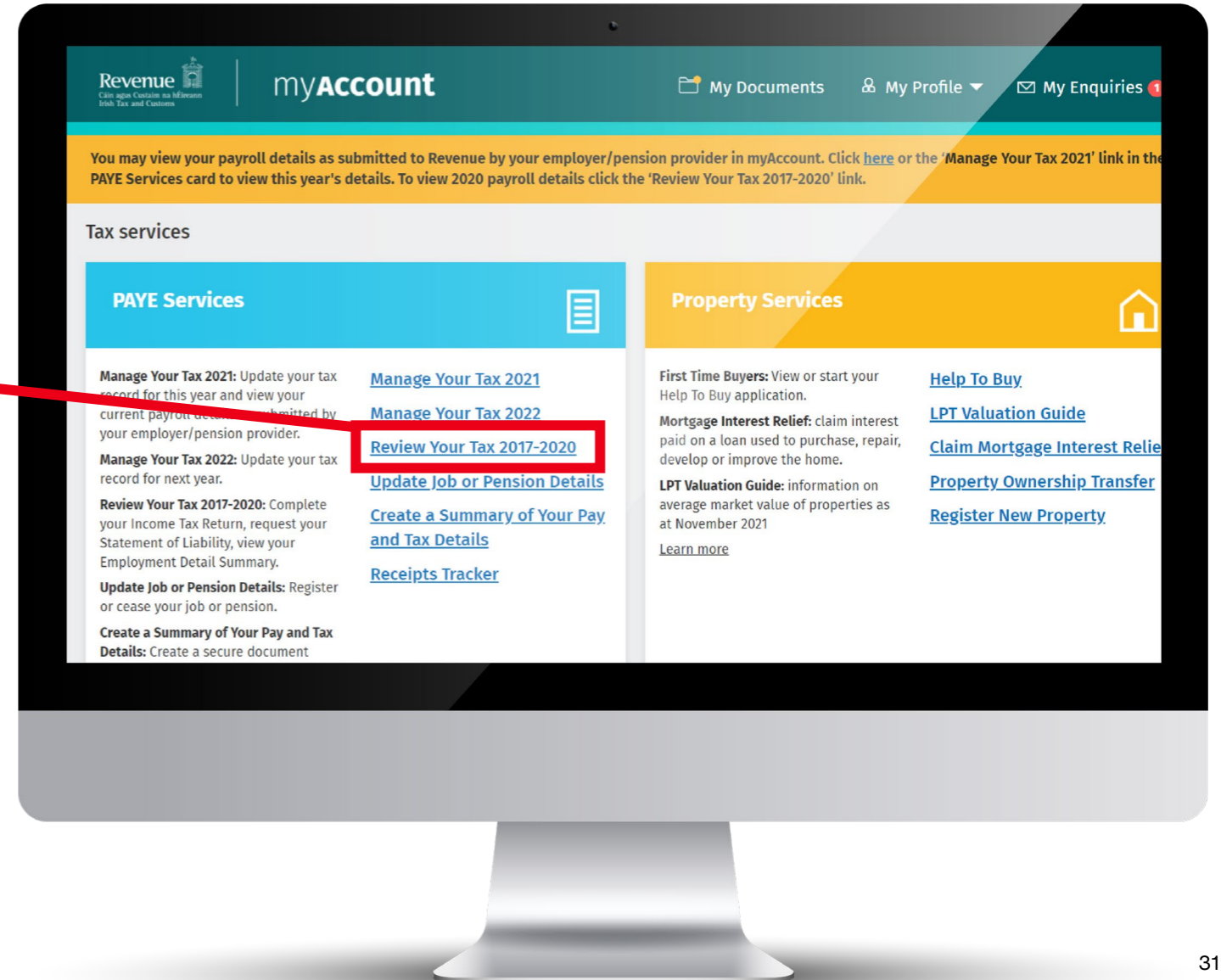
- **Previous tax year available in January**
- **4 years to claim a refund**
- **Apply all appropriate tax credits**
- **Correct details for next year**



