

# Guide to your payments

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# Understanding your payments

You've worked hard for your retirement, so now's the time to enjoy your free time, rediscover your hobbies and experience new challenges.

We hope this guide takes the stress out of understanding your income payments from Standard Life, leaving you with more time to make the most of your retirement.

If you invest in an approved retirement fund, buy an annuity or vest\* your PRSA, the taxes due are deducted under the PAYE system, regardless of whether you were or are self-employed or employed (the provider will be displayed as your 'employer' on your Tax Credit and Universal Social Charge certificate).

\* A Vested PRSA is a PRSA where you have taken a cash lump sum and/or income.

## I have a Vested PRSA or an approved retirement fund (ARF)

We've put together some frequently asked questions and their answers which will help explain your ARF withdrawals.



### Do I need to take withdrawals from my PRSA/ARF?

You must withdraw a certain percentage from your Vested PRSA/ARF. The amount payable is calculated using the value of your Vested PRSA/ARF on 30 November each year.

The percentage is

- 4%, if you're 60 years of age or over for the full tax year, or
- 5%, if you're 70 years of age or over for the full tax year, or
- 6%, if you've combined Vested PRSA and ARF assets of €2million or more and you're 60 years of age or over for the full tax year

It's important to allocate any available tax credits to Standard Life when you turn 61 to make sure your withdrawals are taxed correctly. See page 8 for more information about tax credits.



### Is my withdrawal taxed?

Yes. Any withdrawals from a Vested PRSA or an ARF are treated as income and taxed under the PAYE system. This means your payment is liable to income tax, PRSI and Universal Social Charge (USC) applicable to you.

Q3

### What tax rate applies to my withdrawal?

Revenue ask us to deduct income tax at the higher rate of tax (currently 40%) unless we've received an up to date Revenue Payroll Notification of your tax credits and deductions we must make (the Revenue Payroll Notification is the employer's version of your Tax Credits and Universal Social Charge Certificate).

Your payslip shows what tax information we have for you (Refer to page 7). Your standard rate cut off point is the level of income you pay tax on at the lower rate (currently 20%). Any income above this level is taxable at the higher rate (currently 40%).

Your tax credits are used to reduce the amount of tax deducted from your withdrawal.

See page 8 for more information about tax credits.

Q4

### Do I pay PRSI?

Not everyone must pay PRSI.

If you are aged under 66 we must deduct PRSI at Class S on all withdrawals from your Vested PRSA or ARF. The current rate is 4.1%.

If you are aged between 66 and 70 and born after 1 January 1958 you will continue to be liable for PRSI until such time as you are awarded the State Pension (Contributory) or reach age 70 whichever is earliest.

Once you are awarded the State Pension (Contributory), the Revenue's Payroll Notification to us will indicate that you are now in receipt of the State Pension (Contributory), and we'll update our records.

Q5

### Do I pay USC?

USC is calculated based on your gross withdrawal amount. Individual rates of USC may apply depending on your circumstances, for example, if you have separate sources of income.

We'll deduct USC according to your Revenue Payroll Notification. If we don't receive a Revenue Payroll Notification, we must deduct USC at 8%.

Q6

### I may have paid too much tax in the previous year. How do I claim it back?

If you think you've paid too much tax, you can contact your local tax office. They may ask you for proof of income for that year and will issue a refund if it is due.

If you need to allocate tax credits to Standard Life, quote our Revenue employer number for Vested PRSA and ARF payments: **3586780HH**. Tax credits are calculated on a monthly basis.

Q7

### **I've received a payment even though I didn't ask for it**

You may receive a withdrawal from your Vested PRSA or ARF in December even though you didn't ask for it. As explained in Q1, each year you must withdraw a certain percentage from your Vested PRSA/ARF which is taxed under the PAYE system. The amount payable is calculated using the value of your Vested PRSA/ARF on 30 November each year.

The percentage is

- 4%, if you're 60 years of age or over for the full tax year, or
- 5%, if you're 70 years of age or over for the full tax year, or
- 6%, if you've combined Vested PRSA and ARF assets of €2million or more, and you're 60 years of age or over for the full tax year
- It's important to allocate any available tax credits to Standard Life when you turn 61 to make sure your withdrawals are taxed correctly

See page 8 for more information about tax credits.

