Press Release

I'm self-employed and preparing my tax return for 2022 ahead of the tax filing deadline of November 15 2023 for online returns. I recently opened a Personal Retirement Savings Account (PRSA) and was hoping to make a once-off lump sum contribution to it this year – but I don't think I'll be able to afford to do so before the tax filing deadline. Do I need to make the pension contribution before November 15 to be able to claim tax relief on it?

Answer: Mark Reilly, Pension Proposition Lead, Royal London Ireland

I'm self-employed and preparing my tax return for 2022ahead of the tax filing deadline of November 15 2023 for online returns. I recently opened a Personal Retirement Savings Account (PRSA) and was hoping to make a once-off lump sum contribution to it this year – but I don't think I'll be able to afford to do so before the tax filing deadline. Do I need to make the pension contribution before November 15 to be able to claim tax relief on it?

If you are self-employed, once a calendar year finishes, you have until October – or mid-November if filing your return online – of the following year to file your tax return. At any point before you file your tax return, you can make a payment into a pension policy and claim tax relief against the previous year. For example, if you make a once-off lump sum payment to your PRSA by the end of 2023 but later than the online tax return deadline of November 15, you will still be able to claim tax relief on your pension contribution – though you would do so when filing your tax return for 2023 next year.

On the other hand, if you can afford to pay your pension contribution before you file your 2022 tax return this November, you can elect to backdate the income tax relief on that pension contribution against the 2022 tax year and therefore claim the relief when filing your 2022 tax return – or you can hold off claiming that relief until filing your 2023 tax return next year. If claiming tax relief on pension contributions, it is important that you upload evidence of those contributions as part of your online tax return.

ENDS

Notes to the Editor:

About Royal London Ireland:

Royal London Ireland has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come. Our businesses heritage in Ireland is nearly 200 years. The Caledonian Insurance Company's first office opened on Dame Street, Dublin 2 in 1824. Today we are owned by The Royal London Mutual Insurance Society Limited – the largest mutual life insurance, pensions and investments company in the UK, with assets under management of €174 billion as at 30 June 2022, 8.8 million policies in force and 4,267 employees as at 31 December 2021.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

10/2023 2463.1