Personal Retirement Savings Accounts

Pensions Manual - Chapter 24

This document should be read in conjunction with Chapter 2A, Part 30, Taxes Consolidation Act 1997

Document last updated May 2025

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24.1 Introduction

A Personal Retirement Savings Account (PRSA) is a long-term savings account to help people save for their retirement. PRSA products are approved jointly by Revenue and the Pensions Authority. Anyone may contribute to a PRSA but there is not an automatic entitlement to tax relief on contributions.

This manual provides guidance on the current tax treatment of PRSAs. As with other previously issued Revenue guidance such as Revenue precedents and tax briefings, any guidance which is over five years old and has not been renewed is treated as having lapsed. Where the material is still relevant, it has been incorporated into this manual or Revenue website text.

24.2 Tax relief for PRSA contributions

Tax relief for contributions by individuals is allowed against “relevant earnings’’, which means earnings from a trade, profession, office or employment (section 787B Taxes Consolidation Act 1997 (TCA)). However, an individual who is a member of an approved pension scheme or a statutory scheme (other than a scheme which is limited to the following benefits – death in service gratuity, pension to surviving spouse, civil partner, children or dependants) may, in relation to their income from the office or employment, only claim relief under Chapter 2A of Part 30 TCA for additional voluntary contributions (AVCs) to a PRSA.

As with other pension products, tax relief for contributions into PRSAs is subject to two main limitations.

Age-related percentage limit (section 787E(3) TCA)

The first, provided for in section 787E(3) TCA, is an age-related percentage limit of an individual’s earnings in respect of the office or employment for the year for which the contributions are paid. The maximum amount of pension contributions for which an individual may claim tax relief may not exceed the relevant age-related percentage of the individual’s earnings in any year of assessment. These limits are also reduced by the amount of any contributions the individual makes to an occupational scheme linked to their office or employment.

The age-related percentage limits are:

Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-60	35%
60 or over	40%

A 30% limit applies below the age of 50 years to certain categories of professional sportspersons.[1]

Example 1 – age-related percentage limit

Lindsay earns a basic salary of €35,000 per annum. They will be aged 50 in 2025. The maximum amount of pension contributions for which Lindsay may claim tax relief, based on their age-related percentage limit, is:

€35,000 x 30% = €10,500 per annum.

Overall earnings limit for contributions (section 790A TCA)

The second limitation, provided for in section 790A TCA, is an overall cap of €115,000 on earnings that may be taken into account for tax relief purposes. This limit applies whether an individual is contributing to one or more than one pension product.

Where an individual is contributing solely to one or more PRSAs the maximum amount of tax relievable contributions is the relevant age-related percentage of the lower of:

- the individual's net relevant earnings and
- the earnings limit.

[1] Athletes, badminton players, boxers, cricketers, cyclists, footballers, golfers, jockeys, motor racing drivers, rugby players, squash players, swimmers and tennis players – section 787(8A)-(8C) and schedule 23A TCA.

Where an individual has two or more sources of income (for example, earnings from employment and profits from self-employment) and is making pension contributions to an occupational pension scheme and to a PRSA, a retirement annuity contract (RAC) and/or a Pan-European Personal Pension Product (PEPP) the single aggregate earnings limit of €115,000 applies in determining the amount of tax relievable contributions.[2]

Example 2 – overall earnings limit

Robin is a member of an occupational pension scheme with their employer. They are aged 52 in 2025 and earn a basic salary of €50,000 per year. They are also eligible to contribute to a AVC into their employer's pension scheme. Robin's maximum annual contribution available for tax relief is:

€50,000 x 30% = €15,000

Robin's contribution to their occupational pension scheme in 2022 was 10% x €50,000 = €5,000. This was offset for Robin through the net pay arrangement with their employer.

Therefore, Robin can contribute up to a further €10,000 (€15,000 tax relief limit minus their normal contributions of €5,000) in AVCs and receive tax relief against their renumeration through payroll in 2022.

Where contributions are paid to a PRSA for AVC purposes, an individual must take account of any relief already granted under the net pay arrangement in respect of their main scheme contributions when calculating relief due.

