

# Newsletter

## November 2021

Good morning everyone and welcome to our November newsletter. For us accountants we have survived the Income tax return deadline, but now have to worry about filing the last of the December 2020 accounts by 25th November, and then we can look forward to Christmas – *hopefully lockdown free*.

## Relevant points from the budget

Traditionally many employers give their team a bonus at this time of year. Don't forget that you may issue them with a voucher, or anything other than cash, of up to €500 tax free.

A slight change this year, is that it may be given in up to 2 parts – i.e. €250 now and say €250 in July. In the past, only one payment per year was permitted.



## Other forms of rewarding employees

In many cases any monetary bonus is subject to tax at up to 52%, so this becomes less attractive to an employee. Some alternatives you may wish to consider are the following, or a combination of these:

- Extra days holidays – either once off or recurring. An employee may value extra holidays above a monetary reward.
- Make a contribution directly to their pension – this in most cases is 100% tax free (subject to limits).
- Pay for further education related to their position with you.
- Purchase a bicycle and don't deduct anything from the employee (up to €1,500).
- Purchase some qualifying goods for their own use, and only pay 5% Benefit-In-Kind. **Note: Contact us to discuss the details - suitable for directors or very senior team members.**
- Pay e-workers and home workers allowance retrospective to April 2020, or contribute to their working from home costs.

# EWSS Scheme extended to April 2022

You may be aware of this. However, with the confirmation in recent days of increasing Covid numbers, and the directive to WFH where possible, we are optimistic that the rules for this may be changed positively to mean more employers may avail of it.

We encourage you to submit your sales details to us promptly each month as if they are not submitted by the 14th you will cease to qualify for the EWSS.



## PUP Changes

With effect from 16th November last, the rate of PUP has decreased from €300 to €250, and from €250 to €203.

We support this move in the majority of circumstances as it may encourage people to return to the hospitality sector in particular who are experiencing severe staff shortages.



## Do you know how much profit you have made this year?

Many of our clients ask us to produce Management accounts for the 11 months ended 30th November each year. This then allows them to decide on whether they can afford to pay bonuses to staff, but also more importantly to see how much they can put into their own pension before 31st December (directors of limited companies must make contributions **BEFORE** year end in order to qualify for Corporation Tax relief).

If you have made a profit, but your cash is tied up in stock and/or debtors, remember many banks will loan you money over 11 months to fund these pension contributions, which then spreads the cash flow burden over the year.

## PERSONAL FINANCE CORNER

This month we have 3 items for you to consider:

1. If you have made a capital gain in the period 1st January to 30th November any tax must be paid before 15th December. You need only file the return by 31st October 2022.



2. Remember to update your LPT valuations for both your principal private residence and any investment properties owned.



3. If you have been one of the lucky ones who has recently received an Income tax refund for 2020, remember to send us in your data for 2021 in January next year – don't wait until October again – we can file your return and get you a refund in January. This especially applies where you may have had large medical or dental bills, or made an EIS investment in 2021, or perhaps taken a career break, or been on unpaid maternity leave.

Revenue  
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