

Tax and Pension Facts for 2025

As a Financial Broker, staying informed about the latest changes to taxation and pensions is crucial for providing advice to your clients. This comprehensive guide is designed to be a handy reference, offering you quick access to essential tax and pension information.

Section 1 – Personal Tax Rates

Income Tax Rates and Bands

Personal income tax rates (for 2025)		
	At 20%, first	At 40%
Single person	€44,000	Balance
Married couple/civil partnership (one income)	€53,000	Balance
Married couple/civil partnership (two incomes)*	€88,000	Balance
One parent/widowed parent/surviving civil partner	€48,000	Balance

* €53,000 with an increase of €35,000 maximum.

Personal tax credits (for 2025)	
Single person	€2,000
Married couple/civil partnership	€4,000
Single person child carer credit	€1,900
Employee credit	€2,000
Earned income credit*	€2,000
Home carer credit**	€1,950
Incapacitated child tax credit	€3,800

* Applies to self employed income and certain Pay As You Earn (PAYE) employments not subject to the PAYE credit.

** It is not possible to claim both the increased Standard Rate Cut-Off Point for married couples (two incomes) and the Home Carer Tax Credit.



Employee - Pay Related Social Insurance (PRSI) & Universal Social Charge (USC) Rates for 2025		
	%	Income
Employer	11.15%/11.25%*	No limit
	8.9%/9%*	If income is €496 p/w or less
Employee (class A1)		
PRSI	4.1%/4.2%*	No limit**
USC	0.5%	€0 to €12,012 [†]
	2.0%	€12,012.01 to €27,382 ^{††}
	3.0%^	€27,382.01 to €70,044 ^{^^}
	8%	> €70,044

* From 1 October 2025, the employee PRSI rate will increase from 4.1% to 4.2%. The employer PRSI rate will increase from 11.15% to 11.25% and from 8.9% to 9% where weekly income is €496 or less.

** Employees earning €352 or less p/w are exempt from PRSI. In any week in which an employee is subject to a full-rate PRSI, all earnings are subject to PRSI. Unearned income in excess of €5,000 p.a. is subject to PRSI. Sliding scale PRSI credit of max. €12 per week where weekly income between €352 and €424.

† Individuals with total income up to €13,000 are not subject to the USC.

†† Increase in upper limit of the 2% band from €25,760 to €27,382.

^ Rate decreased from 4% to 3%.

^^ Reduced rate (2.0%) applies for persons aged 70 or over and/or with a full medical card, where the individual's income does not exceed €60,000. Currently, this reduced rate applies until the end of 2025.

Self Employed - PRSI & USC Rates in 2025		
	%	Income
PRSI	4.1%/4.2%*	No limit**
USC	0.5%	€0 to €12,012 [†]
	2.0%	€12,012.01 to €27,382 ^{††}
	3.0%^	€27,382.01 to €70,044 ^{^^}
	8%	€70,045 to €100,000
	11%	> €100,000

* From 1 October 2025, the PRSI rate will increase from 4.1% to 4.2%.

** Minimum annual PRSI contribution is €650 from 1 October 2024.

† Individuals with total income up to €13,000 are not subject to the USC.

†† Increase in upper limit of the 2% band from €25,760 to €27,382.

^ Rate decreased from 4% to 3%.

^^ Reduced rate (2.0%) applies for persons aged 70 or over and/or with a full medical card, where the individual's income does not exceed €60,000. Currently, this reduced rate applies until the end of 2025.

Income Tax Exemption Limits 2025	
Single (65 and over)	€18,000
Married / Civil Partners (at least one aged 65 or over)	€36,000

Redundancy Payments: Tax Free Limits

Statutory	2 weeks for each year of service (including parts of a year) plus 1 week; maximum reckonable weekly pay of €600.
Ex gratia	
Basic	€10,160 + €765 for each complete year of service
Increased	Basic + a maximum of €10,000; provided no entitlement to a pension lump sum and no ex gratia termination payment within last 10 years
Standard Capital Superannuation Benefit (SCSB)	N / 15 x Average Annual Remuneration over last 36 months less present value of tax-free pension lump sum, where: <ul style="list-style-type: none"> • N = number of complete years of service • Present value of tax-free pension lump sum is nil, if individual signs an irrevocable waiver to receive such a sum
Lifetime limit of €200,000 on all tax-free ex gratia termination payments.	

Section 2 – Pension Limits and Rates

Pension Limits and Rates

Changes to the Standard Fund Threshold (SFT)

A Multi-year plan has been put in place to phased increases in the SFT of €200,000 per year beginning in 2026 until 2029. It will also continue to be possible to use any tax paid on pension lump sums to offset against Chargeable Excess Tax Bills which for DC Savers allows an additional buffer of €150,000 in excess of the SFT applicable in that year. See table below.

