

FDC GROUP BUSINESS Newsletter

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FDC ACCOUNTANTS TAX CONSULTANTS

Business & Farm Accounts, Management & Financial Accountants, Interim Accounts, Income Tax/VAT Returns/PAYE/Payroll, Business Plans/Financial Planning, Business Consultancy/Project Work, Personal & Company Taxation, Business Start-Up, Banking/Borrowing/Loan Restructuring, Grants, Agri-Consultancy

FDC FINANCIAL SERVICES

Investment Management, Savings, Deposit Management, Share Trading, EII Investments, Pension Consultancy, Public Sector Pensions, Retirement Planning, Life & Health Protection, Income Protection, Annual Reviews/Advice

FDC TAX DEPARTMENT

Farm Transfers/Personal & Tax Aspects, Wills, Estate Planning, Partnerships, Corporate Structures & Law Issues, Farming Companies, VAT on Property, Capital Gains Tax, Discretionary Trusts, Mediation/Commercial & Family Disputes

FDC & ASSOCIATES

Auditing of all Companies, Accounting, Management Accounts, Book-Keeping/VAT/PAYE & R.C.T., Payroll Bureau Services, Company Formation & Taxation, Consultancy, Tax Refunds, Property Management Companies, Personal Taxation

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Since its formation in 1973 Farm Development Co-op has evolved to become one of the largest multi-disciplinary service providers to rural Ireland. Over 350 staff operate from over 30 office locations delivering Accounting, Taxation, Agri-Consulting and Business Advisory Services to a diverse portfolio of clients. Our service remains predicated on the local delivery of solution-based independent advice.

The Committee of Farm Development Co-op now wish to extend the shareholding base of the Society to valued clients of the organisation. At the moment there are 500 shareholders in the Society, but now the client base has expanded greatly and also expanded geographically (there are now at least 15,000 clients in FDC). It is therefore appropriate that interested clients be given the opportunity to be investors in FDC Group.

The proposed shareholding is a minimum of 5,000 (€1.00 per share) and a maximum of 25,000 per individual. The annual recommended dividend going forward (which is a function of the Society's AGM annually on the basis of the recommendation of the committee) is expected to be in the range 3-4%. Encashment of shareholding in the society is at the discretion of the committee of Management but is typically approved at the committee meeting subsequent to the shareholder putting his request in writing to the secretary.

If you are interested in becoming a shareholder and want additional information I invite you to contact one of my colleagues for a prospectus and a form expressing your interest and intention.

Jack Murphy

Jack Murphy
General Manager

CLIENT BUSINESS IT

WILLIE JOHN O' FLYNN, FDC MALLOW

Everyone in business must keep records, especially those that will be necessary for when it is time to think about revenue returns for the business. Accurate records can help your business in a variety of ways, from monitoring your business's financial help to preparing your taxes correctly. Managing your business without good financial information is never a good idea. You may think that you have enough experience to be able to determine these things in your head but at some point you will get it wrong. Without meaningful records of what you've actually done and, more importantly, what's coming up, you may be facing unexpected trouble and certain costly consequences. Traditionally, whether it was a farmer, a construction worker or a beautician; the use of paper-based journals, ledgers and supporting documentation formed the basis for the running of a small business. A substantial number of taxpayers no longer rely on this form of record keeping and instead computerised accounting systems and electronic records provide the basis for completion of the various revenue returns they are required to comply with. Fundamentally, a business owner should know the following at the end of each month:

- List of Creditors
- List of Debtors
- Current account balance
- Sales
- Purchases
- Wage Costs

This article discusses some of the innovative ways that FDC can assist you with good record-keeping and help different industries in Ireland. Good records are essential to monitoring the progress of your business. Records can show whether your business is improving, which items are selling, or whether changes need to be made. Being on top of this information by keeping good records can increase the likelihood of your business's success

OUTSOURCED PAYROLL

We provide three types of outsourced sage payroll. We have been offering this service to our client's for over 15 years. Sage Micro pay Professional, it allows us to manage

the complex payroll process in the run up to pay day, while always complying with the latest in payroll legislation. We can use its powerful reporting tools to help you understand the impact of this significant cost on your business. Sage One Payroll, is ideal online payroll software for micro and small businesses looking to manage 1-15 employees and stay up to date with legislation. Sage Micro pay is a simple desktop payroll solution for small to medium-sized businesses. Pay your employees and keep up to date with the latest legislation. Our outsourced payroll support includes the following services

- Providing telephone support during the year to answer all your payroll queries
- Visiting client's premises at least once a year
- Ensuring the last payroll was run and backed up correctly
- Ensuring that all the staff on the payroll are current employees.
- If a staff member has left, making sure the correct leaving date is entered and the Form P45 has been issued.
- Printing/exporting the relevant reports:
- P35L list of employee's details
- Error report – if any
- P60's
- Exporting and uploading the P35 file to ROS
- Downloading the new year payroll
- Rolling forward the employee details to the payroll year
- Downloading and importing the new year's tax credits
- Setting the correct pay date

CLIENT PAYROLL SERVICES

For many client's we are engaged to process their weekly, fortnightly, monthly or annual payroll and calculate and submit the necessary PAYE/PRSI/USC/LPT to the Collector General. This is a service of great benefit to our clients as it is getting more difficult for them to keep up to date with employment and taxation rules when it comes to their employees. Many of them are safe in the knowledge that this part of their business is being stored away from their business premises thus retaining confidentiality. Included within the processing of client's payroll are the following services:

- Registering new employees.
- Issuing weekly, fortnightly or monthly payslips by email or paper.
- P45 preparation.
- P60 preparation.
- Dealing with pension, benefit in kind and all possible additions or deductions.
- Calculating and recording holiday pay.
- Calculating and submitting Revenue returns in connection with payroll.
- Updating changes made by Revenue to staff tax allowances.
- Training clients on using a payroll system.

