



**WICKLOW & DISTRICT CREDIT UNION LTD.**

**3 MAIN STREET, WICKLOW**

**TELEPHONE (0404) 69380 FAX (0404)68511 E-MAIL: [info@wicklowcu.ie](mailto:info@wicklowcu.ie)**

On the 1<sup>st</sup> January 2002, new regulations were introduced that changed the system of taxation of credit union share dividends, at this time forms were sent to all members giving the option to have DIRT deducted directly from dividends. If your circumstances have changed since you last completed the DIRT Deduction form you may now wish to change your preference by completing the Tax/DIRT Deduction portion for this document. If you are unsure of your current status in relation to DIRT Deduction, please contact any member of staff.

**Deposit Account: No Option! Tax must be deducted**

- DIRT at 27% **must** be deducted from any deposit interest paid after the 1<sup>st</sup> January 2011.
- Members then have no further liability to Income Tax in respect of this deposit interest

**Share Account: Two options**

**A) The Credit Union Deducts DIRT Tax on Your Behalf:**

- Dividend is posted net to the account every year after deduction of Retention Tax (DIRT) from the gross dividend earned.
- The credit union will deduct the tax and pay it over to the Revenue Commissioners on behalf of the account holder.
- The rate of retention tax will be the prevailing rate announced in the Finance Act each year. It is currently 27% (*tax year 2011*)
- This deduction of tax will fully discharge any Income Tax liability of the account holder in respect of the dividend paid to his/her special Share Account. The Account holder is not required to disclose the amount of dividend earned in his/her annual Income Tax return.

**B) The Credit Union Does Not Deduct DIRT Tax on Your Behalf:**

- Dividend is posted gross to the account every year.
- It is the responsibility of the account holder to inform the Revenue Commissioners of any dividend posted to the account in his/her annual Income Tax return.
- The Revenue Commissioners have the right to inspect the books and records of all financial institutions, including the credit union, with regard to individuals' accounts.
- **Note:** In future and annual Income Tax return will ask the question "Do you have a Credit Union Account?"

**In making your decision, please note the following:**

- The rate of DIRT is currently 27%. If you pay income tax at the higher rate (41%), you will pay less tax by choosing the Special Share Account option. If you pay tax at the standard rate (20%), you will pay the standard rate of DIRT Tax 27% with either option A or B. However, with a Special Share Account, you will not have to declare the amount of dividend that you earn on your annual Tax Return.
- Non-Residents are not liable for DIRT on their dividend, **conditional on a declaration being made:**
- If your income is below the income tax threshold and you don't pay any income tax, you are entitled to claim back any DIRT that you pay on your dividend.

**PTO ⇒**

- If you want the Credit Union to deduct tax on you behalf, please tick the first box.
- If you do not want the Credit Union to deduct tax on you behalf, please tick the second box.

When you have made your choice, please complete your personal details, sign and detach the form and return it to the Credit Union. If you do not return a form to us we will assume that you will look after your own tax liability.

**(NOTE: This document is designed to provide basic information for members of Wicklow and District Credit Union Ltd. It is not meant to be a comprehensive review of current taxation issues. Members are advised to discuss their own position with the Revenue Authorities, or seek the assistance of a qualified tax advisor, if in any doubt as to their liabilities.)**

**If you have already returned a tax deduction form and do not want to change your preferences, please ignore.**

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To Wicklow and District Credit Union Ltd.

I have read, understood and accepted the terms and conditions of holding a credit union share account. I also understand and accept that my accounts with the credit union, including the above, are subject to the Rules of the Credit Union and the Credit Union Act of 1997

Please tick the appropriate box

**I want the Credit Union to deduct tax on my behalf**

**I do not want the Credit Union to deduct tax on my behalf**

Name & Address of Member:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Telephone Number

\_\_\_\_\_

Membership Number:

\_\_\_\_\_ / \_\_\_\_\_

Signature of Member:

\_\_\_\_\_

Date:

\_\_\_\_\_ / \_\_\_\_\_ /20\_\_\_\_\_