Q8

### **I've already made a withdrawal during the year. Why did I get an extra payment in December?**

There are some scenarios where we need to send you an extra payment in December even though you've already made a withdrawal. This is because the percentage (relevant to you) of the value of your Vested PRSA or ARF on 30 November is greater than the amount of withdrawals you have already taken in the calendar year. Here are some examples of these scenarios:

- If you've been taking a regular percentage withdrawal each month or quarter but you've also invested more money from another pension policy during the year
- You may already have taken your percentage as a once off withdrawal during the year. However, your investment may have grown since you took the withdrawal
- You may have only started regular percentage withdrawals during the year

Q9

### **How do Standard Life know if they need to deduct Local Property Tax (LPT) from my Vested PRSA/ARF withdrawal?**

Property owners can voluntarily choose to pay their LPT by deduction from their pension payments. To do this you will need to contact your local tax office and request that your LPT is stated on your Standard Life Tax Credits and Universal Social Charge Certificate.

Where property owners fail to meet their LPT payment obligations, Revenue can also force the LPT amount onto a Tax Credits and Universal Social Charge Certificate.

Standard Life will not know from the Revenue Payroll Notification whether the LPT was chosen voluntarily or imposed by Revenue.

# I have an annuity

Q1

## How are my payments taxed?

Any payments from an annuity are treated as income and taxed under the PAYE system. This means your payment is liable to income tax and Universal Social Charge (USC).

USC is calculated based on your gross payment amount. Individual rates of USC may apply depending on your circumstance, for example if you have separate sources of income.

We'll deduct USC according to your Revenue Payroll Notification of your tax credits and deductions we must make (the Revenue Payroll Notification is the employer's version of your Tax Credits and Universal Social Charge Certificate). If we don't receive a Revenue Payroll Notification, we must deduct USC at 8%.

Q2

## How do I make sure I don't pay emergency tax?

You'll need to contact your local tax office to request a Tax Credits and Universal Social Charge Certificate for your Standard Life annuity income. If you have other income and want your tax credits allocated in a certain way, you must tell them how, especially if you're not yet registered for PAYE (for example, you've been self-employed up to now).

You can quote them our Revenue employer number for annuities which is **3587289KH**.

Q3

## I may have paid too much tax in the previous year. How do I claim it back?

If you think you've paid too much tax, you can contact your local tax office. They may ask you for proof of income for that year and will issue a refund if it is due.

If you need to allocate tax credits to Standard Life, quote our Revenue employer number for annuities, which is **3587289KH**.

Tax credits are calculated on a monthly basis.

Q4

## Will my payment increase?

Your payments will only increase if you chose the escalation option when you purchased the annuity.

The increase in your payment is applied each year on the anniversary date of your policy.

Q5

## How do Standard Life know if they need to deduct Local Property Tax (LPT) from my annuity payment?

Property owners can voluntarily choose to pay their LPT by deduction from their pension payments. To do this, you will need to contact your local tax office and request that your LPT is stated on your Standard Life Tax Credits and Universal Social Charge Certificate.

Where property owners fail to meet their LPT payment obligations, Revenue can also force the LPT amount onto a Tax Credits and Universal Social Charge Certificate.

Standard Life will not know from the Revenue Payroll Notification whether the LPT was chosen voluntarily or imposed by Revenue.

# A guide to your payslip

**Regular Wd/ Adhoc:** This describes the type of withdrawal. Regular stands for regular withdrawal (monthly for example) and Adhoc means a single withdrawal

**Pay date:** This is your payment date

**Deductions:** These are the tax, USC\* and LPT\*\* deductions per period (payment) and balance so far for the current year