IT BUSINESS SOLUTIONS

We offer on-site business IT solutions/support services on behalf on existing client's and others. This service is to assist you in maintaining proper books of account for your business, to have a system in place to record all your business transactions. Our IT partners to provide this very important service are Sage. We will provide all the assistance and support in relation to Sage. Sage offers simple accounting and finance software and support to manage your entire business. We provide the following in relation to Sage

- We Install Sage, from the beginning based on customer requirements
- We provide full and follow up training on Sage
- We support of versions of Sage, through all the stages in business
- We provide a working system of Sage at customer level
- We upgrade Sage to New & Bigger Versions
- We set up layouts for invoices, statements and reminders
- We design reports for purpose and link to spreadsheets
- We repair data and carry out standard routines and customised recovery
- We provide Sage support by telephone and remote support

DO LITTLE AND OFTEN

Frequently, business owners put systems into place that record and analyse their sales while the recording of business costs may be treated almost inferior. Deducting valid revenue expenditure is the best way to lower the amount

of taxes that your business will be obliged to pay. Generally, an expense is deemed deductible if it is "ordinary and necessary" in the running of the business. Like most things, keeping up with the accounts is easiest if done little and often. It shouldn't be a job left until the end of the month to record all of the expenses incurred. It is a good idea for small businesses such as restaurants, shops and beauticians to keep track of business expenses by recording them as and when they occur. Sage accounting software can be used, to log bills, credits, receipts, mileage and other common expenses. Today's business owner can reap the benefits in terms of time and cost – savings through the use of these simple technology methods.

SAGE CLOUD ACCOUNTING

Sage knows that running a business takes a lot of work, as well the ability to multi-task, and we want to help make your working life as easy as possible. Sage's cloud accounting software makes it simple to manage your cash flow.

Here's just a few of the great features Sage offers:

- Automatic bank feeds
- Manage your cash flow
- Simple and professional sales invoices
- Keep on top of your banking
- Keep track of your business
- Work efficiently with your accountant
- Manage your contacts

Sage cloud accounting software benefits

Our range of accounting software includes Sage One Accounting and Sage Live, both of which can help you manage your business more effectively. Here's how:

Affordable

Cover all your accounting needs with one, affordable monthly subscription.

Easy to get started

Our software is quick and simple to set up, so you'll be logged on and ready to go in no time.

Access anywhere

All you need is an internet connection to view, update and share your accounting data in real time.

VAT in minutes

Make VAT returns precise and effortless, with our user-friendly, step-by-step process.

International trading

Global trading made easy, with multilingual solutions, automated exchange rate calculations, and up-to-date VAT requirements.

Save time and reduce errors

Automation of repetitive tasks as well as live newsfeeds and notifications makes managing your accounting quick and accurate.

Stay connected

Integrate business apps and connect with your team and colleagues from any device.

Tailor to your needs

Customise reports and scoreboards to track personalised key performance indicators, and manage workflow on your terms.

WHAT IS CLOUD ACCOUNTING?

Cloud accounting is when you use web-based software to manage your accounting online. Put simply, it allows you to work securely whenever and wherever you want. The cloud is a collective term used to describe any remote server, or computer, that stores your data when you use cloud-based software hosted on it. The software lets you access, interact with, and change your data online. It gives you the freedom to run your business on the go. For more information, have a look at our visual guide to cloud computing, where we explore the types of services available to businesses, as well as their benefits and the issues involved.

IS CLOUD ACCOUNTING SOFTWARE SAFE?

We understand that you might have concerns about storing sensitive business information in the cloud, but there's no need. You work hard at building your business and we work hard at keeping your data safe. In fact, our cloud software is one of the most secure places to manage your accounts. Here are some reasons why:

Physical security

The remote servers with your data on are hosted in an

environment with the same security technology as a bank. Remote systems are monitored day and night by IT security experts. So it's a lot less likely that you will lose your data through theft or damage, than if it's stored on your own computer or server.

Electronic security

Your data is protected by electronic security systems, like encrypted connections and Virtual Private Networks (VPN). This makes it very difficult for hackers and viruses to get to your information, and allows you to update and share your data safely online. The software and server system are also updated regularly - something that takes time and money to do yourself.

Data backup

When you use our cloud software, your data is automatically backed up in real time. This means that any changes you make to your data are instantly recorded and backed up. We also have solid backup processes to keep your data safe if a server fails or a software bug causes a crash.

Who is cloud accounting for?

Sage's software can be used by any type of business. Cloud accounting is especially popular among small businesses, as it offers an easy and affordable way to manage the company finances. We have online accounting software to suit businesses in any sector, ranging in size from sole traders, to SMEs and organisations with up to around 200 employees.

Why use cloud accounting software?

Cloud accounting software makes it easy to manage your income and expenses securely in one place. You can update your data in real time from anywhere, and at a time that suits you. Create and customise professional invoices, and keep your accounts accurate and up-to-date with seamless bank reconciliation. There's no limit to the number of transactions you can make, and our software will automatically calculate and submit your VAT returns safely to HMRC. Our software comes with either support as standard, or has an optional support package - so help is only ever a phone call away if you need a hand with anything.

