

Student Focus: May Edition: Getting Your Tax Right!

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Getting your taxation in Order: A basic guide

The dreaded word of taxation can put the fear in most people. People often fear the under or over payment of tax and/or simply don't understand tax and the relevant documentation that goes with it. It has been around since the start of civilisation and we all must pay it. I am not an accountant or claim to be. However, as a Nurse I would like to give some basic information to students and members on how to organise their tax and give a basic definition to the relevant documentation surrounding taxation for you the employee. This information is available online, courtesy of revenue.ie and the citizen information.ie.

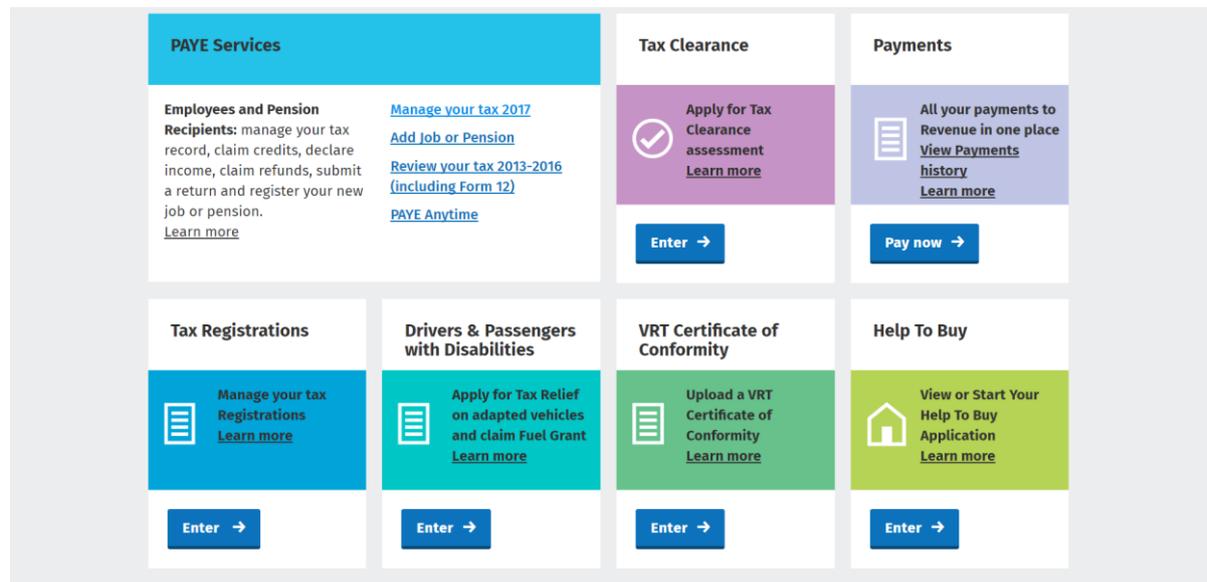
Registering for taxation.

In this day in age everything is online. Thankfully you can now manage your tax online through revenue.ie. It is now easy to register online. You will need your PPS number. Your Personal Public Service Number (PPS number) is a unique reference number that helps you access social welfare benefits, public services and information in Ireland. A PPS number is always 7 numbers followed by either one or two letters. Your PPS number is displayed on the following: p 45, p60, tax certificates, pay slips, GP visit card, European health insurance card, drugs payment card, medical card and letter of notification etc. To register you need to visit revenue.ie and click on register my account.

The screenshot shows the Revenue myAccount registration interface. At the top, there is the Revenue logo and the 'myAccount' branding. A navigation bar includes a 'Gaeilge' link and a 'Sign In' button. Below this is a progress bar with three steps: Step 1: Complete the registration form (highlighted with a yellow circle), Step 2: Enter your temporary password, and Step 3: Create a new password. The main content area is divided into two columns. The left column, titled 'What do I need to register?', lists five requirements: 1. PPS number, 2. Date of Birth, 3. Mobile number or landline number, 4. Email address, and 5. Home address. Below this list, it states 'To get instant access, verify your identity with 2 of the following:' and provides three options: Irish driving licence number, information from your P60, and information from your Income Tax notice of assessment or acknowledgement of self assessment. The right column, titled 'Who can register?', specifies that individuals who are not registered for ROS can register, and lists categories: PAYE taxpayers, LPT taxpayers, Business customers who do not have an active digital certificate for ROS, and New taxpayers. At the bottom of the right column is a 'Start Registration' button with a right-pointing arrow, followed by the word 'Or' and a horizontal line.

