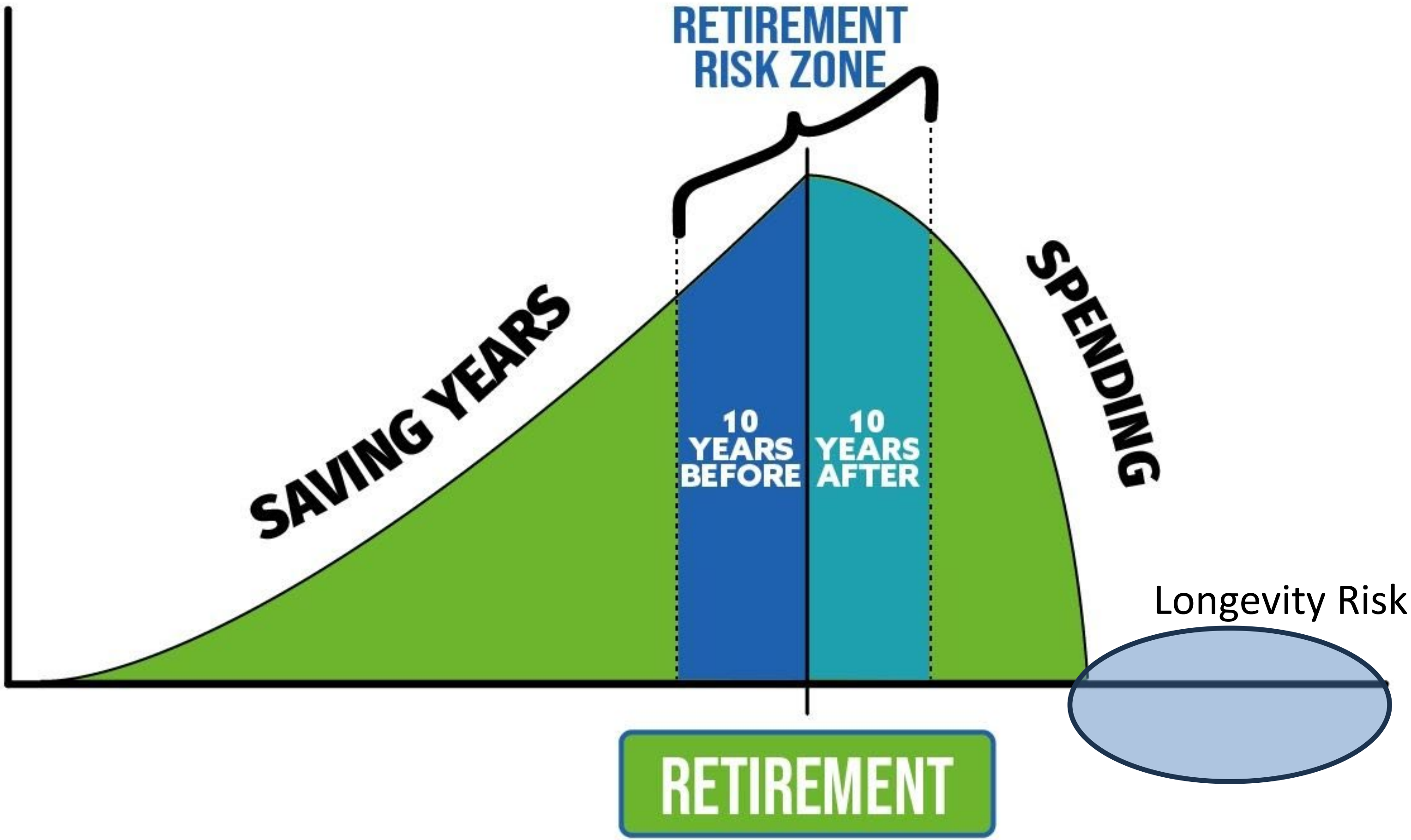

PERSONAL
FINANCE
IT'S MORE
PERSONAL
THAN FINANCIAL

"You don't want to have an original thought in a routine situation"