The benefits of using our cloud accounting software, at a glance:

- Easy 360° overview of your business finances in real time
- Quick to set up and simple to use
- Salesforce Sales Cloud integration option
- Review, update and share data securely
- Global accounting with multilingual solutions
- Access accounts anytime, anywhere
- Live newsfeeds and notifications
- Automatic software updates and backups
- Cut business costs with one, affordable monthly subscription

CLOUD ACCOUNTING SOFTWARE FROM SAGE

Sage One

Easy and Essential Cloud Accounting:
Great for small business owners.

Sage One is the ideal online accounting solution and payroll for small business owners who want to control their financial lives and future. For those new to business, it's incredibly easy to get started with accounting basics to stay compliant. And for those exploring online accounting it has the essentials to power business growth.

- Simple online accounting software
- Automated bank and credit card feeds
- Free 30-day trial

SAGE LIVE

A powerful Cloud business management solution:

Great for growing small and mid-sized businesses.

Unleash the power to grow while minimizing the complexities of scale with Sage Live. Built on the Salesforce platform, you can manage multiple locations, business units, and currencies from anywhere. Create custom reports for real-time updates and valuable insights on your business, and easily integrate with other apps for a full business management solution.

- Connect with thousands of apps
- Create the accounting solution you need
- Free demo available

SUPPORT ITEMS REPORTED ON INCOME TAX RETURNS

There is always a chance that a business may be audited and all business owners must keep a minimum of six years business records available at all times for inspection by the Revenue. An audit examination will be greatly speeded up by having a complete set of records as back up. Having all information on the one format will provide the burden of proof when it comes to your business taxes. All audit notification letters from the Revenue now include a note on the potential use of e-audit techniques in the conduct of the audit. Given that computerised accounting systems and electronic records are now in common use, Revenue will use e-audit techniques for assurance that a business has filed true and correct tax returns based on the information contained in the underlying computerised records. Generally, Revenue will request the taxpayer to provide reports and data files of a specific nature in electronic format. All digital information extracted will be stored on encrypted storage devices in accordance with safeguards outlined in Revenue's data security policy and ICT guidelines in order to protect confidential taxpayer data.

CONCLUSION

Failure to keep sound financial records is a costly mistake. A successful business relies not only on solid cash flow, but also on good record keeping methods. It would not be viable to determine the financial condition or profitability of a business without having up to date records at hand. Failure to maintain proper records has been pin pointed as one of the main causes of business failure in Ireland. This no longer has to be the way with the availability of new, cheap online technology. Business owners who have decided to invest the relatively small amount of money necessary to keep up to date have a hugely powerful mechanism which, through the myriad of apps which have been developed by clever practical people all over the world, can help the business owner make reasoned and calculated decisions, and record a mass of business data. Tech -savvy business owners know that software and sensors allow them to better collect and interpret business data that will be imperative to managing their operations more efficiently and maximizing profit.

EMPLOYMENT LAW

TARA DUGGAN, FDC TAX DEPARTMENT LTD

INTRODUCTION

Employment Law in Ireland is highly regulated by an extensive statutory framework, much of which is derived from European Union Law. While the employer/employee relationship might seem straight forward on the face of it, it can be one of the most complex to navigate due to the various sources of Employment Law. Employment rights in Ireland are enforced by a number of statutory commissions and bodies, depending on the nature of the dispute and the specific piece of legislation at issue. It is, therefore, imperative that employers are certain of their rights and obligations under Employment Law to avoid unnecessary litigation. This article will attempt to shed some light on the most relevant and topical issues facing employers presently.

INITIATING THE EMPLOYER/EMPLOYEE RELATIONSHIP

Under the Terms of Employment (Information) Act 1994, all employers in Ireland are obliged to provide their employees with a written statement setting out certain fundamental terms of their employment within two months of the commencement of employment. Some of these terms are set out as follows:

1. date of commencement of employment;
2. full name and address of employer and name of employee;
3. the employee's place of work;
4. the job title or a description of the nature of the work;
5. if a temporary or fixed-term contract, the expiry date;
6. details of pay including overtime, commission and bonus and methods of calculating these;
7. whether pay is to be weekly, monthly or otherwise;
8. the pay reference period;
9. terms and conditions relating to hours of work and overtime;
10. holiday or other paid leave entitlement;
11. notice requirement;
12. details of rest periods and breaks;
13. details regarding sickness and sick pay;
14. details of pensions and pension schemes; and
15. reference to any applicable collective agreements.

The statement must be signed by or on behalf of the employer and be retained by the employer during the employment and for one year after the employment has terminated. The more comprehensive the statement is, the less likely a dispute will occur. The seniority of the position will also impact on the level of detail needed in the statement.

The rights and responsibilities of employers and employees during a probationary period is an aspect of Employment Law that can often cause confusion. A probationary period will only be effective if it is expressly provided for in the contract of employment. Historically, once a twelve-month period of employment had expired, an employee was covered by the Unfair Dismissals Acts 1977-2007. The first twelve months of employment, which is generally the probationary period, provided an employer with the opportunity to dismiss an employee for legitimate reasons such as if the employee was not suitable for the role. However, the Protected Disclosures Act 2014 lifted the traditional twelve months service requirement for unfair dismissal claims to give an employee recourse if they claim that they were dismissed as a result of making a protected disclosure. This has diminished the protections afforded to employers during a probationary period, particularly if an employee abuses the new powers under the 2014 Act.

THE PAYMENT OF WAGES AND WORKING TIME

The Payment of Wages Act 1991 regulates the way wages are paid such as by salary, commission, bonuses, holiday and sick pay. Since January 1st 2017, the minimum wage in Ireland has increased from €9.15 an hour in 2016 to €9.25 an hour. It is interesting to note that if an employer cannot afford to pay the national minimum wage due to financial difficulty, the Labour Court may grant an employer an exemption from paying the minimum wage rate for a period between 3 months and one year. Only one such exemption can be allowed.

