



Re: Pension related tax payments

Dear Sir/Madam,

I am writing to advise you that Revenue has introduced a new online payment facility for certain taxes including the pension taxes which are not chargeable under Schedule E (PAYE).

Several categories of pension related payments are not chargeable under PAYE but are chargeable under Schedule D Case IV - see details on the attached list. Where a pension related payment is chargeable under Schedule D Case IV, it is not treated as part of the individual's income for tax purposes and no tax credits and reliefs may be offset against the amount.

The tax deducted is 'ring-fenced' meaning that it cannot be repaid, or offset against the individual's other tax liabilities¹. For this reason there is a different accounting procedure when remitting the tax deducted. These pension taxes were previously paid to the Collector-General's Office using an electronic fund transfer facility (EFT) or by cheque, under a separate tax number issued for this purpose. With the introduction of the online payment facility the EFT/cheque payment system has been discontinued.

You can now pay the tax online by Single Debit Instruction, credit card, or debit card through ROS under the **customer number used for your business taxes**. The attached explanatory document provides details on how to log on through ROS and access the online system.

The online payment facility is more efficient because a single tax payment can be made in relation to tax deducted in respect of a number of individuals and for different categories of pension taxes. Furthermore, it will no longer be necessary to provide backup details such as the individuals' names and PPS numbers or a breakdown and/or explanation of any amounts paid, either to this district, or to the Collector-General's Office. However, the amounts paid may be subject to a verification check or an audit at any stage, consequently, you should retain the full backup documentation and the payment acknowledgement in support of any payment made.

It is important that the payment is made under the customer number used **for your business taxes** e.g. VAT, CT and not the number that was issued for the payment of these pension taxes. You should note that when a pension related tax payment is made under your customer number, as described above, there will be no interaction with any other tax liabilities or tax payments which appear under that number. Please continue to complete a form 787S in respect of any chargeable excess tax deducted and a form 790AA in respect of any lump sum tax deducted and pay any tax deducted through the online system within the specified three month timeframe.

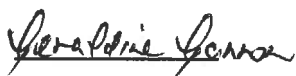
¹ The only exception to the details above is that lump sum tax deducted (at standard rate) in respect of a retirement lump sum paid to an individual may be offset against the individual's chargeable excess tax.



If you have any queries in relation to the pension taxes included in this online payment facility please contact the Financial Services Pensions District at 1890 60 50 90 or by secure email using My Enquiries to lcdretirebens@revenue.ie. If you have any difficulty making a payment please contact the Collector- General's ROS Helpline for ROS related payment enquiries at 1890 22 63 36.

Further details may be found in Revenue eBrief 57/16 which is available on the Revenue website.

Yours sincerely,



Geraldine Gannon
Financial Services (Pensions)
Large Cases Division

How to make a Pension Tax Payment Online through ROS

Introduction

Revenue has introduced a new online payments facility to pay certain pension taxes through the Revenue On-line Service (ROS). ROS is the method by which Revenue is delivering its interactive customer services electronically to the customer. This service is an internet facility which provides customers with a quick and secure facility to file tax returns, pay tax liabilities and access their tax details, 24 hours a day, 7 days a week, 365 days a year.

Certain pension tax payments can be made by pension providers and Life Offices by Single Debit Instruction, credit or debit card under your customer number which is used when interacting with Revenue for all other business taxes. ROS will allow you to record, track and report on pension payments made to Revenue.

The pension taxes which can be paid on ROS are listed below, the text in bold is the short description which will be found within ROS.

(1) Trivial Pension

This refers to a Commuted Pension of less than €330 per annum (10% tax rate).

(2) Commuted Pension (ill health)

This refers to a Commuted Pension in the case of terminal illness (10% tax rate).

(3) Lump Sum

This refers to a Retirement Lump Sum in excess of tax free amount, i.e. the amount paid between €200,000 and €500,000 (20% tax rate).

(4) Chargeable Excess

This refers to a Chargeable Excess Tax liability (40% tax rate).

(5) Encashment Option

This refers to the Dual Private/Public Sector Pension Scheme Encashment Option (40% tax rate & USC of 2.5% applies).

(6) Refund of Contributions

There are two types of refund:

- Refund of member contributions on leaving employment where membership is less than 2 years (20% tax rate).
- Refund of contributions paid on retirement to certain members in pre 1984 public sector Spouses & Children's pension scheme (20% tax rate).

(7) ARF distribution to child

This refers to a Distribution to a child aged 21 or over from the Approved Retirement Fund (ARF) of a deceased parent or from the ARF of a surviving spouse/civil partner which was funded by the ARF of the deceased (30% tax rate).

Guide to paying Pension Taxes on ROS

You can make Pension Tax Payments on ROS in five easy steps

Step 1: Go to the 'My Services' page on the ROS home page. Click 'Submit a Payment' you will be asked to select a payment type. There are five payment types:

Tax Payment/Declaration.

Interest Payment.

Penalty Payment.

Attachment.

Audit.

Step 2: Click 'Tax Payment/Declaration' and you need to select **Pension Tax** from the drop down menu

Payments & Refunds

Submit a Payment

You can choose to make a payment or declaration against a registered tax by selecting a payment type from the below drop-down list.

Tax Payment/Declaration Pension Tax Make Payment

Payment Details

You can choose to make and receive payments to and from Revenue using your bank account by means of ROS Debit Instruction and Direct Debit. You can also make payments using MasterCard or VISA debit and credit cards. Certain repayments or refunds can be made by means of Electronic Funds Transfer.

[Manage Bank Accounts](#)

Step 3: Click 'Make Payment' and you will be presented with 7 different types of Pension Payments

- Please select the **Year** i.e.2017.
- Select the **Pension Type** and enter the amount you wish to pay.
- All fields must be completed therefore zero's must be input in the fields where no liability arises.
- Click **Add Payment**.

Pensions

Payment Year

Please select a year

Trivial Pension

Please enter an amount for
Trivial Pension

Commuted pension

Please enter an amount for
Commuted pension
(ill health)

Lump Sum

Please enter an amount for
Lump Sum

Chargeable Excess

Please enter an amount for
Chargeable Excess

€	<input type="text"/>
---	----------------------

Encashment option

Please enter an amount for
Encashment Option

€	<input type="text"/>
---	----------------------

Refund of Contributions

Please enter an amount for
Refund of Contributions

€	<input type="text"/>
---	----------------------

ARF distribution to child

Please enter an amount for
ARF distribution to child

€	<input type="text"/>
---	----------------------

Add Payment →

You will have a chance to review your
payment before it is paid

Step 4: Select from one of the following payment options:

Credit card,

Debit card,

A once off debit, i.e. a 'Single Debit Instruction (SDI)' using a bank account (normally a current account) capable of accepting a direct debit

How would you like to pay?

Total Payment Amount €0.01

By Credit card

By Debit card

Using my bank account

▶ How do I pay using my bank account?

If you wish to receive a confirmation email please enter your email address below

Next →

← Back

Please note you will need your card details to hand if making a card payment, if paying using your bank account you will need your BIC and IBAN details.

Step 5: You will receive a payment acknowledgment. This completes the payment process.

Once the payment is completed you will receive a ROS Inbox Message notifying you of the payment.