



## Dividends & DIRT Tax

The latest Dividend and Tax information relates to the year ending on the 30<sup>th</sup> September 2019.

### Tax and Your Credit Union Dividend

Your Life Credit Union dividend for 2018/19 is 0.01%, and will be lodged to your Credit Union account before 21<sup>st</sup> January 2020.

To help you understand the Tax implications on your Dividend we have put together this simple summary of the main points. Savings with us are liable for DIRT tax at 35%.

From 1st January 2014 all credit union share dividend and deposit interest paid to members will be subject to DIRT, with the exception of dividend or interest paid to members who are exempt from DIRT. The only members who can be exempt are:

- Members aged over 65 whose total income is less than the relevant limit, currently €18,000 for an individual and €36,000 for a married couple. For married couples, only one of the spouses needs to be over 65. To avail of this exemption, you must sign a self-declaration form DE1. This form is available in your credit union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.
- Members who are permanently incapacitated. Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form, the credit union will be obliged to deduct DIRT from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of this DIRT (if you are eligible).

### Special Term Accounts

In addition to the above, the tax-free limits applicable to share dividend and deposit interest in Special Term Accounts have been removed and will not apply to Special Term Accounts opened after 16th October 2013. Existing Special Term Accounts can continue to avail of the tax-free amount for the remainder of their term.

### CU Cash Accounts

Life Credit Union also operates a **CU Cash** account, the CU Cash account is operated by members from their ATM and CU online accounts. Life Credit Union will also pay a dividend on this account. For tax purposes these accounts are treated as per your Share Account and DIRT is deducted.