Paragraph 24.7 outlines the position where PRSA contributions are made at the same time as contributions to other pension arrangements.

An individual who is not in pensionable employment is entitled to relief on contributions up to €1,525 even if the contribution exceeds the relevant age-related percentage limit (section 787E(4) TCA). This does not apply in the case of contributions to a PRSA for AVC purposes.

Where full relief cannot be given for a year of assessment for contributions paid in that year, the unrelieved amount may be carried forward to the next or succeeding years and treated as a qualifying contribution paid in subsequent years.

[2] Please refer to Chapter 26 for detailed information and examples on how the age-related and earnings limits are applied in respect of contributions to one or more pension products.

If a contribution is paid after the end of the year, but on or before 31 October of the following year, relief may be claimed in the year before the contribution was made, provided an election to do so is made by the individual on or before 31 October of the following year. For example, if an individual makes a PRSA contribution on 30 March 2025, they can opt to claim relief for this contribution in tax year 2024, provided they make an election to do so before 31 October 2025.

Taxpayers who file and pay online via ROS or myAccount may avail of the extended return filing and payment date to make an election and pay a contribution. As the payment of a qualifying contribution is a pre-condition to the availability of relief, an election cannot be made in advance of such a payment. The date for making an election in respect of contributions paid in the year of retirement may be extended to 31 December of that year in certain circumstances (see Appendix III of the Revenue Pensions Manual).

Full details of PRSA contributions should be included on an individual's annual Return of Income. Employees contributing to an AVC PRSA may be given tax relief via the net pay arrangement, as is the case for AVCs to the main occupational pension scheme.

Tax relief for PRSA contributions is not transferable between spouses or civil partners.

The method of calculating the respective amounts of net relevant earnings for the purposes of relief for retirement annuities under section 787 TCA and of total income for chargeable annual payments to "descendants" under section 792(2) TCA, as described in Chapter 21.3, may also be applied to PRSAs in the same circumstances.

24.3 Contributions by Employers

Position up to 31 December 2022

Up to 31 December 2022, employer contributions to an employee's PRSA were treated as a taxable Benefit in Kind (BIK) under section 118(5) TCA. These contributions were aggregated with employee contributions to calculate the maximum tax-relieved contribution, by virtue of section 787E(2) TCA. If the combined contributions exceeded the individual's age-related percentage limit, a BIK charge would apply.

From 1 January 2023 to 31 January 2024

Finance Act 2022 abolished the BIK charge on employer contributions to an employee's PRSA and employer contributions are no longer aggregated with employee contributions for tax relief purposes.

From 1 January 2025

Finance Act 2024 amended sections 118(5) and 787A TCA by introducing an “employer limit” on employer contributions to an employee’s PRSA. The employer “limit” is the maximum amount an employer can contribute to an employee's PRSA, without the contribution being considered a BIK for the employee. It is also the maximum contribution for that employee for which an employer can claim a deduction for tax purposes. This limit is 100% of the employee's emoluments in the year of assessment. The employer must ascertain at the end of each year of assessment (that is, on 31 December each year) if the contributions to the PRSA are greater than the employee’s total emoluments for the year. Emoluments refer to all forms of remuneration received by an employee, including salary, bonuses, and other benefits.

Where a BIK arises due to excess contributions over the employer limit:

(i) the BIK does not itself form part of “emoluments” for the purpose of establishing the employer limits, and
(ii) the BIK is not deductible from the employer’s income for tax purposes.

If the employee’s emoluments are lower than the previous year for reasons such as unpaid leave (for example, maternity leave or sick leave) the limit is based on the previous year's emoluments.

The provision applies to employees and directors whose employer makes contributions to their PRSA.

Example 3: Employer contribution within employer limit

Ger earns €50,000 in 2025. Their employer contributes €50,000 to Ger’s PRSA in 2025. Since the employer contribution does not exceed 100% of Ger's emoluments for 2025, it is not considered a BIK, and the employer can deduct the full amount in computing its taxable profits.