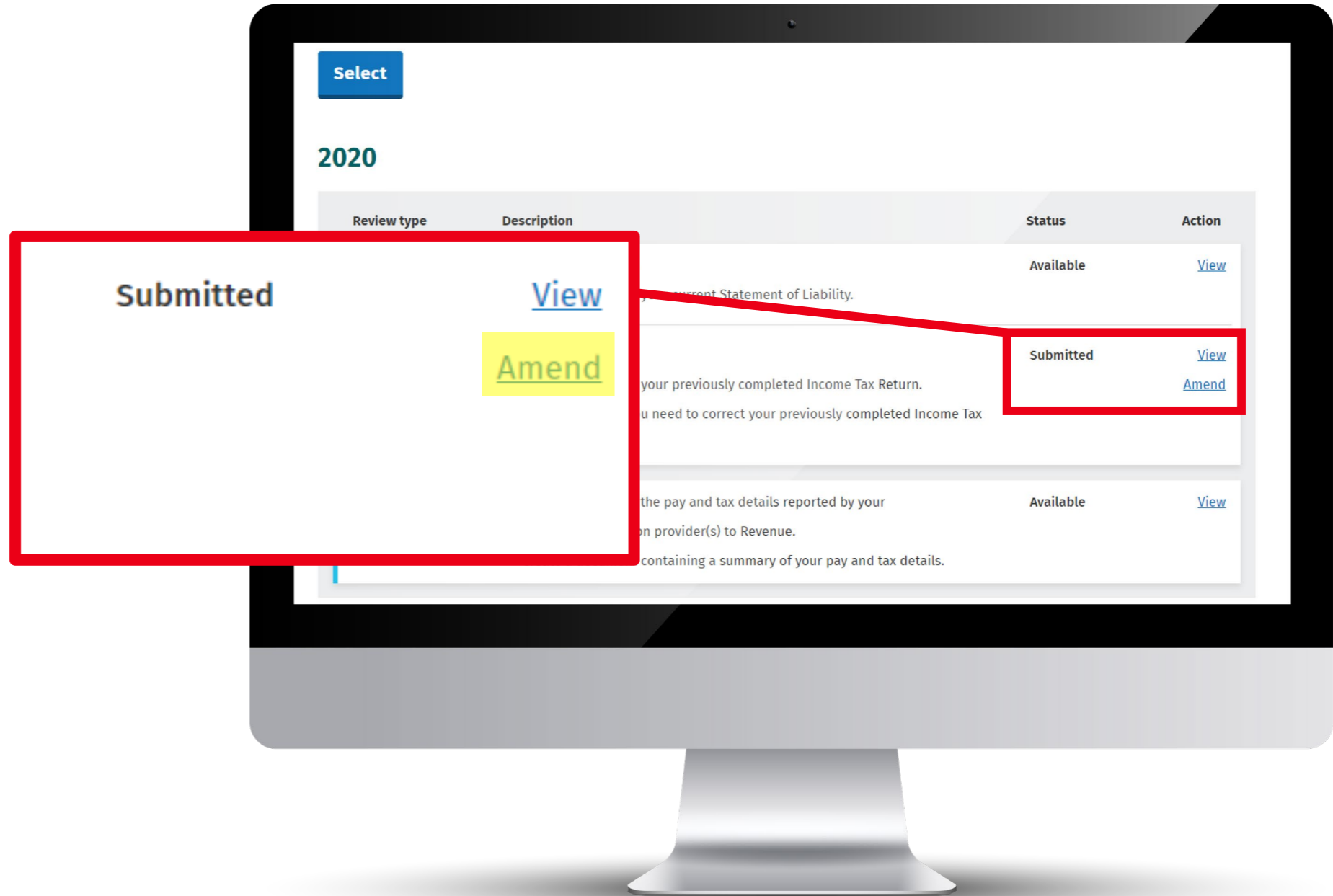
Tax Refunds

Income Tax Return

- Click 'Review Your Tax'



Tax Refunds



6

Tips and Support

AON



Key Financial Wellbeing Tips

- ✓ Budget! Budget! Budget! – Understand what's coming in and what's going out
- ✓ Pay Yourself First – 80/20 rule
- ✓ Emergency Fund – Prepare for the unexpected - 3 months savings on average
- ✓ Debt Management – tackle high interest rates, try not to buy on credit, review your mortgage rates
- ✓ Shop around – Groceries . The 'BIG' shop vs convenient stores
- ✓ Shop around – Insurance, Utilities, Broadband&TV, subscriptions

