



OUR SERVICES

Retirement relief

When you transfer or sell business assets such as the farm or company shares, CGT at 33% is triggered unless relief is available.

The relief to be considered in the context of business assets is retirement relief on transferring shares in your company or business to your children or third parties.

A lifetime transfer of your business or the shares in your company can happen tax free if the transfer is to one of your children. While you are under 65, there is no limit on the value that can transfer. Once you are over 65, there is a lifetime limit of €3m.

A sale of business assets to someone other than a child can be done tax free if the value of assets transferring is less than €750,000. This reduces to €500,000 if you are 66 years of age or over. This includes a share buyback, whereby you sell your shares back to the company.



The main conditions of the relief that are relevant to transferring the business are:

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- You must be over 55 at the date of transfer.
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- You must have owned the assets for at least 10 consecutive years ending on the date of disposal.
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- You must have worked in the business for at least 10 consecutive years ending on the date of disposal.
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- The child who receives the shares from you must keep them for 6 years or else they have to pay back your tax to Revenue, along with any personal tax the disposal triggers for themselves.
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- The transfer must be done for bona fide commercial purposes and not tax avoidance purposes.

If you are transferring shares in a company the following additional conditions apply:

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- You must have been a director of the company for 10 years and a fulltime working director for 5 years.
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- You must own at least 25% of the company shares.
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- Alternatively, you can own 10% as long as family members, including yourself, own 75%. You need to keep this in mind if you plan to transfer the shares in stages.
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- Property you own outside the company but used in the company's trade can also qualify for the relief if it is transferred at the same time and to the same person as shares in the company.

Marginal relief

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- the sale price or market value
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- and
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- the threshold.

How to claim Retirement Relief

Retirement relief applies automatically once the conditions of the relief are met. If you are claiming marginal relief and have some tax to pay on the disposal of the business, the CGT is payable on or before 15 December on disposals made from 1 January to 30 November. For disposals in December, the tax is due on or before the following 31 January.

Details of the transaction should be disclosed in your personal tax return Form 11 for the tax year in which the disposal occurred, which is due for filing the following 31 October.