Example 4: Employer contribution above emoluments in year to date

As above, Ger’s emoluments in 2025 are €50,000. If Ger’s employer contributes €30,000 to Ger’s PRSA on 30 June, Ger will have earned €25,000 (€50,000 x 6/12) at this time, meaning the contribution will exceed Ger’s emoluments in the year to date by €5,000. However, this will not give rise to a BIK charge at this point. Ger’s employer should review the position at the end of the year of assessment to check whether the PRSA contributions are within or exceed the employer limit. Assuming the total contributions by the employer to Ger’s PRSA do not exceed €50,000 at the end of December 2025, no BiK arises, and the employer has an entitlement to deduct €30,000 as part of its Corporation Tax computation.

Example 5: Employee leaves during year – contributions exceed employer limit

If, as in examples 3 and 4 above, Ger's annual salary is €50,000 but they left their employment on 30 June 2025, their salary from that employer, and therefore their employer limit from that employment for 2025, is €25,000 (€50,000 x 6/12). The employer has made a PRSA contribution of €30,000 in the period 1 Jan 2025 – 30 Jun 2025. Since this is greater than the emoluments from the employer, it gives rise to a BIK charge on Ger of €5,000 (employer contribution of €30,000 minus employer limit of €25,000), which should be returned with Ger's final payroll. Ger's employer can only take a deduction of €25,000 for the PRSA contribution; the balance of €5,000 over the employer limit is not deductible.

Example 6: Employer contribution exceeding employer limit

Alex earns €40,000 in 2025 and their employer contributes €55,000 to their PRSA on 1 March 2025. No further PRSA contributions are made in 2025. At 31 December 2025, the excess of €15,000 over the employer limit is a taxable BIK for Alex. Alex has a liability to income tax, USC and PRSI on the excess of €15,000 over the employer limit, and this must be included in the final employer payroll tax return of 2025. Alex's employer can only deduct €40,000 of the PRSA contribution from its taxable profits; the balance of €15,000 over the employer limit is not deductible for Corporation Tax purposes.

Example 7: Company with accounting period ending mid-year – employer contribution withing one accounting period

Pat earns a salary of €60,000 in both 2024 and 2025. Their employer, "ABC" has an accounting year of 1 July 2024 to 30 June 2025. ABC makes no PRSA contributions for Pat in 2024. On 12 February 2025, ABC contributes €50,000 to Pat's PRSA.

The maximum contribution ABC can make to Pat's PRSA in 2025 before that contribution becomes a taxable BIK is 100% of Pat's emoluments from ABC in the 2025 year of assessment. This means that ABC may make employer contributions to Pat's PRSA up to €60,000 within the calendar year (1 January to 31 December 2025).

To calculate whether contributions have exceeded the employer limit, the employer contribution to the PRSA and the emoluments for the year are compared at 31 December 2025. ABC makes no further contributions to Pat's PRSA in 2025. As its contribution of €50,000 is less than €60,000, no BiK charge arises for Pat at the end of 2025.

ABC is entitled to a deduction for the PRSA contribution of €50,000 in accounting year end 30 June 2025, because the contribution does not exceed Pat's emoluments for year of assessment 2025. (Pat's emoluments for 2025 will be known by the time ABC's CT1 for year end 30 June 2025 is due to be filed, in March 2026.)

Example 8: accounting period ending mid-year – employer PRSA contribution within employer limit across two accounting periods

If, as in example 7, Pat's emoluments (and therefore his "employer limit") for 2025 are €60,000, but ABC made a PRSA contribution for Pat of €30,000 in February 2025, and another contribution of €20,000 in October 2025, no BiK charge arises for Pat, because the total employer contributions to his PRSA in 2025 are below the "employer limit" for that year of assessment.

The contributions are also fully deductible for CT for ABC, but in this example ABC takes a deduction in accounting period 1 July 2024-30 June 2025 for the contribution of €30,000 in February 2025, and a deduction in accounting period 1 July 2025-30 June 2026 for the contribution of €20,000 in October 2025. (Pat's emoluments for 2025 will be known by the filing dates for the two CT1 returns, in March 2026 and March 2027 respectively.)