Paul Etheridge, Prestwood

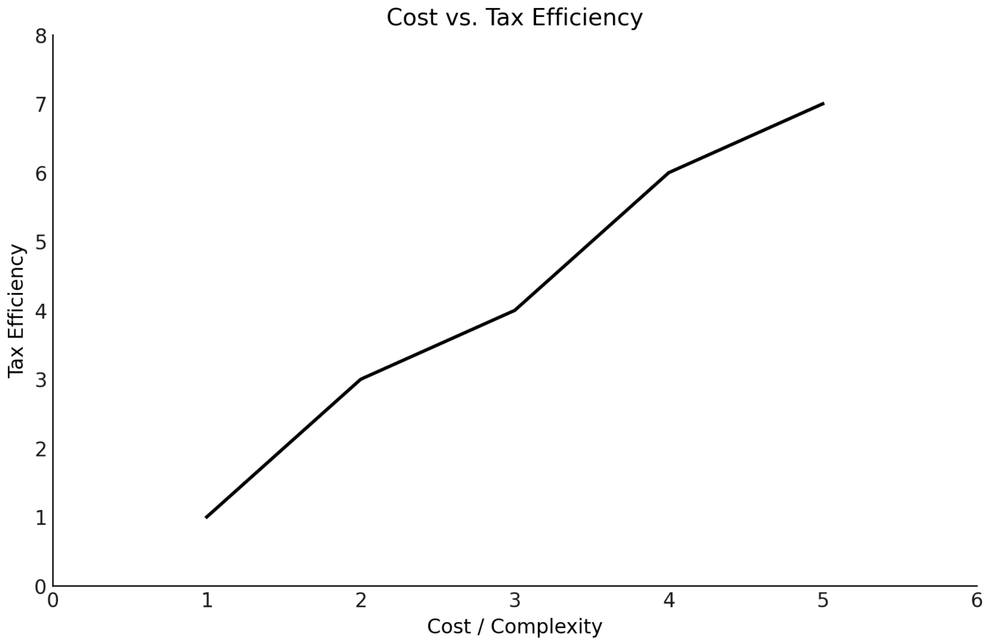


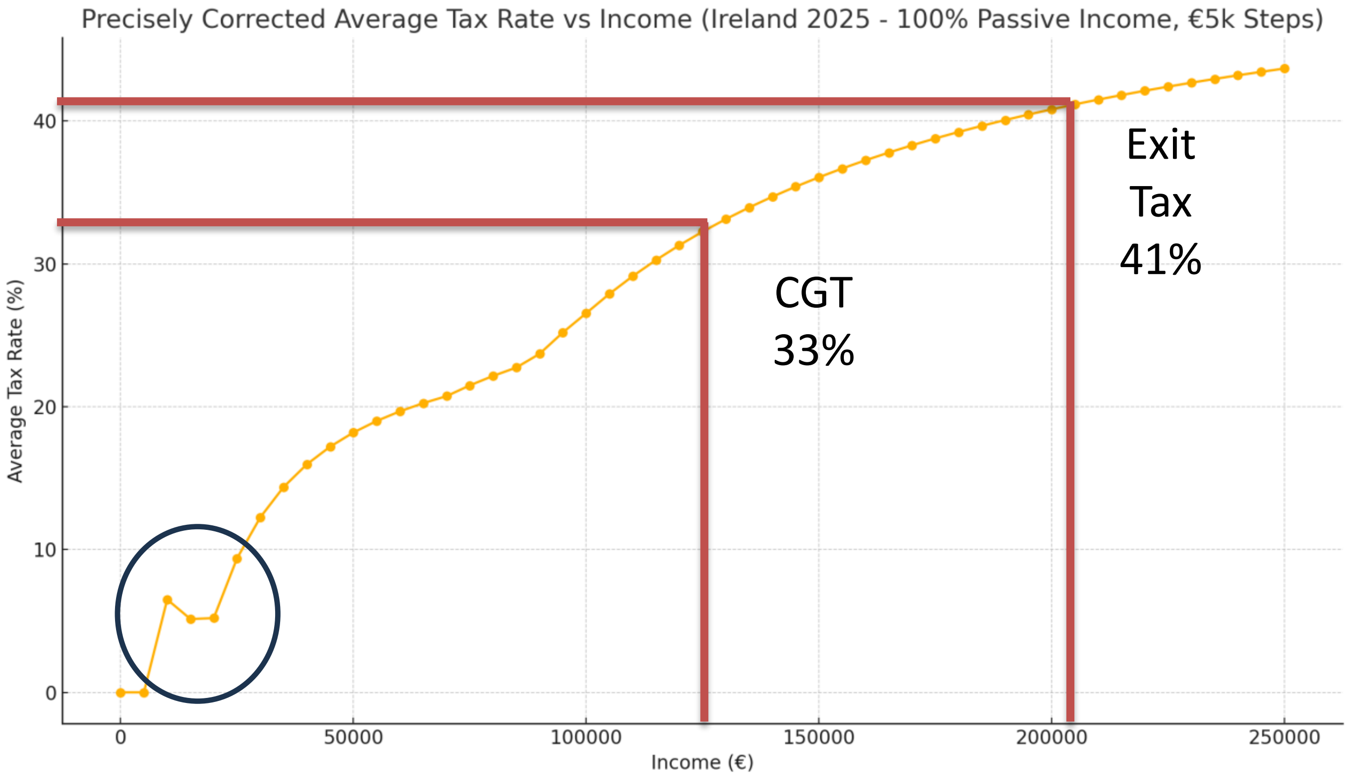
https://www.thepeakfp.com/blog/sequence-of-returns-risk

