



PRECISION
ACCOUNTING

Precision Accounting Ltd
Market Square, Dundalk, Co Louth.
Phone: (042) 93 43434 / (01) 90 23456
Email: info@precisionaccounting.ie
Web: www.precisionaccounting.ie

Newsletter

April 2022



I hope you all had a lovely Easter, and are enjoying the longer days.

Pay increase for contract cleaning workers

The Minister for Business, Employment and Retail approved an order which provides for a pay increase in this sector.

The Order, which will become effective from the 1st of April 2022, provides for the new minimum hourly rate of €11.55, with further increases to €11.90 per hour from the 1st of April 2023 and €12.30 per hour from the 1st of April 2024.

The three increases will be applied to the current €11.20 per hour single minimum rate for the industry, and the cumulative percentage increase amounts to 9.8% over three years.



Insurance on Electric Cars

Many of our clients are switching to electric cars and it is most tax efficient to buy them through the company. Some have encountered a problem in relation to insurance, whereby their existing insurance company or broker are quoting exorbitant premiums of circa €1,500 to insure the car. They are saying this is the first time the company has had a policy and therefore the company has ZERO no claims bonus.

Solution

All that is required is the driver issues a letter transferring their no-claims bonus

to the company. This will immediately lead to a reduction to the level of premium that the driver was previously paying. What is unclear at the moment is when/if the driver ceases to have a company car and reverts to a private car will this work in reverse?

If your broker or insurance company is not helping you, we have found Power Insurances in Tralee (**061 226722** or info@powerinsurances.ie) resolve the situation seamlessly.

If you are a KBC or Ulster Bank business customer - read this now

I hope you are aware that both of these banks will cease to offer business banking very shortly. One of our clients has already received a letter saying their account will be closed on 31st May next. Therefore you need to now start making alternative arrangements. Opening a company bank account with AIB or BOI can take up to 10 working days at the best of times, but our clients experience is that despite being a sizeable business they are not being given any welcoming treatment. So why will it affect you?

1. You will need to inform all of your customers of the new bank account details for those who pay by EFT.

2. If you operate a DD payment system, you will need to set up a new one or amend the existing.
3. If you operate a payments file system for your employees or suppliers, this will need to be set up.
4. Most likely you will cease to use their credit card services too, so you will need to arrange new credit cards, and communicate these details to any supplier you have set up for payment via the credit card - eg tolls, parking tag, subscriptions, etc.



Debt Warehousing - make sure you continue to qualify

What is Debt Warehousing?

Many of our clients could not afford to pay their taxes (VAT, PAYE or Income Tax) during the Covid period February 2020 to December 2021. Revenue acknowledged the situation and allowed taxpayers to elect to only file returns, but not pay any money. A person could elect not to pay any of these taxes until January 2023, and even at that point Revenue will allow them to then pay the tax back over 2 years at a reduced rate of interest.

How do I continue to qualify?

1. You must file and pay all 2022 returns – even if you have no liability.

Do I need to check anything?

2. The Revenue have recently undertaken a complete trawl of all taxpayers returns since the business started, and this is throwing up some outstanding information returns, that have no monetary liability, but they are insisting these are filed – some are going back 10 and 15 years, and we and our clients are struggling to access/recall the data to complete these returns.
3. The current interest rate is 0% for 2022 and 3% from January 2023, BUT if you fail to remain compliant, the rate reverts to the normal rates of 8% or 10%.
4. Revenue have given a drop-dead date of 30th April to have ALL returns filed.