Example 9: accounting period ending mid-year: employer PRSA contributions in one accounting period in excess of employer limit for year of assessment

Using the same figures as Example 7, if ABC makes contributions to Pat's PRSA of €50,000 in February 2025 and €17,000 on 1 May 2025, this means the total employer contributions to Pat's PRSA in 2025 is €67,000, while his emoluments and therefore his "employer limit" is €60,000.

Any employer contributions in excess of the employer limit within the calendar year 2025 will be a taxable BIK. At 31 December 2025, Pat has a taxable BIK of €7,000 (total employer PRSA contributions of €67,000 minus Pat's emoluments of €60,000). Income Tax, USC and PRSI is chargeable on the €7,000 excess and must be included in ABC's final employer payroll tax return of 2025.

ABC is entitled to a tax deduction for the actual PRSA contributions paid, up to a maximum of Pat's emoluments in the 2025 year of assessment (€60,000).

The employer PRSA contributions made by ABC which exceed the employer limit for Pat for 2025 of €60,000, i.e., €7,000 cannot be deducted from its taxable profits for ABC's accounting period 1 July 2024 to 30 June 2025.

ABC makes another contribution of €45,000 to Pat's PRSA on 1 February 2026. The relevant employer limit for BiK and deductibility purposes is 100% of Pat's emoluments in 2026, which are the same as in 2025 (€60,000). No further contributions are made in 2026, meaning the employer limit has not been exceeded. Pat's full emoluments for 2026 will be known by the time ABC's CT1 for year end 30 June 2026 is due to be filed, in March 2027. A deduction can be claimed for the €45,000 contribution in the 1 July 2025 – 30 June 2026 accounting period.

The summary tables below outline the position for Example 9 for BiK in the years of assessment and CT deductibility in the accounting years respectively.

BiK Position

Year	Contributions	Emoluments	Excess subject to BiK	PMOD Filing for BiK charge
2025	67,000	60,000	7,000	Final 2025 PMOD return
2026	45,000	60,000	0	Not applicable because employer limit not exceeded

CT position				
Accounting year	**Contributions**	**CT Deduction**	**Not deductible**	**CT Filing**
1 July 2024- 30 June 2025	67,000	60,000	7,000	March 2026
1 July 2025- 30 June 2026	45,000	45,000	0	March 2027

Example 10 – accounting period ending mid-year – PRSA contributions across two accounting periods in excess of employer limit for a year of assessment

Using the figures in example 9, if ABC made the second contribution of €17,000 to Pat's PRSA in November 2025 rather than in May 2025, the excess of €7,000 over Pat's employer limit for 2025 is still a taxable BiK for Pat and is also not deductible for CT purposes for ABC. However, the allowable balance of the contribution is deductible in accounting period 1 July 2025 to 30 June 2026, rather than in accounting period 1 July 2024 to 30 June 2025. As in example 9, no BiK arises on the contribution of €45,000 made in February 2026, and that contribution is fully deductible for CT purposes, even though part of the contribution made in 2025 is not deductible.

The summary tables below outline the position for Example 10 for BiK in the years of assessment and CT deductibility in the accounting years respectively.

BiK position

Year of assessment	Employer Contributions	Emoluments	Excess subject to BiK	PMOD Filing for BiK charge
2025	67,000	60,000	7,000	Final 2025 PMOD return
2026	45,000	60,000	0	Not applicable because employer limit not exceeded

CT position

Accounting year	Contributions	CT Deduction	Not deductible	Filing
1 Jul 2024- 30 June 2025	50,000	50,000	0	March 2026
1 Jul 2025- 30 June 2026	62,000*	55,000**	7,000***	March 2027

*€17,000 in Nov 2025 and €45,000 in Feb 2026
**€10,000 of the Nov 25 contribution and €45,000 for Feb 26 contribution
***€7,000 of the Nov 25 contribution

Standard Fund Threshold

An individual’s pension savings are also subject to the standard fund threshold (SFT) which is currently €2m; amounts in excess of the SFT are subject to chargeable excess tax, currently 40% (see Chapter 25 of the Revenue Pensions Manual and Part 30 Chapter 2C TCA).