**Policy:** This is your policy number from where your payment originates

**Value:** Your gross payment before tax

Tax calculations for year to date

**Tax credit:** Monthly tax credits according to Revenue Payroll Notification

|                                |               |                            |               |  |                               |               |
|--------------------------------|---------------|----------------------------|---------------|--|-------------------------------|---------------|
| <b>ID</b>                      | XXXX          | <b>PPSN</b>                | XXXXX         | <b>Employer's PAYE registered number</b>                         |                               |               |
| <b>Name</b>                    | XXXXXX XXXXXX |                            |               | 3586780HH (ARFs and Vested PRSAs)<br>or<br>3587289KH (annuities) |                               |               |
| <b>Period</b>                  | 2             | <b>Pay date</b> 01/02/2025 |               |  |                               |               |
| <b>Payment</b>                 | <b>Value</b>  | <b>Deductions</b>          | <b>Period</b> | <b>Balance</b>   |                               |               |
| Policy 1 XXX Regular Wd/ Adhoc | 1,104.91      | PAYE                       | 100.44        | 200.87   |                               |               |
| Annuity 1 (Policy: XXX)        |               | PRSI                       | 0.00          | 0.00   |                               |               |
|                                |               | USC* on 2,209.82           | 7.09          | 14.17  |                               |               |
|                                |               | LPT**                      | 18.75         | 37.50  |                               |               |
| <b>Tax calculation YTD</b>     |               | <b>Tax and PRSI</b>        | <b>Period</b> | <b>Year</b>  | <b>Net pay reconciliation</b> |               |
| <b>Gross Pay</b>               | 2,209.82      | <b>Employer PRSI</b>       | 0.00          | 0.00   | Gross Pay                     | 1,104.91      |
| <b>Notional Pay/BIK</b>        | 0.00          | <b>Insurable weeks</b>     | 4             | 9  | Deds (Gross)                  | 0.00          |
| <b>Deds from Gross</b>         | 0.00          | <b>Tax cut off</b>         | 2,197.70      |  | Tax                           | 100.44        |
| <b>Taxable Pay</b>             | 2,209.82      | <b>Employer Pens</b>       | 0.00          | 0.00   | PRSI                          | 0.00          |
| 2,197.70@Std (a)               | 439.54        | <b>PRSI code</b>           | M             |  | USC                           | 7.09          |
| 12.12@High (b)                 | 4.85          | <b>Tax Basis</b>           | Normal        |  | LPT                           | 18.75         |
| <b>Tax credit (c)</b>          | 243.52        | <b>Emergency</b>           | 0             |  | Deds (Net)                    | 0.00          |
| <b>Total Tax (a+b-c)</b>       | <b>200.87</b> | <b>Pay method</b>          | PayPath       |  | Non taxable                   | 0.00          |
|                                |               |                            |               |  | <b>Net Pay</b>                | <b>978.63</b> |

**Tax cut off:** Tax cut off is the maximum amount of your income taxed at 20%. Income exceeding your tax cut off is taxed at 40%

**PayPath:** Payments are made by credit transfer directly to your bank

**Tax Basis:** If the Tax Basis is 'Emergency' it means we do not hold a Revenue Payroll Notification for you and emergency tax is being applied to your payments. If it says 'normal' your Tax Credits and Universal Social Charge Certificate is being applied to your payments

\* 2025 USC rates  
\*\* Local Property Tax

# A guide to your Tax Credits and Universal Social Charge Certificate

You may decide not to receive regular monthly payments from your Vested PRSA/ARF or annuity so understanding how your tax credits work is important. This will help you understand how much money to expect when you do start to receive payments.

When you allocate tax credits to an employer, a Revenue Payroll Notification is issued to the employer by Revenue. For Vested PRSAs, ARFs, and annuities, Standard Life is the 'employer'. The Revenue Payroll Notification is the employer's version of your Tax Credits and Universal Social Charge Certificate.

We've put together an example of a Tax Credits and Universal Social Charge Certificate and an explanation of how it works.

This example is for a single person with PAYE income. Check out [revenue.ie](https://www.revenue.ie) for a list of tax credits, allowances and reliefs.

| Tax Credit Certificate  |              |
|---|--------------|
| FOR THE YEAR 1 JANUARY 2025 TO 31 DECEMBER 2025 AND FOLLOWING YEARS |              |
| Tax Credits   |              |
|   | €            |
| Personal Tax Credit   | 2,000        |
| Employee Tax Credit   | 2,000        |
| <b>Gross Tax Credits</b>  | <b>4,000</b> |
| <b>Net Tax Credits</b>  | <b>4,000</b> |

Total tax credits for the year

| Tax Rate Bands                      |               |
|-------------------------------------|---------------|
|                                     | €             |
| Rate Band 1                         | <b>44,000</b> |
| The amount of income taxable at 20% | <b>44,000</b> |

Standard rate cut off point for the year

All income over **€44,000** is taxable at **40%**

| Allocation of your Tax Credits and rate Bands (Subject to Rounding) |               |         |        |             |                  |          |        |
|---|---------------|---------|--------|-------------|------------------|----------|--------|
| Employer  | Tax Credits € |         |        | Rate Band 1 | Tax Rate Bands € |          |        |
|   | Yearly        | Monthly | Weekly |             | Yearly           | Monthly  | Weekly |
| Standard Life   | 4,000         | 333.33  | 76.92  | 20%         | 44,000           | 3,666.67 | 846.15 |

| Allocation of your Universal Social Charge rate bands*     |          |           |          |
|--|----------|-----------|----------|
| Rate band  | Yearly € | Monthly € | Weekly € |
| Income chargeable at 0.5%                                  | 12,012   | 1,001.00  | 231.00   |
| Income chargeable at 2%                                    | 15,370   | 1,280.83  | 295.58   |
| Income chargeable at 3%                                    | 42,662   | 3,555.17  | 820.42   |
| Income over €70,044 in this employment is chargeable at 8% |          |           |          |

Tax credits and Rate bands are allocated weekly or monthly throughout the year. In this example, in January there is only €333.33 of monthly tax credits available and the first €3,666.67 per month is taxed at lower rate. Any income over €3,666.67 is taxed at 40% that month. In February there is another €333.33 tax credit available.