The Organisation of Working Time Act 1997 governs the maximum hours an employee can work and their entitlements to rest periods. An employee is not permitted to work more than 48 hours per week. This can be averaged

over a four-month period. The averaging period for night workers is two months and for employees working in agriculture and tourism, the period is six months. An employee is entitled to rest breaks while at work and a period of eleven consecutive hours rest per day. They are also entitled to four weeks paid annual leave and nine public holidays. Regarding overtime, there is no statutory entitlement to overtime or payment of such under Irish law. Specific categories of employees are entitled to overtime pay if they are covered by a Registered Employment Agreement or an Employment Regulation Order. These are industry specific collective agreements that are lodged in the Labour Court and bind all employers/employees in that industry.

EMPLOYEE REPRESENTATION

Since the economic recovery started to take effect in 2015 and be felt by employees, industrial relations issues have afflicted a variety of sectors. Any employee has a right to join a trade union. While an employer is under no obligation to negotiate with a trade union, the Industrial Relations (Amendment) Act 2015 introduced a novel definition of collective bargaining and identifies when a trade dispute can be referred to the Labour Court for a legally binding order. Any collective bargaining must be with an independent body who is not under the control of the employer. Employees are also entitled to representation in certain situations as a matter of law. This arises in circumstances where there is a transfer of undertakings, collective redundancy situations or where the employees are covered by a local or European-level works council. Some of the most relevant pieces of legislation in these areas are as follows:

- The Protection of Employment Act 1977 provides for consultation for a minimum of 30 days between employers and employees prior to the execution of collective redundancies. These consultations serve the purpose of attempting to stop or reduce the number of redundancies where possible while also negotiating the terms of such redundancies.
- The Employees (Provision of Information and Consultation) Act 2006 provides that employers with at least 50 employees are obliged to enter into a written agreement with employees setting down formal procedures relating to informing

and consulting with them, or with their elected representatives, on a continuing basis covering a variety of issues relating to the business. The legislation will only apply if a minimum number of employees request it.

- The European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 regulates the situation that arises where the contracts of employment are transferred from the previous employer to the new employer of a business because of a merger or acquisition. Both parties to the transaction are required to inform and consult with the affected staff in relation to the implications of the transfer of ownership such as the legal, economic and social consequences. The employers are obliged to consult with employees or their representatives 30 days before the transfer. The new employer is required to observe the terms of the contracts of employment that have been transferred with dismissals on the ground of the fact of the merger or acquisition being prohibited.

PROTECTED DISCLOSURES

The issue of protected disclosures or “whistleblowing” is currently very topical due to the ongoing crisis within An Garda Síochána. However, all employers should become familiar with the workings of the Protected Disclosures Act 2014 and develop adequate policies and procedures as employees become more familiar with the process. The purpose of the legislation is to give employees the ability to voice concerns and identify instances of potential wrongdoing in a workplace while also maintaining significant employment protections and to avoid any detriment suffered due to their disclosure. “Protected disclosure” has been defined as a disclosure of relevant information, which in the reasonable belief of the worker tends to show one or more relevant wrongdoings and came to the attention of the worker in connection with their employment. The definition of “relevant wrongdoings” is exhaustive and includes the following:

- the commission of an offence;
- a miscarriage of justice;
- non-compliance with a legal obligation;
- health and safety threats;
- misuse of public monies;
- mismanagement by a public official;

- damage to the environment; or
- Concealment or destruction of information relating to any of the foregoing.

An employee is protected from penalisation by an employer such as suspension, dismissal, demotion, transfer of duties, change of location, change in working hours, reduction in wages, imposition of a reprimand, discipline or other penalty if they make a disclosure. There are a number of methods by which a protected disclosure can be made. These are:

1. Disclosure to an Employer: The Act provides for a direct disclosure to an employer. This should be the first step made in any disclosure and it is recommended that, where possible, all disclosures about wrongdoing should be handled internally. It is, therefore, vital that employers have an agreed whistleblowing policy in place in their organisation. Employees should have a safe and confidential process available to them to make their disclosure.
2. Disclosure to a Minister: An employee of a public body can make a protected disclosure to the Minister of Government charged with a function relating to the public body in question.
3. External Disclosure: There is no obligation on an employee to make a disclosure to their employer in the first instance beyond the desire to handle the matter internally. If, however, a disclosure made internally was not acted upon, the legislation sets out a broad range of people that external disclosures can be made to. These include a legal advisor, a prescribed person or a disclosure to the media.

CONCLUSION

With the economy improving and the levels of unemployment continuing to fall rapidly, it is essential that employers familiarise themselves with the many obligations they face from an Employment Law perspective.

DISCLAIMER: *While every care has been taken in respect of the material contained in this article, no legal responsibility or liability is accepted, warranted or implied by the author or FDC Tax Dept. Ltd. in respect of any errors, omissions or misstatements.*

LIFE INSURANCE/PROTECTION

ROBERT MCDONNELL, FDC FINANCIAL SERVICES LTD*

**FDC Financial Services Ltd is regulated by the Central Bank of Ireland*

There is a lot of misconception and even lack of understanding out there when it comes to Life Insurance. The aim of this article is to provide a simple jargon free explanation of the different types of Protection available in the Irish Market. As independent Financial Planners FDC Financial Services Ltd conduct a full analysis of all clients protection policies (existing/new requirements) and provide advice appropriate to their needs.

If you earn an income, own a home, have a family, a business or an investment property, then protecting you and your family against the financial impact of ill-health, serious illness or death is one of the most important decisions you can make. You can't predict what is going to happen in the future but you can prepare for it. Having the facts to hand means you can make an informed decision on what life insurance you and your family need.

