

## 1. Who can Claim?

You (or your spouse) may claim tax relief in respect of the cost of employing a person to take care of either -

- a family member (including yourself and your spouse) who is totally incapacitated by reason of physical or mental infirmity; or
- a relative who is totally incapacitated by reason of physical or mental infirmity. Relative in this context includes a relation by marriage and includes an individual in respect of whom the claimant is or was the legal guardian.

However, the tax relief is not due to you if the carer is employed as a housekeeper only, or if Dependent Relative tax credit or Incapacitated Child tax credit has been given in respect of the employed carer.

**Note** - Any amount recovered from the Health Service Executive or a local authority in respect of the costs of employing the carer does not qualify for tax relief.

## 2. Can I claim tax relief in respect of the cost of a carer whose services are provided by or through an agency?

Yes.

## 3. What is the amount of the tax relief?

Tax relief may be claimed on the lower of the following amounts-

- the actual cost incurred in employing the carer; or
- €50,000.

### NOTE

Relief to be allowed on a pro-rata basis for the tax year during which the individual becomes totally incapacitated (see example on Page 2).

## 4. What is the position if two or more individuals engage a person to look after a relative?

If two or more individuals are entitled to claim this deduction in respect of the same incapacitated individual, then -

- the aggregate of the deductions granted to them shall not exceed €50,000; and

- the relief granted to each individual shall be in proportion to the amount of the employment cost he or she has borne.

## 5. Can I claim the full amount in the first year that the carer is engaged?

The following example illustrates the relief due in the first year of claim.

### Example

Mrs. A. has employed a person to take care of her incapacitated husband who became totally incapacitated on 1 May at a cost of €3,000 per month. The tax deduction due for the year will be the lower of (i) the actual cost incurred [i.e. €3,000 x 8 months = €24,000], or (ii) the maximum deduction of €50,000 as apportioned by reference to the number of months during which the individual was permanently incapacitated [i.e. €50,000 x 8/12ths = €33,333]. In this example, the tax deduction due is €24,000 @ the taxpayer's marginal (highest) rate of tax.

### NOTE

The maximum amount of relief due is confirmed in Revenue Leaflet IT1 "Tax Credits, Reliefs and Rates", which is updated annually.

## 6. How is a claim made?

You can claim relief by completing the attached Form HK1.

As your claim may be selected for future audit, you are requested to retain all documentation relating to this claim for a period of 6 years.

## 7. How is the tax relief granted?

If you are a PAYE customer, relief can be claimed during the tax year and your Tax Credit Certificate will be increased by the amount of relief due.

Alternatively, you can claim relief at the end of the tax year by submitting your form P60 and that of your spouse, if applicable, to your Revenue office.

If you are a Self- Assessment customer, the claim should be made in your annual tax return and relief will be granted in your Notice of Assessment.

## 8. Do I have to operate PAYE on payments made to the carer?

If the services of the carer are provided by or through an agency and the carer is paid by the agency, the obligation is on the agency to make the necessary tax and PRSI deductions through the PAYE system when paying the carer(s).

However, where you employ the carer directly, you will have certain obligations as an employer, including registering as an employer and making tax and PRSI deductions from the wages paid to the carer. A Form PREM Reg - Employer (PAYE/PRSI) Tax Registration Form is available on the Revenue website at [www.Revenue.ie](http://www.Revenue.ie) or from any Revenue office or by telephoning Forms and Leaflets LoCall Service on 1890 306 706 (+ + 353 1 6744050) from outside the Republic of Ireland).

**Note** - The tax relief in respect of the cost of employing a carer is not conditional on you registering as an employer.

## 9. Health Expenses - Tax relief in respect of the Home Nursing in cases of serious illness

Separate and distinct from the tax relief in respect of employing a carer as outlined above, tax relief under the heading of Health Expenses on Form MED 1 may be claimed in cases of serious illness where a qualified nurse is engaged on the advice of a medical practitioner to provide home nursing in respect of an incapacitated individual where the following conditions are satisfied:

- a medical certificate is provided which:
  - shows the name and address of the patient concerned;
  - outlines the nature of the patient's illness;
  - states that constant nursing care by a qualified nurse(s) in the patient's home is necessary;

Form HK1

## Claim for an Allowance for Employing a Carer.

If you, your spouse or a relative is incapacitated by reason of physical or mental infirmity and you employ a person to care for the incapacitated relative you may claim this allowance.

### Your Personal Details

Name

PPS Number

### Relative's Details

Name of incapacitated relative and relationship to you

  
  

State the nature of the incapacity

  
  

Date incapacity arose

### Carer Details

Name of carer(s)

PPS Number

Employer Registration Number of Agency (if applicable)

Date employment commenced

## Cost of employing the carer(s)

Please give details of the cost incurred by **you** of employing the carer(s) stated above:

Net cost, after any payments from the Health Service Executive, etc. €

Percentage of carer costs paid by you  %

If you wish to have any refund paid directly to your Irish bank account, please supply your bank account details below. See note below regarding tax refunds.

Sort Code

Account Number

## Declaration which must be completed

I declare that all the particulars in this form are correct to the best of my knowledge and belief.

Signature

Date  /  /

Phone No.

E-Mail

## Form HK I

## Tax Refunds

If your claim is in respect of the **current tax year** an amended certificate of tax credits will be sent to you and your employer will pay any refund due directly to you.

If your claim is for a **previous tax year** or during a **period of unemployment**, any refund due will be sent directly to you by Revenue. Tax refunds can be paid by cheque or to your Irish bank account. It is not possible to make a refund directly to a foreign bank account.

As your claim may be selected for future audit, you are requested to retain all documentation relating to this claim for a period of 6 years.

- (b) the medical certificate covers the full period for which home nursing is being claimed;
- (c) the nurse(s) providing the nursing care is/are qualified and their full names, addresses and details of the qualifications are supplied;
- (d) receipts are provided in respect of all payments to the nurse(s) and, where necessary, a breakdown of the payments is provided.

Prior to 1 January 2007, health expenses could only be claimed in respect of an individual who was a qualifying dependant or relative. However, with effect from 1 January 2007, the required relationship has been abolished and an individual can claim tax relief on health expenses in respect of any individual provided he/she has paid the expenses. For further information about who is a qualifying dependant or relative and what expenses qualify for tax relief, please see information leaflet IT6 (Medical Expenses Relief) which is available at [www.revenue.ie](http://www.revenue.ie) or from any Revenue office or by telephoning our Forms and Leaflets Lo Call Service on 1890 306 706 (+ +353 1 6744050) from outside Republic of Ireland).

## Further Information

Further information is available on the Revenue website [www.revenue.ie](http://www.revenue.ie) or alternatively you can telephone your Regional PAYE LoCall Service whose number is listed below:

- ◆ **Border Midlands West Region** **1890 777 425**  
Cavan, Donegal, Galway, Leitrim, Longford, Louth, Mayo, Monaghan, Offaly, Roscommon, Sligo, Westmeath
- ◆ **Dublin Region** **1890 333 425**  
Dublin (City and County)
- ◆ **East & South East Region** **1890 444 425**  
Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow
- ◆ **South West Region** **1890 222 425**  
Clare, Cork, Kerry, Limerick

All calls are charged at local rates. Please note that the rate charged for the use of 1890 numbers may vary amongst different service providers.

If you are calling from outside the Republic of Ireland, please phone (+ +353 1 6744050).

This leaflet is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.

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