Sponsored superannuation scheme

A “sponsored superannuation scheme” is defined in section 783(1)(a) TCA as “a scheme or arrangement relating to service in particular offices or employments and having for its object or one of its objects the making of provisions in respect of persons’ service in those offices or employments against (i) future retirement or partial retirement […]”.

Where an employer is contributing to a PRSA on behalf of an employee or director, the PRSA is deemed to be an “arrangement” within the definition of a “sponsored superannuation scheme”. An employee or director in that position is therefore deemed to be in “pensionable employment”.

24.4 PRSI and Universal Social Charge

There is no relief from PRSI or the Universal Social Charge (USC) for contributions made to PRSAs.

24.5 Benefits on retirement

On the first occasion that benefits are taken from a PRSA, up to 25% of the fund may be taken as a tax-free retirement lump sum[3] (section 787G(3)(a) TCA). The balance of the fund may be:

- used to purchase an annuity, or
- taken in cash (subject to income tax under Schedule E), or
- invested in an Approved Retirement Fund (ARF)[4], or
- retained in the PRSA (a PRSA from which retirement benefits have commenced is a vested PRSA).

Benefits may be taken when the individual reaches age 60 years[5]. Benefits may be taken in stages, but a retirement lump sum may only be taken on the first occasion that benefits are taken. An individual who retains the balance of a PRSA (after payment of the tax-free retirement lump sum) in the PRSA, rather than using it to purchase an annuity or transfer it into an ARF, may then draw down from that balance as and when they choose, with drawdowns being subject to income tax under Schedule E.

Finance (No. 2) Act 2023 removed the upper age limit on drawdowns from a PRSA, previously in section 787(1)(c)(ii) TCA. Benefits may now be taken after the holder reaches age 75 years, with drawdowns being treated as emoluments and subject to tax under Schedule E at the individual's marginal rate. A PRSA is still deemed to vest when the beneficiary reaches age 75 years, by virtue of section 790D TCA. Please refer to **paragraph 24.14** for the treatment that is applied to a vested PRSA.

An individual who retains the balance of a PRSA (after payment of the tax-free retirement lump sum) in the PRSA, rather than using it to purchase an annuity or transfer it into an ARF, may draw down from that balance as and when they choose.

Subject to certain exceptions (see below), amounts drawn down from a vested PRSA are treated as emoluments and are subject to tax under Schedule E at the individual's marginal rate. Imputed withdrawals under section 790D TCA (see **paragraph 24.8** and Chapter 28) are subject to tax in the same manner as actual withdrawals.

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[3] See Chapter 27 for details of the extent to which retirement lump sums may be taken tax free.

[4] Section 14 Finance Act 2021 removed the previous AMRF investment requirement on PRSA benefits being taken on retirement.

[5] Benefits may be taken at any age, if an individual is permanently incapacitated through infirmity from carrying on their occupation (see Chapter 9). In addition, retirement from age 50 may be allowed in the case of employed contributors and of individuals whose occupation is one from which people customarily retire before age 60.

In addition, withdrawals from a PRSA are deemed to occur when assets in a PRSA –

- cease to be PRSA assets,
- cease to be beneficially owned by the PRSA owner, or
- are used in connection with any transaction that would, if they were assets of an ARF, be regarded as giving rise to a distribution from the ARF (see paragraph 23.8).

Amounts withdrawn from a PRSA in the following circumstances are not treated as taxable emoluments of the individual under section 787G TCA:

