



AUDIT PROTECTION SAVINGS FOR QUALIFYING PENSION INCOME

Under certain circumstances, Portuguese legislation allows for a partial exclusion on pensions to account for past capital contributions made into a pension fund. Net taxable income may be substantially reduced, thereby generating appreciable tax savings.

While the statutes in question are essentially simple and straightforward, their application to Foreign Residents in Portugal is not. Normally, contributions were made outside of Portugal as a Non-Resident. Differences in legislation and language frequently make fiscal reviews complicated, time consuming and very expensive.

In order to help clients faced with this potential problem, euroFINESCO has developed the Audit Protection Plan to mitigate the risks implicit in international tax audits. If inspected, we will stand behind you and defend your case as we have done successfully over the past decade.

Our table illustrates the potential tax savings in the 2014 fiscal year that this exclusion can achieve:

(see next page)



AUDIT PROTECTION COMPARISON CHART - 2014

FULL GROSS PENSION	GROSS TAX	TAX RATE	15% TAXABLE PENSION	GROSS TAX	TAX RATE	NET TAX SAVINGS
€10,000	€641	7%	€1,500	€0	0%	€642
€20,000	€3,336	16.7%	€3,000	€0	0%	€3,336
€30,000	€7,243	24.2%	€4,500	€0	0%	€7,243
€40,000	€11,683	29.2%	€6,000	€0	0%	€11,683
€50,000	€16,406	32.9%	€7,500	€279	<1%	€16,127
€60,000	€20,906	34.9%	€9,000	€496	<1%	€20,410
€70,000	€25,406	36.3%	€10,500	€713	1.1%	€24,693
€80,000	€29,906	37.4%	€12,000	€1,057	1.4%	€28,849
€90,000	€34,956	38.9%	€13,500	€1,484	1.7%	€33,472
€100,000	€40,006	40%	€15,000	€1,911	2.0%	€38,095
€125,000	€52,631	42.1%	€18,750	€2,980	2.4%	€49,651
€150,000	€65,256	43.5%	€22,500	€4,049	2.7%	€61,207
€175,000	€77,881	44.5%	€26,250	€5,577	3.2%	€72,304
€200,000	€90,506	45.3%	€30,000	€7,243	3.7%	€83,263
€250,000	€115,756	46.3%	€37,500	€10,573	4.3%	€105,193

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