



DEREK MADDEN & COMPANY



Derek Madden & Company welcomes you to our latest newsletter (June 2012)

Welcome: Coming into the good weather maybe it is time to give your business and personal finance issues a review and carry out some spring cleaning. In this issue we focus on ways of potentially getting money back from the social welfare or reducing your mortgage repayments. You could be in a position that both of these situations apply to you. One involves taking no action and the other one involves a very quick letter to the department of Social Protection.

About Us

Derek Madden & Company was established in March 2007 with the aim of helping a broad range of businesses meet their compliance obligations in relation to the Revenue Commissioners and the Companies Registration Office. As well as helping to meet all compliance obligations we aim to add value to businesses with regard to saving costs, providing good tax advice and helping businesses grow and enjoy future success.

DM & Co News:

A lot has happened since our last Newsletter, Fiona has had a beautiful baby girl Maebh (another future Accountant!!). We have been told by Fiona that she is due back from Maternity leave any day soon. We will believe it when we see it.

Congratulations to Stephanie who got engaged last December but (*more importantly*) graduated as Certified Public Accountant!!!! Well done Stephanie.

We would like also like to give a big welcome to the latest staff member John Moynihan. John has a Degree in Accounting and also a Masters in Accounting from the Cork Institute of Technology. I am sure you will be seeing plenty of him over the coming months. Also to Maura Slyne who is our new bookkeeper, again I'm sure that all of our monthly and quarterly bookkeeping clients will be hearing plenty from Maura in the coming weeks.

Our own Institute has called down to us recently for our internal review and you will be delighted to hear that they have confirmed what you already knew that we have been keeping all our files up to the highest of standards!

Health Contribution Refunds:

The Department of Social Protection is currently receiving a very high level of enquiries in relation to requests for refunds of the Health Contribution. On their website the Department has put up a list of scenario's that might help to clarify the position in relation to Health Contribution Refunds.

Am I entitled to a refund of the Health Contribution?

If you earned more than €26,000 in 2008, 2009 and 2010 you were liable to pay the Health Contribution and you are not due a refund. If you earned less than €26,000 and never earned more than €500 in any one week you would not have been charged the Health Contribution and are not eligible for a refund.

You may be entitled to a refund of the Health Contribution if you have earned less than €26,000 in 2008, 2009 or 2010 and earned more than €500 in any particular week in those years. Your P60 Form will give you details of your earnings.

Bowling Green, Mallow, Co. Cork. Tel: 022-51752 Fax: 022-42023

Web: www.maddenco.ie Email: info@maddenco.ie

How do I claim my Refund? If you satisfy the earnings conditions outlined above you should write to the address below and include your name, address, Personal Public Service Number and your date of birth. Department of Social Protection PRSI Refunds, Oisín House, Pearse St., Dublin 2. (Tel) 01-673 2586

Is there a Deadline for making My Claim? You must make an application for a refund within four years of 31 December of the year you paid the contribution. For example, you must apply for a refund of Health Contributions paid in 2008 by 31st December 2012 and so on. Any contributions paid prior to 1 January 2008 are outside the time limit for making a claim.

How long will my Application take to Process?

The department has issued the following statement “Please be patient with us – while we are processing applications as quickly as possible, there are delays due to the number of claims that we are getting”

How much will I be entitled to? The amount of refund you receive will vary depending on the amount of Health Contribution paid. For example if you paid the Health Contribution for only one week in 2008 your refund could be €10.

Will I be entitled to a Refund in future years?

The health contribution was included in the Universal Social Charge (USC) with effect from 1 January 2011 and no health contribution refunds arise after that date.



How did this situation arise? The money was properly deducted in the first instance. You were liable to pay the Health Contribution where you earned in excess of €500 in any week. However, if over the course of the year your gross annual income is less than €26,000 you may claim a refund of the health contribution deducted in the week(s) when you earned more than €500.

How many people are eligible? It's difficult to be precise as it's only those whose gross annual earnings were less than €26,000 and who earned more than €500 in a particular week that may be eligible for a refund. Up to the end of December 2011, the Department of Social Protection had paid about €10 million to some 26,000 applicants. This amount may include refunds in respect of other years – not just 2010.

Derek Madden

The Snippets Corner (A few quick and easy adjustments that might improve your business)

- **Help with your website?** Businesses in south and east Cork can now apply for funding to support the development of an eCommerce website, following a call for proposals by South and East Cork Area Development (SECAD). The e-commerce grant will apply to local businesses operating in the food, craft and tourism sectors, as well as co-operative projects, which have the potential to generate economic activity and employment within south and east Cork. Up to 50pc funding for the transactional websites may be provided by SECAD, following a review of applications and approval by SECAD's Board.
- **Relevant Contracts Tax:** Principals and subcontractors are reminded that the transitional arrangement freezing subcontractor's rates finished on 31 March 2012. Principals need to be aware that subcontractors' rates may change at any time from 1 April 2012 onwards. In-house accounting systems used for RCT purposes will need to have three RCT rates incorporated: 0%, 20% and 35%. Where a subcontractor's rate has changed, Revenue will advise the subcontractor and all principals engaging the subcontractor. Subcontractors who are at the zero and 20% rate are advised to maintain their compliance record in order to continue at that rate.
- **Filing Online:** Revenue is continuing with its key objective of establishing electronic channels as the norm for doing business with them. They are currently Implementing Phase 4 of their Electronic filing project, which means at this stage nearly all types of returns must be filed online.
- **Tax Tips for self employed:** Employ a family member – make use of all family members tax credits who are not working and therefore reduce your liability.
- **Tax Tips for self employed:** Form a partnership with your spouse if they have no income, to stop your profits being taxed at the higher rate.

Disclaimer: This information bulletin is intended to be used for guidance purposes only. For further information you should contact the office directly. Derek Madden & Company cannot be held liable for any error, or for the consequences of any action, or lack of action arising from this bulletin.