"There are no solutions.

There are only trade-offs"

Thomas Sowell




Precisely Corrected Average Tax Rate vs Income (Ireland 2025 - 100% Passive Income, €5k Steps)
Average Tax Rate (%)
0
10
20
30
40
0
50000
100000
150000
200000
250000
Income (€)
Exit
Tax
41%
CGT
33%

How can your investments help to build your State Pension?

€5,000pa investment income

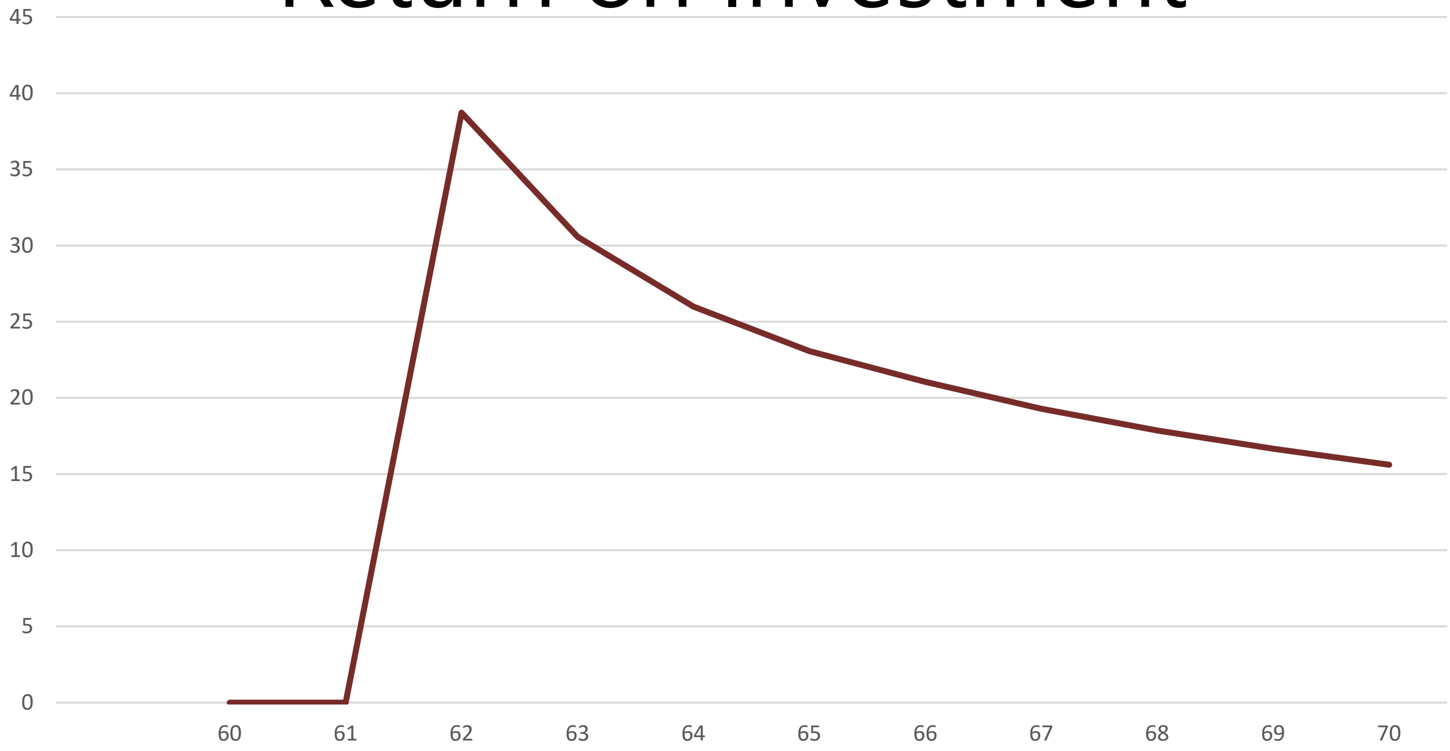
Class S PRSI 4.1%

– Min €650

Class S PRSI contributions are "reckonable contributions" and count towards you contributory State Pension record

+€375/yr

Return on Investment



"I've tendered my resignation.

Finish date is 2 weeks"

Mike is 60 and has a pension worth €150,000.

He has an investment portfolio of €2M paying a 2% annual dividend giving an annual income of €40,00pa

Question for the audience should Mike:

a) defer his pension as he is paying tax and getting tax free growth or,

b) This is a trick question and the answer is obviously, no

€10,000

Scenario	Total Income	Tax Paid	Avg. Tax Rate
Before	€40,000	€8,396	20.99%
After	€50,000	€9,896	19.79%

Which of these is the "best" for an Irish investor?

Fund Name
Vanguard Total US Stock Market ETF
Vanguard S&P 500 UCITS ETF
S&P 500 ETP
JPM US Select Equity

Fund Name	ISIN	Issues
Vanguard Total US Stock Market Index	US9220427424	US Federal Estate Tax
