

How to maximise your PCRS deductions

Business Development Manager of IMO Financial Services, **Fran McGrath**, provides GPs advice on the available options to secure their financial cover



Fran McGrath, IMO Business Development Manager

In recent years, our experience has clearly demonstrated that many GPs are under increasing pressure in managing the running of the practice and the consequent cash flow issues and neglecting to plan adequately for their own future in terms of pension provision. It is critical to start planning as early as possible but it is never too late to start and this is where we can help.

IMO Financial Services have been helping and advising medical practitioners for more than 25 years. Our experience and expertise have enabled us to develop deduc-

tion facilities specific to GPs' pension and protection plans. IMO Financial Services have a unique facility where we can enable deductions through a GP's monthly pink sheet (Health Service Executive Primary Care Reimbursement Service, HSE PCRS) that helps with cashflow, offers clarity of deduction and, with regard to pension products, helps with investment performance. There are four areas where a PCRS deduction is possible:

1. PRSA AVC against GMS income

GPs with GMS income must maximise pension contributions against the General Medical Services (GMS) Scheme first. In order to ensure diversification, many GPs will arrange a Personal Retirement Savings Account Additional Voluntary Contributions (PRSA AVC) with one of the life insurance companies, which is separate to the main scheme. Remember the advice not to 'keep all your eggs in one basket'.

Over the years, we noticed that many of our clients were waiting for accountants to tell them what size pension contribution they should make

just days and sometimes hours before the tax deadline. This waiting game puts many GPs under time and cashflow pressure. They need to select suitable investment funds and the payment needs to be made on time. This is added pressure that GPs do not need in their already busy lives.

A simple solution for GPs is to have their pension AVC payments deducted through the PCRS system on a monthly basis. This not only reduces the need to write a large cheque during tax season but also allows your pension contribution to be invested on a monthly basis.

A very powerful principle in investing is that of 'euro cost averaging'. This concept is an investment strategy which involves saving regularly into a designated investment at regular intervals over a period of time rather than investing a lump sum in one day.

IMO Financial Services has also found that GPs who face cashflow issues cannot write a large cheque as well as paying their tax liability. Therefore, paying a smaller amount into their PRSA AVC each month by PCRS deduction really helps and ensures that they have already made all or a large chunk

of their pension payment over the course of the year in order to avail fully of their tax relief.

Premiums on certain protection products can also be deducted by PCRS deduction.

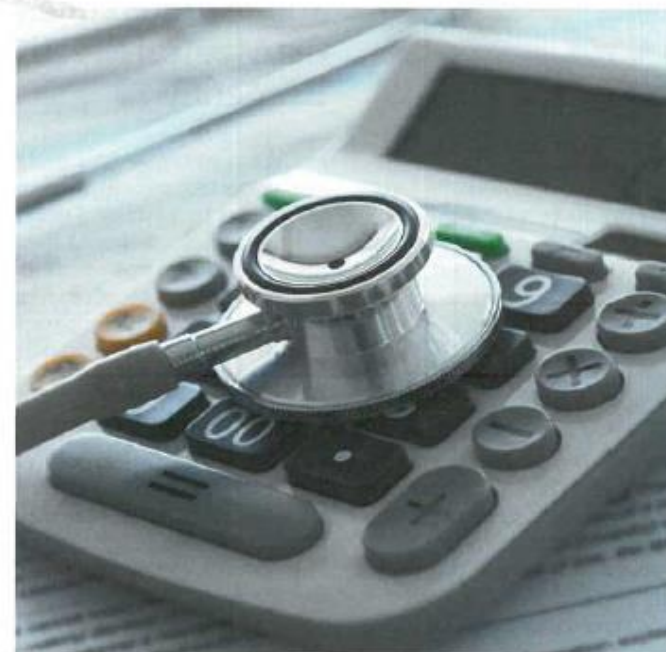
2. IMO Group Income Protection

We see this as the single most important financial protection you can have. It protects you by providing you and your family with an alternative source of income should illness prevent you from working.

The scheme offers peace of mind to claimants because it pays in line with the GMS sick pay rules.

3. Waiver of Premium

In the event of a GP suffering long-term illness and being unable to work, their GMS pension contribution may cease. This in turn will jeopardise their financial wellbeing in retirement. The Waiver of Premium protects your GMS pension expectation at retirement by continuing to fund it while you are not working. While most GPs recognise the need to protect their income, safeguarding their pension in case they are unable to work is also extremely important as



Pic. Getty Images

it ensures that their standard of living will continue during retirement.

4. IMO Group Life Cover

This is a life insurance scheme designed to protect your family financially if you die. You choose the level of cover you want (in units of €150,000 of cover), depending on your age and circumstances.

Like any professional group, GPs will invariably encounter cashflow issues at some stage of their career. The PCRS deduction facility is a service that is unique to IMO Financial

Services. It is designed to overcome cashflow challenges and also facilitates payments to the above protection products. If you want to manage your finances more efficiently, we recommend that you consider it. **IMO**

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