- a tax-free retirement lump sum paid when PRSA assets are first made available to the individual, which does not exceed 25% of the fund or, in the case of an AVC PRSA, the amount that may be paid by way of lump sum under section 772(3)(f) TCA;
- the transfer of PRSA assets to an ARF;
- the transfer of PRSA assets to the individual's personal representative in accordance with section 787K(1)(c)(iii) TCA;
- where a tax-free lump sum has not been paid from a PRSA, the transfer of assets to another PRSA in the individual's name or to an approved scheme or to a statutory scheme of which they are a member;
- an amount made available by a PRSA administrator to meet a tax charge arising on a chargeable excess arising in connection with the related PRSA (see Chapter 25);
- an amount made available from a vested PRSA (within the meaning of section 790D(1) TCA) for the purpose of:
    - the reimbursement, in whole or in part, of a PRSA administrator for tax paid by that administrator on a chargeable excess relating to the PRSA owner, or
    - the payment by a PRSA administrator of a non-member spouse or civil partner's appropriate share of the tax charged on a chargeable excess, or part of it (for which the administrator is made jointly liable with the non-member) in circumstances where a benefit crystallisation event giving rise to tax occurs in respect of retirements benefits which are the subject of a pension adjustment order.

Chapter 25 outlines the limit on tax relieved pension funds. Amounts in excess of the Standard Fund Threshold or (where applicable) the Personal Fund Threshold will trigger a liability to Chargeable Excess Tax.

Chapter 7.4 outlines the circumstances in which the practice relating to the commutation of trivial pensions may be extended to holders of PRSAs.

24.6 Benefits on death of PRSA holder

Where an individual dies before benefits are taken, the fund passes to the estate of the deceased. There is no income tax charge but the normal Capital Acquisitions Tax provisions apply.

If death occurs after the drawdown of benefits has commenced, or is deemed to have commenced (see paragraph 24.13), the taxation treatment of the fund is similar to that which applies to an ARF (see Chapter 23.8) . The following table outlines the position.

Beneficiary	**Death of Holder after PRSA drawdown commences**		**Death of Spouse/Civil Partner after PRSA drawdown commences**	
	Income Tax	*CAT*	*Income Tax*	*CAT*
Spouse/civil partner	No	No (transfers are exempt)	N/a	N/a
Child under 21	No	Yes	No	Yes
Child 21 or over	Yes (Case IV at 30%)	No	Yes (Case IV at 30%)	No
Others	Yes (Schedule E @ marginal rate)	Yes	Yes (Schedule E @ marginal rate)	Yes

The 30% rate applies only in respect of distributions to children who are 21 or over when the PRSA holder in question dies. All other instances where assets of a PRSA are treated as made available to other individuals (for example, to strangers) are, as provided for in section 784A(4)(a) and as applied to PRSAs via section 787G(6) TCA, taxable under Schedule E at the individual’s marginal rate for the year of the PRSA holder’s death.

24.7 Interaction with other pension arrangements

As noted in paragraph 24.2, the tax relief limits apply to the aggregate of all personal contributions made by an individual to a PRSA, Retirement Annuity Contract (RAC), Pan-European Personal Pension Product (PEPP) and/or an occupational pension scheme. Chapter 26 provides detailed information and examples on how the age-related and earnings limits are applied to contributions to one or more pension products.

An individual who is a member of a pension scheme may only get tax relief in respect of a PRSA which is linked to that scheme. A PRSA which is used as an AVC is treated in the same manner as any other AVC. The total pension and PRSA contributions must be limited to the amount required to provide maximum benefits, as set out in Chapter 6.

24.8 Vested PRSAs, AMRFs and "ring-fenced" amounts

As stated in **paragraph 24.5**, a PRSA owner may choose on retirement, rather than purchase an annuity or pension, the option to take the balance of their pension fund in cash (subject to income tax under Schedule E) or invest it in an ARF, detailed in Chapter 23 (the ARF options) or retain the balance of the PRSA fund in the PRSA.

AMRF requirement up to Finance Act 2021

Prior to 21 December 2021, where an individual had guaranteed annual pension income of at least €12,700, any Approved Minimum Retirement Fund (AMRF) immediately became an ARF and any ring-fenced amounts[6] retained in vested PRSAs[7] immediately become non-ring-fenced[8] amounts.

Where an individual did not have guaranteed annual pension income of €12,700 but had originally transferred more than €63,500 to an AMRF or had retained ring-fenced amounts in vested PRSAs of more than €63,500, the excess above €63,500 immediately became an ARF, or as the case may be, a non-ring-fenced amount or amounts.