Year	Standard Fund Thresholds	Standard Fund Thresholds (effective)
2024	€2,000,000	€2,150,000
2025	€2,000,000	€2,150,000
2026	€2,200,000	€2,350,000
2027	€2,400,000	€2,550,000
2028	€2,600,000	€2,750,000
2029	€2,800,000	€2,950,000

Lump sum thresholds	
Maximum lifetime tax free lump sum (since December 2005)	€200,000
Pension lump sum taxed @ 20%	>€200,000 to ≤€500,000
Pension lump sum treated as income and taxed under PAYE system	>€500,000

Earnings for tax relief limits	
Earnings limit for 2025	€115,000

Age related contribution limits	%
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60-75	40%

State Pension (Contributory) maximum – 2025	
Personal rate	€289.30 per week
Personal rate + qualifying adult (both under age 66)	€482.00 per week
Personal rate + qualifying adult (both over age 66)	€548.80 per week

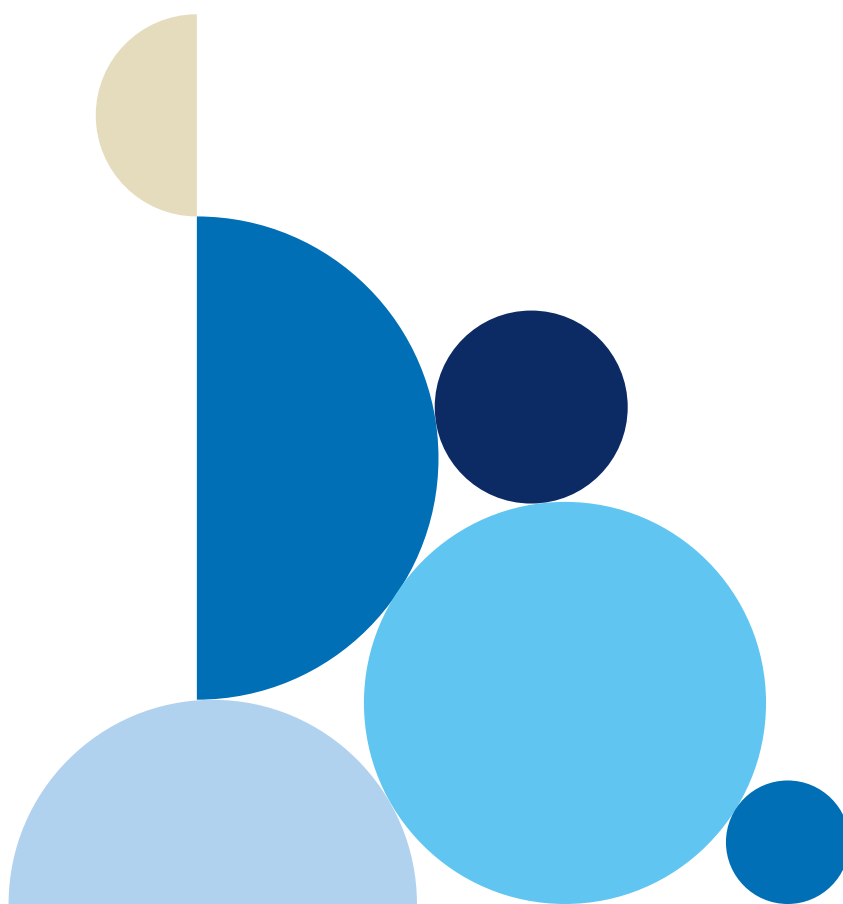
Chargeable Excess Tax – Total retirement benefits taken since 7th December 2005	Tax
Less than Threshold*	Nil
Excess over Threshold (€2m)	40%**

* Threshold is the Standard Fund Threshold (€2m) or Personal Fund Threshold, if greater.

** Tax reduced by a credit for any standard rate tax deducted from pension lump sums taken since 1st January 2011 and not previously offset against a chargeable excess tax charge.

Imputed Distributions for ARFs and Vested PRSAs

Age throughout 2025	ARF and vested PRSA where value is \leq €2 million	ARF and vested PRSA where value is $>$ €2 million
Under 61	Nil	Nil
61-70	4%	6%
71 and over	5%	6%



Section 3 – Savings and Investments

Additional Tax Rates	
Deposit Interest Retention Tax (DIRT)	33%
Capital Gains Tax (since 5 December 2012) (the first €1,270 of an individual's annual gain is exempt)	33%

Exit tax on gross savings and investment policies

Deducted every 8 years and from any withdrawal, surrender or death claim (also transfer of ownership).	
Personal investors	41%
Corporate investors	25%

Section 4 – Taxation on Death

Capital Acquisitions Tax (CAT) thresholds 2 October 2024		
Group	Beneficiary	Tax free amount*
A	Child or minor child of deceased child or parent (absolute inheritance on death)	€400,000
B	Brother, sister, child of brother or sister, or another lineal ancestor or descendant	€40,000
C	All other relationships	€20,000

*CAT only applies to amounts over the relevant group threshold. CAT is charged at 33% on gifts and inheritances.

ARF – tax treatment on death		
Recipient	CAT	Income tax
Spouse/Registered Civil Partner ARF	No	Yes^
Child under 21	Yes	No
Child over 21	No	30%
Funds passing to others not spouses/ Registered Civil Partners (RCPs) or children	Yes	Yes

^Income tax is only payable on drawdown.

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The information contained herein is based on Zurich Life's understanding of current Revenue practice as at May 2025 and may change in the future.

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