\* USC rates for 2025 are shown. Depending on your circumstances, other USC rates may apply (for example, if you have a medical card, if you're over age 70 or if you're self employed). Visit [revenue.ie](https://www.revenue.ie) for more information.

# So how is tax calculated?

Tax calculations can be done on a 'cumulative basis' or a 'week 1/month 1 basis'.

## Week 1 / Month 1 basis

A 'week 1/month 1' basis means that you can only use one month's worth of tax credits and standard rate cut off point in any given month. Tax credits or standard rate cut off do not carry over to the next month, they are standalone.

## Cumulative basis

The majority of Revenue Payroll Notifications issued are on a cumulative basis.

A 'cumulative basis' involves calculating the tax liability arising on your total income from the start of the tax year to the pay period in which the payment is being made.

The tax which must be deducted in each pay period is the cumulative tax due from 1 January to that date, reduced by the amount of tax already deducted in other pay periods.

Any tax credits and/or standard rate cut-off point, which are not used in a pay period, are carried forward to the next pay period within that tax year.

Under the cumulative basis, in January because it's the first month of the year, any withdrawals taken will have only one month's standard rate cut off and tax credits applied. By December, twelve months of tax credits and standard rate cut off are available, but any other payments or withdrawals issued in the year will be factored into the calculation.

If you haven't used all of your tax credits by the end of the tax year, we'll calculate each month's credits to be applied to payments and will issue any refunds accordingly.



### Revenue contact

To make sure your payments are being taxed in line with your own personal circumstances (for example, you want your tax credits allocated in a certain way, or you're not yet registered for PAYE as you've been self-employed up to now)

Call Revenue on **(01) 738 3636** (9.30am to 1.30pm, Mon to Fri) – have your PPS number to hand

or

Register and/or sign in to [revenue.ie/myaccount](https://revenue.ie/myaccount)

# Example

## An ARF withdrawal taken in May using a cumulative Tax Credits and Universal Social Charge Certificate

Using a tax certificate on a cumulative basis (see the example on page 9), you decide in May to take a withdrawal from your ARF. We will assume no other withdrawals have been taken to-date:

### 1. Tax credits

You will have €1,666.67 (€333.33 x 5 months) of tax credits available. These will be deducted from the tax payable on the withdrawal.

### Standard Rate Cut off Point

€18,333.33 (€4,000 x 5 months) will be taxed at the standard rate of 20%. Anything above this figure will be taxed at 40%.

| Assume you request a gross withdrawal of €19,000 |            |                      |
|--|------------|----------------------|
|  |            | €                    |
| <b>Gross payment</b>                             | <b>(A)</b> | <b>19,000.00</b>     |
| €18,333.33 @ 20%                                 |            | 3,666.67             |
| €666.67 @ 40%                                    |            | 266.67               |
| Less 5 months of tax credits                     |            | 3,933.33<br>1,666.67 |
| <b>PAYE income tax due</b>                       | <b>(B)</b> | <b>2,266.67</b>      |
| <b>USC* due</b>                                  | <b>(C)</b> | <b>380.83</b>        |
| <b>PRSI due</b>                                  | <b>(D)</b> | <b>779.00</b>        |
| <b>Net payment (A-B-C-D)</b>                     |            | <b>15,573.50</b>     |

USC\* is calculated for a 5 monthly period and calculated as follows:

- Band 1 @ 0.5% @ €5,005 (€1,001 x 5)
- Band 2 @ 2% @ €6,404.17 (€1,280.83 x 5)
- Band 3 @ 3% @ €17,775.83 (€3,555.17 x 5)

\* USC rates for 2025

PRSI will also be deducted (at current rate of 4.1%) if your ARF income is subject to PRSI Class S

## Find out more

Talk to your financial adviser. They'll give you the information you need.  
Also, you can call us or visit our website

(01) 639 7000

Calls may be monitored and/or recorded to protect both you and us  
and help with our training. Call charges will vary.

[standardlife.ie](https://www.standardlife.ie)

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