

The National Recovery Plan, 2011 – 2014

Summary of Implications to Pensions

- The annual earnings cap is moving from €150,000 per annum to €115,000 in 2011
- Relief against PRSI and Health Levy on pension contributions is being removed from 2011
- Tax-free payments in excess of €200,000 will be taxed from 2011 (tax rate not announced)
- Tax relief on pension contributions will remain at 41% in 2011. This is good news for the industry as it means pension contributions for the 2010 and 2011 tax years will still attract higher rate tax relief
- It is proposed to reduce pension tax relief from 41% to 20% on a phased basis from 2012 to 2014
- The Standard Fund Threshold may be reduced, though no specific detail is given

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