RUEPOINTMEDIA

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What is the best way to be taxed after we walk down the aisle?

Charlie Weston
Your Questions

Q MY partner and I have been engaged for the last two years and are finally getting around to tying the knot. We are trying to save for a house at the moment and so, of course, every penny counts. We were thinking that when we are married our tax credits will change and be accounted for as a couple. I'm wondering will we be any better off after we are married, if I earn €28,500 and my partner earns €52,000?

A THERE are a number of different choices when it comes to tax assessment within marriage.

You can choose to continue being assessed as two single people, or opt for separate assessment, which is slightly different in that some credits are shared between both spouses.

Alternatively, you can go for joint assessment, according to commercial director of Taxback.com Eileen Devereux. This is where tax credits and standard rate cut-off points are allocated according to the circumstances of your joint income.

In terms of which to choose, it does depend on your income brackets.

The main way to save income tax as a working married couple is to reduce the amount of income taxed at the higher rate. Joint assessment is almost always more beneficial if one spouse is on high rate tax and the other on a low tax rate.

When both spouses are working, as is the case here, the standard rate cut off applicable is €69,100 for 2018, above which the higher rate of 40pc kicks in. In your case, joint assessment could potentially reduce the amount that your spouse is paying at the higher rate of tax.

It is also worth noting that in the year of your marriage, you and your spouse will continue to be treated as single individuals in tax terms.

However, you can apply for a rebate the following year for tax paid in the months following your marriage, if and where the tax paid (liability) as two single individuals is greater than the liability as a married couple.

Q WE have always had excellent cover in place for the family, but now my teenage son may need root-canal work, possibly followed by a crown. Is this covered at all by any health insurance?

A UNFORTUNATELY, the answer is no in this case. Health insurance is only designed to give refunds on routine dental work such as fillings, extractions, and check-ups and even this may only apply if you are insured on a quality corporate plan.

There is no cover at all for the complex work such as root canal, crowns, orthodontics, bridges, and dentures, according to Dermot Goode of TotalHealthCover.ie.

He suggests you contact DeCare Dental which is the only specialist dental insurer in the country and has a range of plans to suit all budgets. Explain what treatment is pending.

Unlike health insurance where pre-existing conditions may be excluded for up to five years, basic treatment such as fillings or extractions are normally covered after three months with cover for crowns kicking in after 12 months. The cost of check-ups is normally covered immediately on joining on most dental plans.

Q I'M a part-time blogger in the fashion and beauty sector, currently working around my other part-time job as a retail assistant in Limerick. I earn a side income from paid promotions and sponsored content, for which I file a tax return. But I'm wondering what the story is when it comes to monetary gifts from brands? Do I need to include these? I buy a lot of skincare products and make-up so that I can road-test test them and put my verdict on my blog.

A WHETHER or not you are in full time employment as a blogger and simply making some extra money in your spare time, you need to declare your income, according to Eileen Devereux, commercial director at Taxback.com.

In Ireland, if you earn over €5,000, you need to set yourself up as a sole trader, using a TR1 form, she said.

This registers you for income tax with Revenue. If your sales are over a certain threshold (€75,000 in 2018), then you need to register for VAT on this form too.

As well as a completing a TR1 form you must file a self-assessed tax return each year stating the income earned. Declare everything, is the advice of Ms Devereux.

Any payment a blogger receives from operating a blog counts as income. If you are earning income from sponsored posts, banners, speaking events, or collaborations, it is essential to create invoices for everything, and keep all receipts for expenses and payments. If the value of the gifts given by a single person/company is more than €3,000, then there is a tax implication and you must pay any tax due.

Need to Know

Health insurance does not cover complex work such as root canal, crowns, orthodontics, bridges, and dentures

Need to Know

Joint tax assessment is almost always more beneficial if one spouse is on high-rate tax and the other on a low rate of tax