MORTGAGE PROTECTION

Buying a home is one of the biggest financial commitments you'll ever make so putting the right cover in place to protect it should be a top priority. It is now also a legal requirement by any bank issuing the mortgage. Mortgage Protection is a decreasing term assurance policy which means the cover reduces in line with your mortgage and is designed to pay off the outstanding balance on your mortgage in the event of death and will secure ownership of your home.

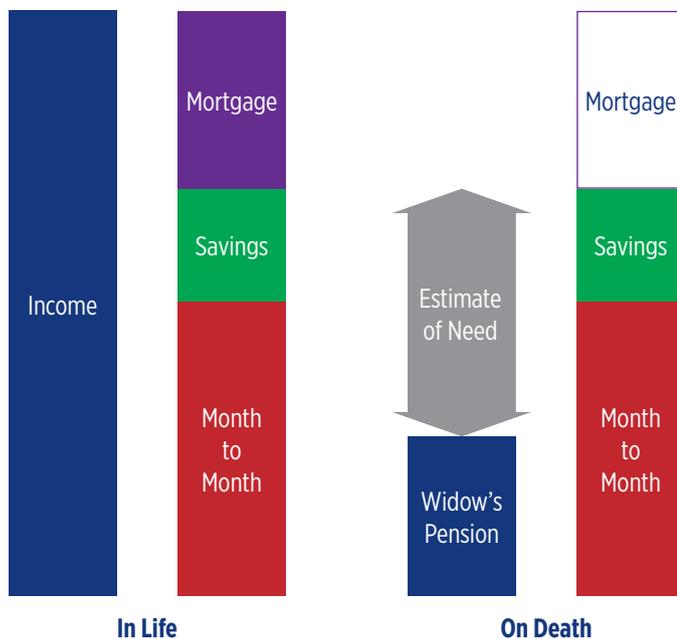
FAMILY PROTECTION

Whether you've just had your first child or already have a young family, you'll know that becoming a mum or dad changes your life. A family protection plan can be used to protect you and your family from the financial uncertainty and hardship that comes with unexpected illness or death. The below chart shows the effect of death of the primary income earner on a family and the need to replace income...

Replacing Income: How Much Income?

Top down?

- 1 Your income
- 2 Your mortgage payment
- 3 Your marital status



There are now a number of different types of Family Protection plans available in the Irish Market and it certainly is not the case that one size fits all. Typically, Family Protection is a level term policy which means the benefit i.e.: the lump sum remains the same for the term of the policy as opposed to the above-mentioned decreasing cover. At FDC we work with clients to put in place the right cover for their individual needs and circumstances. Below is a list of the different types of cover available.

- A lump sum payment that can be used to clear any loans or debts ensuring your family's immediate finances are healthy.
- Pay a monthly income in the event of illness or death to meet outgoings and / or maintain your family's current lifestyle.
- Pay a monthly income to your family if a stay at home parent dies to meet the additional expenses your family would face (such as childcare)

- Pay a lump sum amount in the event that you suffer a serious illness, providing you with financial breathing space and allowing your family to maintain their current lifestyle.

SPECIFIED ILLNESS COVER

This type of cover pays you a lump sum amount if you suffer from one of the specified illnesses covered on your plan. Specified illness cover pays you a lump sum on diagnosis of some of today's most common illnesses. Again, this is a level term policy with the benefit remaining the same for the term of the policy. You can spend the lump sum however you like to maintain your standard of living or to help you and your family cope financially during a difficult time.

- You choose the amount of cover you need and how to use it. For example, if you suffered one of the specified illnesses covered, the pay-out could go towards meeting your mortgage and loan repayments or everyday bills and expenses, paying somebody to run your business i.e.; Farm Manager thus leaving you to concentrate on getting better.
- As a business owner/self-employed, there will be additional concerns if you were to fall victim to a serious illness, be it the benefits you are or are not entitled to in the case of serious illness or the future running of the business in the case of your death.

It is important to note that you can tailor a plan to incorporate both Life Cover and Specified illness and have the specified illness benefit accelerated (the amount of SI cover reduces the Life Cover benefit in the event of a claim) or you can have both benefits on a standalone basis but on the 1 policy.

INCOME PROTECTION

Your income is probably your most important asset. It funds your whole lifestyle. Your children depend on it from birth, right through to college and often beyond.

An Income Protection plan pays you a monthly income if you are unable to work due to any illness, accident or injury. You can ensure you continue to meet your monthly mortgage repayments and household bills and maintain your current standard of living. It will continue to pay you

an income until you are well enough to return to work, or if not, until retirement.

- What would happen if your income suddenly stopped because of ill health/accident/injury?
- How long would your employer pay you if you were on prolonged sick leave?
- How would you and your family cope financially after that?
- If you are self-employed you are not entitled to the State Illness Benefit if you are unable to work due to illness.

Benefits of Income Protection include:

- It can protect up to 75% of your earned income to age 65
- It can pay out after 8, 13, 26, or 52 weeks following an illness or injury
- The cost of your cover will never increase during the term of your plan (unless you choose to index it or apply to increase your cover)
- Up to certain limits, tax relief is available on your premiums at your marginal rate of tax. This can reduce the cost of your cover by up to 40%
- Income Protection is more competitive than you may think – the younger you start the less it will cost.

It should be noted that in occupations that involve a high degree of manual work – farming, construction, these clients struggle to get Income Protection due to the higher-risk nature of their occupation.