Vanguard S&P 500 UCITS	IE00B3XXRP09	UCITS deemed distribution/41% Tax
S&P 500 ETP	Mystery fund	Complex Instrument under MIFID II
JPM US Select Equity	LU0115097544	No Tax treaty

Fund Name	Net Dividend
Vanguard Total US Stock Market Index	$85
Vanguard US Equity Index	$85
S&P 500 ETP	$0
JPM US Select Equity	$70

US dividend income and Irish Tax

The tax credit allowed under the US Ireland double tax agreement is 15%.

This 15% tax credit is allowable against income tax and USC but it cannot be offset against PRSI.

Fund Name	Net Dividend	Irish Tax Rate	Net Income
Vanguard Total US Stock Market Index	$85	Marginal Rate with credit for tax paid in the USA of 15%	$85
Vanguard S&P 500 UCITS	$85	41%	$50.15
S&P 500 ETP	$O	0%	$0
JPM US Select Equity	$70	41%	$41.30

Fund Name	Net Dividend Inc	Irish Tax Rate	Net Income	Effective Tax Charge
Vanguard Total US Stock Market Index	$85	Marginal Rate of tax less 15% tax credit	$85	15% if non-taxpayer
Vanguard S&P 500 UCITS	$85	41%	$50.15	49.85%
S&P 500 ETP	$0	0%	0%	33% CGT
JPM US Select Equity	$70*	41%	$41.30	58.70%

Tax Minimization Strategies

Low income/no losses → Impact on benefits → High Income/CGT losses

Income tax preferred → Class S PRSI for income >€5000 top up contributary State Pension → Zero Dividend and CGT preferred

What’s the catch?

Thank you

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