

Tax-saving opportunities for Proprietary Directors

If you are a **Proprietary Director** (i.e. a director who owns or controls more than 15% of the shares in your company), you are obliged to file self-assessment tax returns by 31 October 2025 (or 19 November 2025 for Revenue Online Service (ROS) users) in respect of last year, even if all of your income is taxed under the PAYE system.

If your income includes non-PAYE income you must pay any balance of Income Tax, PRSI and USC outstanding from last year. You will also need to consider paying Preliminary Tax for the current year.

You can reduce your 2024 total tax liability and you may even receive a refund from the revenue. This can be achieved by personally making a lump sum pension contribution by 31 October 2025 and also by this date electing to backdate the tax relief to 2024.

Your pension contributions are subject to age-related limits

Age Band	% of Net Relevant Earnings
Up to age 29	15 %
30 – 39	20 %
40 – 49	25 %
50 – 54	30 %
55 – 59	35 %
60 and over	40 %

Notes:

1. An earnings cap of €115,000 applies to contributions. Pension contributions made e by you for the 2024 tax year must be deducted from the maximum tax-allowable contribution calculated based on these limits.
2. Age is age on your birthday in 2024.
3. Retirement benefits are subject to separate Revenue limits.
4. Reference throughout this document to 'Tax' refers to 'Income Tax'.
5. **If you use the ROS to both file your tax returns and pay your taxes you have until 19 November 2025 to file and pay for 2024.**





Example

Sarah is a proprietary director i.e. a director who owns or controls more than 15% of the shares in her company. She paid Income Tax at the 40% rate in 2024. She makes a pension contribution of €20,000 by 31 October 2025, which is within the age-related limits allowed. With her return of income for 2024 she informs her local tax office by 31 October 2025 of this payment and of her desire to backdate the tax relief on this to 2024. She is entitled to the following refund:

	40% Taxpayer
Gross Pension Contribution	€20,000
Tax Refund	€8,000
Net Outlay	€12,000

What type of pension plan?

- If your company contributes to an occupational pension scheme on your behalf, you have the option to make Additional Voluntary Contributions (AVCs) to your existing occupational pension scheme, provided the scheme rules permit this. Alternatively, you can contribute to a Group AVC arrangement or a Personal Retirement Savings Account (PRSA) AVC plan in relation to your income from your company.
- If your company contributes to a PRSA on your behalf, you can make contributions to that PRSA plan or another PRSA plan of your choice in respect of your income from your company.
- If your company does not contribute to an Occupational Pension arrangement or PRSA on your behalf, you can make contributions to a Personal Pension plan or a PRSA plan in respect of your income from your company.

Make the most of the tax-efficiency of pension contributions now – you may never get such good value again!

Warning: The value of your investment may go down as well as up.
Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: These products may be affected by changes in currency exchange rates.

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

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