BUSINESS PROTECTION

Research tells us that in this particular area it would seem is grossly underinsured. Many people either have inadequate or inappropriate arrangements in place to cover a serious illness or death of a business partner. Business directors and partners are primarily focused on the running and growth of their business and putting in place appropriate protection to cover off eventualities is not at the forefront of their minds. Business Protection seems complicated at first but at FDC we have the expertise to talk you through it and explain it in terms that the client understands.

Many business owners believe that it simply won't happen to them. The chances of a partner or director, in a small

business dying or becoming seriously ill before retirement, are probably a lot higher than you might think. Many problems can arise for a business when a partner or key employee dies prematurely or becomes seriously ill. The lack of credit to small businesses could result in some surviving business owners having insufficient funds to purchase a deceased owner's share of the business or in some incidences getting into financial difficulty because of a key employee's death.

The questions clients need to ask themselves are as follows and the answers to same will determine the type of policy that would best suit them, their business, their family and their business partner(s).

What would happen to your family if you died prematurely?

- Would they take over your share of the business?
- Would the remaining shareholders have the funds needed to buy your share back from your family and has this plan been formalised?

What would happen to your business if a co-owner died prematurely?

- Would you maintain control of the business?
- Do you have the funds to buy back their share of the business from their family and has this plan been formalised?

A Business Protection Plan can be used to:

- Provide funds needed to buy out a deceased partner's share of the business
- Provide for a deceased business owner's family in the event of premature death
- Ensure a surviving business partner retains ownership and control
- Avoid the need for personal loans to be taken out.

In summary, FDC Financial Services advise across all Life Insurance/Protection headings. At FDC we work with our clients to tailor the most appropriate plan suitable to each individual/family/business owner. We review this with our clients on a regular basis and amend as and when circumstances change. By doing so this ensures clients understand the cover that they have in place at any particular time.

BUDGET 2018

TAX RATES AND CREDITS

TAX RATES	2017	2018	
Standard tax rate	20%	20%	
Higher tax rate	40%	40%	
STANDARD RATE BAND			
Single/widowed	€33,800	€34,550	
Married couple one income	€42,800	€43,550	
Married couple two incomes	€67,600	€69,100	
One parent family	€37,800	€38,550	
HOME CARE			
Home carer credit	€1,100	€1,200	
Home carer income threshold	€7,200	€7,200	
EARNED INCOME			
Earned income credit	€950	€1,150	
UNIVERSAL SOCIAL CHARGE (USC)			
First €12,012	0.5%	First €12,012	0.5%
Next €6,760	2.5%	Next €7,360	2%
Next €51,727	5%	Next €50,672	4.75%
Balance over €70,044	8%	Balance over €70,044	8%
Relevant income > €100,000	3%	Relevant income > €100,000	3%

PERSONAL TAX

Income tax band:

- increase of €750 in the standard rate tax band; and
- annual tax saving of €150 for those taxpayers in the marginal rate tax bracket.

Tax credits

The earned income credit has been increased from €950 to €1,150. This credit is available to taxpayers earning self-employed trading or professional income and to business owners/managers who are ineligible for a PAYE credit in respect of their salary. The home carer tax credit has been increased from €1,100 to €1,200.

Universal Social Charge (USC)

Entry level for USC remains unchanged at €13,000. The

increase of €650 in the second USC band combined with a reduction in the second and third rates of USC should result in an annual tax saving of up to €178. Increasing the ceiling for this new rate from €18,772 to €19,372 should ensure that full-time workers on the increased national minimum wage of €9.55 per hour do not pay the upper rates of USC.

Employees and company vehicles

From 1 January 2018 a zero percent BIK rate is proposed for electric vehicles for a period of one year. Electricity used in the workplace for charging vehicles will also be exempt from BIK.

Share incentives for key employees (Key Employee Engagement Programme (KEEP))

A tax efficient share-based remuneration incentive is being introduced to facilitate the use of share-based remuneration by unquoted SME companies to attract key employees.

Gains arising to employees on the exercise of KEEP share options will be liable to CGT on disposal of the shares in place of the current liability to income tax, USC and PRSI on exercise.

This incentive will be available for qualifying share options granted between 1 January 2018 and 31 December 2023.

Minimum wage

Minimum wage increased from €9.25 per hour to €9.55 per hour.

Home owners

Tapered extension of mortgage interest relief will continue past 31 December 2017 for owner occupiers who took out qualifying mortgages between 2004 and 2012. The tapered extension will be effected by allowing interest relief of 75% of the existing 2017 relief in 2018, 50% in 2019 and 25% in 2020.

Social protection

Weekly social welfare payments will increase by €5 per week from last week of March 2018. An 85% Christmas bonus will be paid for social welfare recipients in 2017.

Capital Allowances on Intellectual Property (IP)

One of the key recommendations within the Review was a restriction on the capital allowances available for capital expenditure on IP to 80% of the relevant income arising from that IP. The Minister has now implemented this recommendation from 11 October 2017.

It is important to note that this restriction applies only in respect of new expenditure incurred on or after 11 October 2017. Relief arising from intangible assets acquired prior to this date will not be restricted.

Notably full relief will still be granted for the cost of acquiring the IP albeit over a longer time period. The above restriction results in an effective 2.5% tax rate on income

arising from such IP, restoring the position previously in place prior to 2014.

Accelerated capital allowances for energy efficient equipment

This measure originally introduced in Finance Act 2008 to incentivise companies to purchase energy efficient equipment has been extended until the end of 2020. This measure allows companies to claim 100% capital allowances for the cost of qualifying energy efficient equipment in the year the asset is acquired and brought into use.