Looking after your mental health

Five Ways to Wellbeing

The Five Ways to Wellbeing are a set of evidence-based actions, simple things we can do in our everyday lives, which promote our wellbeing



TALK & LISTEN,
BE THERE,
FEEL CONNECTED



DO WHAT YOU CAN,
ENJOY WHAT YOU DO,
MOVE YOUR MOOD



REMEMBER
THE SIMPLE
THINGS THAT
GIVE YOU JOY



EMBRACE NEW
EXPERIENCES,
SEE OPPORTUNITIES,
SURPRISE YOURSELF



Your time,
your words,
your presence

Source: www.mind.org.uk/workplace/mental-health-at-work/taking-care-of-yourself/five-ways-to-wellbeing/



Employee Assistance Programme

RNLI provides colleagues with access to an **EMPLOYEE ASSISTANCE PROGRAMME (EAP)**

This is a **CONFIDENTIAL SERVICE** that is free for employees to use up to 6 times a year.

AVAILABLE 24/7/365 to offer support on a broad range of issues including practical information and guidance about day-to-day issues such as legal, financial, wellbeing and debt.

For anyone requiring mental health support, they can **ACCESS COUNSELLING**. Even if you're not sure if they can help, **GIVE THEM A TRY**.

Website: <https://helpwheretheyouare.com/login>

Use Technology to find further help

- Understand the Benefits you currently have
- Money Advice and Budgeting Service

<https://www.mabs.ie/en/>

- Money Saving Tips

<https://www.ccpc.ie/consumers/money/budgeting/money-saving-tips/>

- Comparison websites

<https://www.ccpc.ie/consumers/financial-comparisons/>

- Be vigilant – Scams

<https://www.ccpc.ie/consumers/money/scams/>

WHERE TO GO FOR WELLBEING AND WELFARE SUPPORT ...



<p>YOUR MANAGER</p> <p>Your manager is here to support you in your RNLI role, and is the first port of call for you to raise any concerns or emerging issues.</p> 	<p>SUPPORT 24/7</p> <p>A free, independent and confidential support service.</p> <p>Operational volunteers: 0800 116 4362 (UK) 1800 303 407 (Ireland)</p> <p>Employees: 0800 042 0138 (UK) 1800 303 398 (Ireland)</p>	<p>WELFARE ADVISER</p> <p>The Welfare Adviser provides confidential support and signposting in times of difficulty.</p> <p>+44 (0)7824 866046 welfare@rnli.org.uk</p>	<p>MENTAL HEALTH FIRST AID</p> <p>Have a confidential chat with an RNLI Mental Health First Aider if you have a mental health concern, or you are concerned about someone else.</p> <p>mhfa@rnli.org.uk</p> 
<p>TRiM</p> <p>A confidential and voluntary peer support programme assisting people who have been exposed to a potentially traumatic incident as part of their RNLI role.</p> <p>+44 (0)7584 613612 trim@rnli.org.uk</p>	<p>FINANCIAL SUPPORT</p> <p>The Personal Injury Benefit scheme, for volunteers: welfare@rnli.org.uk</p> <p>The Lifeboat Benevolent Fund, for current and former crew and lifeguards: lbf@rnli.org.uk</p> 	<p>OCCUPATIONAL HEALTH</p> <p>Provides impartial advice when someone's role may be adversely impacting their health – or their health impacting their ability to perform their role.</p> <p>+44 (0)1202 663567 ohservices@rnli.org.uk</p> 	<p>EXTERNAL SUPPORT</p> <p>Contact your GP</p> <p>samaritans.org / 116 123</p> <p>pieta.ie (Ireland) / 1800 247 247</p> <p>mind.org.uk</p> <p>hubofhope.co.uk (UK Directory)</p>

VHI Healthcare Plan : Plus Public Day to Day Care – for further information contact (056) 444 444

New VHI joiners – contact People_Admin@rnli.org.uk for details on RNLI's package

Retirement Planning or pension: email: Caroline_Smith@rnli.org.uk or phone 0044 1202 663598

Q&A