Finance Act 2021 removed the specified income requirement for individuals exercising an ARF option and made changes to AMRF and PRSA legislation.[9] Any AMRFs immediately became ARFs on 1 January 2022.

The changes made in relation to PRSAs were:

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[6] A ring-fenced amount, "in relation to a vested PRSA, means an amount retained within the vested PRSA by the PRSA administrator equivalent to the amount which the PRSA administrator would, if an option had been exercised in accordance with section 787H(1) of the Principal Act [the TCA], have had to transfer to an approved minimum retirement fund in accordance with section 784C and by virtue of section 787H(3) of that Act" (section 17(6) Finance Act 2013). This requirement was removed by section 14 Finance Act 2021.

[7] A vested PRSA "means a Personal Retirement Savings Account in respect of which assets have first been made available to, or paid to, the contributor by the PRSA administrator on or after 6 February 2011, and the term "vesting of a PRSA" shall be construed accordingly" (Ibid).

[8] A non-ring-fenced amount, "in relation to a vested PRSA, means the amount or value of assets in the vested PRSA that the PRSA administrator can make available to, or pay to, the PRSA contributor or to any other person" (Ibid).

[9] The legislative changes to PRSAs came into effect on 21 December 2021 by section 14 Finance Act 2021.

- the removal of ring-fenced amounts in relation to a vested PRSA;
- all funds in a vested PRSA became non-ring-fenced amounts; and
- the PRSA administrator can make the amount or value of the assets in the vested PRSA available to, or pay to, the PRSA contributor or to any other person.

24.9 Transfers

Transfers may be made from one PRSA to another PRSA and from a PRSA to an occupational pension scheme[10].

Transfers may be made from an RAC, including a vested RAC to a PRSA[11]. However, transfers from a PRSA to an RAC are prohibited.

Transfers from a PRSA to a PEPP or from a PEPP to a PRSA are also prohibited.

Transfers may be made from an occupational pension scheme to a PRSA where the scheme is being wound up or the individual is changing employment (section 772(3D) TCA).[12] See Chapter 13.2 for further details on transfer payments from an occupational pension scheme.

The value of AVCs may be transferred to a PRSA at any time.

Where an individual is entitled to a refund of contributions from an occupational scheme, the refund is taxed at the standard rate. However, the refund may be transferred to a PRSA without this tax charge.

Transfers to or from a "buy-out bond" are prohibited.

Only bona fide transfers are acceptable. The use of certain transfer arrangements relating to PRSAs to circumvent Revenue rules on the tax treatment of retirement benefits – for example, by transferring payments to the UK and back to Ireland - are not permissible. A PRSA contributor who directs the PRSA provider to make a payment to, or transfer assets to, an arrangement for the provision of retirement benefits outside the State (an "overseas arrangement") under the provisions of the Occupational Pensions Schemes and Personal Retirement Savings Accounts (Overseas Transfer Payments) Regulations 2003 (S.I. No. 716 of 2003) must, prior to any transfer, sign a declaration to the effect that the transfer conforms to the requirements of the

[10] See section 787G(3)(d) TCA.
[11] See section 784(2C) and 787F(a) TCA
[12] Previously, an individual could only transfer from an occupational pension scheme to a PRSA in cases were the scheme was being wound up or the individual was changing employment if they had been a member of the scheme for 15 years or less. The requirement for the individual to have been a member of the scheme for 15 years or less was removed by Section 13 Finance Act 2021.

regulations and Revenue pension rules, is for bona fide reasons and is not primarily for the purpose of circumventing pension tax legislation and Revenue rules.

24.10 Imputed distributions

For 2012 and subsequent years, section 790D TCA provides for imputed distributions for both ARFs and vested PRSAs on a composite basis. Chapter 28 provides details of this regime.[13]

24.11 Non-residents and vested PRSAs

PAYE Exclusion Orders

Income and assets retained in a vested PRSA are beneficially owned by the PRSA owner. Withdrawals (including deemed withdrawals) from vested PRSAs are treated and taxed as emoluments under Schedule E regardless of the residence status of the individual.