Stamp duty

Non-residential property rate

Since 14 October 2008 the stamp duty rate applicable to transfers of non-residential property reduced on a sliding scale from 9% to 2% with the aim of buoying the then very stagnant property market. Having achieved its objective the rate is now increasing from its current 2% to 6% for transfers of non-residential property on or after 11 October 2017.

Stamp duty refund scheme

Commercial land purchased for the development of housing will be eligible for a stamp duty refund. The refund will be subject to certain conditions, including a requirement that the 'relevant development' is commenced within 30 months of the land acquisition.

Capital Gains Tax (CGT)

Seven year exemption

An exemption from Capital Gains Tax (CGT) was introduced in Finance Act 2012 which provided an exemption from CGT on the disposal of residential and commercial property purchased between 7 December 2011 and 31 December 2014, and held for seven years.

In order to free up stockpiled land banks of undeveloped property, the holding period has been reduced from seven years to four years with immediate effect.

Pre-letting expenses

In order to encourage owners of vacant residential property to develop their property and bring it into the rental market, a measure has been introduced for the tax deduction of

pre-letting expenses where that property remains in the rental market for a period of at least four years.

Vacant site levy

Since 1 January 2017 local authorities have been tasked with the establishment and maintenance of a register of vacant sites zoned for residential or regeneration purposes, which measure in excess of 0.05 hectares. An identified vacant site can be entered on the register when the authority is of the opinion that it has been vacant for a minimum of 12 months preceding its entry on the register

From 1 January 2018 properties entered on the register are subject to an annual 3% levy on the market value of the site, which is payable in arrears at the beginning of 2019.

The vacant site levy has now more than doubled for second and subsequent years, rising from the current 3% rate that applies in the first year to 7% each year thereafter.

This measure will mean that any owner of a vacant site on the register who does not develop their property in 2018 will pay the 3% levy in 2019.

If they continue to retain their vacant land then they become liable to the increased rate of 7% in 2020 meaning an effective total levy of 10% over a two year period.

VAT

The VAT rate applicable to the use of sun beds is being increased from 13.5% to 23% with effect from 1 January 2018 in line with the government's national cancer strategy and the clear link between sun beds and skin cancer. There is no change to the 9% VAT rate applicable to many tourism related services.

Compensation scheme for charities

A refund scheme will be introduced in 2019 to compensate charities for VAT they incur in 2018. The level of refund will be restricted in proportion to the level of non-public funding they receive. A capped fund of €5 million will be available and the scheme will be reviewed after three years. If total claims exceed €5 million, the individual claims will be paid on a pro-rata basis.

Sugar-sweetened drinks tax

This will be introduced from 1 April 2018 in tandem with the UK. A rate of 20 cent per litre will apply to drinks with a sugar content between 5-8 grams per 100 ml. A higher rate of 30 cent per litre will apply where the sugar content is 8 grams or above.

Brexit loan scheme

This loan scheme of up to €300 million has been made available at a competitive rate to SMEs to help them with their short-term working capital needs.

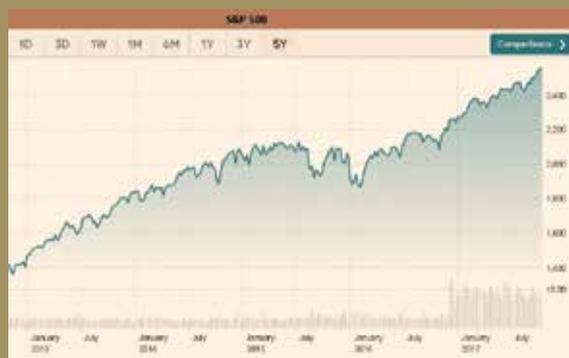
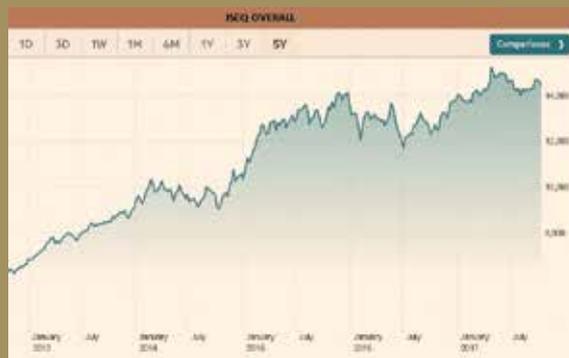
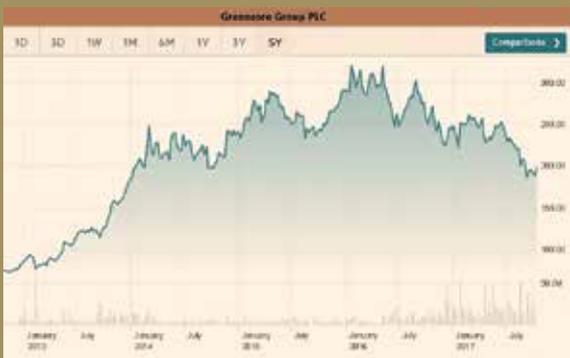
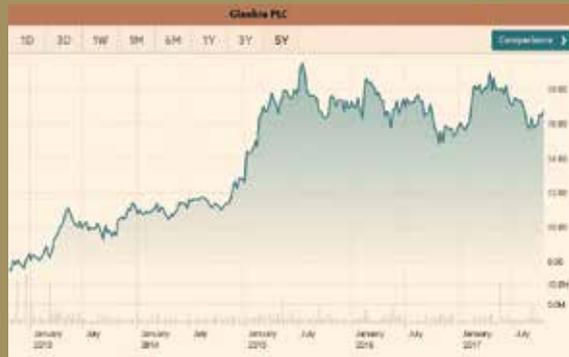
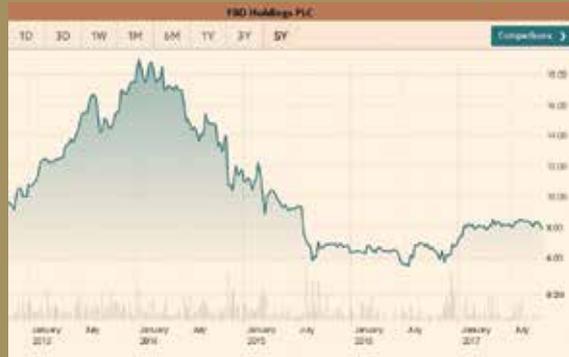
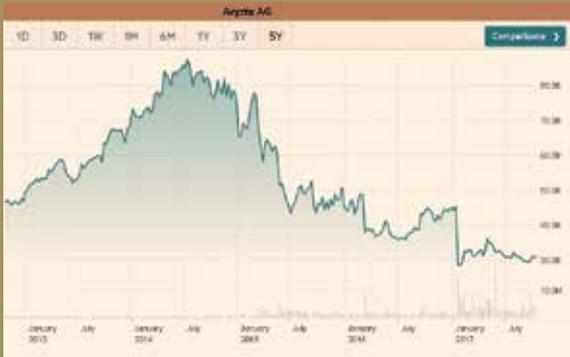
This scheme is supported by the European Investment Bank Group, the European Commission and the Strategic Banking Corporation of Ireland.