Once you register online you will receive a PIN number to access your account. This allows temporary access and you will need to create a password thereafter. From here, you can register

new employment, tax credits, upload documents and use the 'my queries service' which revenue aspire to respond within 5 working days. This service is user friendly.



By clicking on Manage your tax 2017, you can make amendments, tax credit adjustments, register new employers and submit documentation.

If you have any issues or queries using the service you can use the 'my queries' service or alternatively you can call your local tax office : <http://www.revenue.ie/en/contact/>

Top Tip

My personal tip for students or graduates is to get in the habit of filing important documents you receive throughout the year. Keep any nursing and midwifery certificates/CPD in a portfolio (i.e an a4 clear pocket folder will do). For taxation purposes you should simple get a clear a4 folder and label the year i.e 2017 on it. Then keep all your tax forms received for the year in this folder. The idea behind this is that at the end of the year when you look to submit forms to receive a p 21 form (claim back tax), you will have them all at hand. Furthermore, keep a separate folder for healthcare expenses for each year as a percentage of this can be claimed back in tax.

'Nursing and Midwifery Tax Credit'

Do you know that nurses and midwives who supply or launder their uniform are entitled to a special healthcare tax credit? (You pay less tax during the year) This is known as flat rate expenses. You can register for this by clicking on 'add new credits'. You will be instructed on which tabs to click on from there and which options are applicable to you. Every euro counts!

Registering for a new employer

It is important that just before or as you start a new employment that you register that employer with revenue. This avoids the dreaded 'emergency tax' rate of 40% on your gross earnings. If you pay emergency tax don't worry. At the end of the year when you seek a balancing statement (p21), overpayment of tax will be repaid. Each employer has a unique tax number and you can request this from the employer when starting a new job or position.

Relevant Forms:

P 60 Form

P60: Your employer must give you a P60 within 6 weeks of the end of each tax year. It is a statement of your pay and of the tax, USC and PRSI deducted by your employer during the year. Your p60 is a crucial document as it is evidence of tax paid during the year while also assisting you in seeking a tax refund. It is a summary from your employer on your earnings and tax paid during the year.

P 45 Form

Well hopefully you don't receive many of these forms during your career without you requesting them yourself! In slang terms it is known as the document associated with termination of employment.

P45: If you leave your employment your employer must give you a P45. This is a statement of your pay and the tax, Universal Social Charge (USC) and PRSI to date deducted by your employer. It is an important document and you need it if: You are changing job – to give to your new employer in order to avoid paying emergency tax- You are unemployed – to claim a tax refund, to claim social welfare benefits.

P 21 Form

What is a P21?

A PAYE Balancing Statement (P21) is a statement of your total income from all sources for a particular year and gives a breakdown of your tax credits, income tax and Universal Social Charge (USC) paid during the tax year. You may wish to request a P21 for a grant or loan application, or if you think you have overpaid income tax and/or USC during the year, or if you wish to claim additional tax credits.

Note: It is not possible to issue a P21 for a particular year until you have received your P60 from your employer for that year.

You must have paid income tax and/or USC during the year in order to receive a repayment of income tax and/or USC. If you owe tax or USC to Revenue for an earlier year your repayment may be reduced by this amount.

Basically, this form shows how much tax you have paid during the year and how your tax credits were applied. It is the most important form you receive for each tax year. This form calculates if you have over paid for the year or underpaid. Based on this you could be refunded for overpayment during the year or asked to repay under payment of tax. For students in particular, you will often find that when your work part-time and don't cross a certain gross earnings for the year, you will get a large sum of tax refundable. However there is t&c's to this and can be viewed on revenue.ie : <http://www.revenue.ie/en/tax/it/leaflets/it1.html#section>

How do I get a P21?

Online Request for a P21

The quickest and easiest way to receive your P21 is by using PAYE Anytime or completing the eForm 12 which are accessible through [myAccount](#). For this you will need your p60 or p60's (if you have more than one employer) and/or a p45 (if you ceased employment during the year). The p60 and/or p45 must be submitted prior requesting a p21. It is the employers responsibility to provide you with a p60 (end of year) and p45 (if leaving a position).

Conclusion

If you are unsure of anything you can contact revenue directly. You can also avail of a third party service or 'agent' i.e an accountant. As an INMO member you can avail of this service at a significantly reduced cost through our partners Cornmarket Group Financial Services:

<https://www.inmo.ie/FinancialAdvice>



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