As with payments from an ARF or previously from an AMRF (see Chapter 23) Revenue does not issue PAYE exclusion orders to PRSA owners in respect of such withdrawals where the PRSA owner is not resident in the State.

PAYE Exclusion Orders are also not issued where an individual takes the balance of their PRSA as a taxable lump sum, having met the specified income requirements (see paragraph 24.8).

Interaction with Double Taxation Agreements

The treatment of ARF distributions (see Chapter 23.16) also applies from 22 December 2017 to withdrawals from vested PRSAs.

24.12 Anti-avoidance

Section 787G (4A) TCA states:

> Without prejudice to the generality of subsection (4), the circumstances in which a PRSA administrator shall, for the purposes of this Chapter, be treated as making the assets of a PRSA (including a vested PRSA within the meaning of section 790D(1)) available to an individual shall include the use of those assets in

[13] Vested PRSAs were not subject to imputed distributions for the year of assessment 2011 and prior years.

> connection with any transaction which would, if the assets were assets of an approved retirement fund, be regarded under section 784A as giving rise to a distribution for the purposes of that section and the amount to be regarded as made available shall be calculated in accordance with that section.

This means that linking a PRSA (including a vested PRSA) to certain transactions (outlined in section 784A(1B) TCA) will trigger a tax charge. The transactions are the same as those which are deemed to be a distribution from an ARF, which are discussed in Chapter 23.9.

24.13 Pension adjustment orders

Where there is a pension adjustment orders (PAO), where a former spouse's or partner's share of chargeable excess tax arising on a benefit crystallisation event is to be recovered from a vested PRSA which is beneficially owned by that former spouse or partner, section 787Q(5A) TCA provides that the PRSA administrator is entitled to dispose of or appropriate such assets of the vested PRSA as are required to meet the amount of the tax due.

A disposal or appropriation of assets in a vested PRSA in these circumstances does not give rise to a charge to income tax under section 787G(1) TCA.

Chapter 25 provides additional information on PAOs and their interaction with the Standard Fund Threshold and Chargeable Excess Tax regime.

24.14 Retirement benefits not taken on or before age 75 years

A PRSA from which retirement benefits have not commenced on or before the date of the owner's 75th birthday is treated as becoming a vested PRSA (within the meaning of section 790D TCA) on that date. Where the individual was aged 75 years before 25 December 2016, the PRSA is deemed to vest on 25 December 2016. From the passing of Finance (No 2) Act 2023, the beneficiary maintains full access to their fund after age 75 years and PRSA holders may continue to drawdown benefits after age 75 years as they see fit. The drawdowns are treated as emoluments and are subject to tax under Schedule E at the individual's marginal rate.

The vesting of a PRSA in these circumstances is a "benefit crystallisation event" for the purposes of Part 30, Chapter 2C, TCA (see Chapter 25). In addition, such vested PRSAs are subject to the imputed distribution regime (see **paragraph 24.10**) and the death-related provisions which apply to vested PRSAs (see **paragraph 24.6**).

24.15 Exemption from income tax of rental income for PRSAs in possession of a residential property – RTB registration

A PRSA is exempt from income tax in respect of income derived from investments or deposits to a PRSA, once they are held for the purposes of the PRSA. This exemption is provided for in section 787I(1) TCA.

A PRSA may acquire a residential property as an investment asset for the purposes of the scheme. Where a PRSA is in receipt of rental income from such as property, the scheme may claim an exemption on income tax on this rental income.

Section 790F TCA provides that, from 1 January 2024, this exemption is dependent on the registration of the tenancy with the Residential Tenancy Board (RTB), under the requirements of Part 7 of the Residential Tenancies Act 2004.

Where such a requirement applies –

> (a) Revenue may request by written notice that the person chargeable provide, within 30 days of such notice, evidence that the qualifying lease has been registered with the RTB, under the provisions of Part 7 of the Residential Tenancies Act 2004, and
>
> (b) a copy of an entry in respect of the published register provided under section 132 of the 2004 Act, by the person changeable, will be accepted by Revenue as evidence of this registration.