It will give SMEs time to put in place the necessary changes to help their businesses grow into the future.

Additional agriculture funding

In addition to the Brexit loan scheme, an additional €25 million has been allocated to the Department of Agriculture, Food and the Marine to provide for the development of further Brexit response loan schemes for the agri-food sector.

FINANCIAL MARKET INDICATORS



FDC GROUP

Head Office:

FDC House, Wellington Road, Cork.
Tel: 021-4509022
Email: info@fdc.ie
www.fdc.ie

FDC GROUP
Head Office:
FDC House,
Wellington Road,
Cork.
Tel: 021-4509022
Email: info@fdc.ie
www.fdc.ie

CORK

4/5/6 Patrick's Quay,
Bandon, Co. Cork.
Tel: 023-8841744
Email: bandon@fdc.ie

9 North Street,
Skibbereen, Co. Cork.
Tel: 028-21818
Email: skibbereen@fdc.ie

Newtown, Bantry,
Co. Cork.
Tel: 027-52323
Email: bantry@fdc.ie

The Clock House,
Mallow, Co. Cork.
Tel: 022 22724
Email: mallow@fdc.ie

Percival Street,
Kanturk, Co. Cork.
Tel: 029-50292
Email: kanturk@fdc.ie

75 McCurtain Street,
Fermoy, Co. Cork.
Tel: 025-51888
Email: fermoy@fdc.ie

Main Street,
Millstreet, Co. Cork.
Tel: 029-71082
Email: millstreet@fdc.ie

Kilrock House,
Midleton, Co. Cork.
Tel: 021-4633772
Email: midleton@fdc.ie

GALWAY

Swangate,
Athenry, Co. Galway.
Email: athenry@fdc.ie

KERRY

26 Church Street,
Listowel, Co. Kerry.
Tel: 068-24740
Email: listowel@fdc.ie

21 Denny Street,
Tralee, Co. Kerry.
Tel: 066-7193370
Email: tralee@fdc.ie

LIMERICK/CLARE

St. Ita's Road,
Newcastlewest, Co. Limerick.
Tel: 069-62688
Email: ncw@fdc.ie

75 O'Connell Street,
Limerick.
Tel: 061-404644
Email: limerick@fdc.ie

Lord Edward Street,
Kilmallock, Co. Limerick.
Tel: 063-98588
Email: kilmallock@fdc.ie

Corgigg,
Foynes, Co. Limerick.
Tel: 069-65326
Email: foynes@fdc.ie

8 Carmody Street
Business Park,
Ennis, Co. Clare.
Tel: 065-6828992
Email: ennis@fdc.ie

WATERFORD

23/35 Lower Main Street,
Dungarvan, Co. Waterford.
Tel: 058-41893
Email: dungarvan@fdc.ie

4 Church Street,
Dungarvan, Co. Waterford
Tel: 058-45001
Email: fdcdungarvan@fdc.ie

4 Main Street,
Lismore, Co. Waterford.
Tel: 058-72800
Email: lismore@fdc.ie

2nd Floor, 108 The Quay,
Waterford.
Tel: 051-872327
Email: fswaterford@fdc.ie

TIPPERARY

5 Castle Street,
Carrick On Suir
Tel: 051 640074
Email: carrickonsuir@fdc.ie

Church Street,
Cahir, Co. Tipperary.
Tel: 052 7441266
Email: cahir@fdc.ie

Ballyhall,
Roscrea, Co. Tipperary.
Tel: 0505-21944
Email: roscrea@fdc.ie

Lower Gate Street,
Cashel, Co. Tipperary.
Tel: 062-61947
Email: cashel@fdc.ie

CARLOW/KILKENNY

Church Road,
Graigucullen, Co. Carlow.
Tel: 059-9142474
Email: carlow@fdc.ie

The Square,
Tullow, Co. Carlow.
Tel: 059-9151685
Email: tullow@fdc.ie

4 William Street, Kilkenny
Tel 056-7722647
Email: kilkenny@fdc.ie

WEXFORD

Woodbine Business Park,
New Ross, Co. Wexford.
Tel: 051-421115
Email: newross@fdc.ie

