

Tax treatment of certain benefits payable under the Social Welfare Acts.

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1 Introduction

It is a general principle of taxation that all income, from whatever source, is income for tax purposes and this includes amounts paid to an individual by the Department of Social Protection (DSP). The legislation governing this is Sections 19 and 126 of the Taxes Consolidation Act (TCA) 1997. Although DSP payments are chargeable to tax, historically, Revenue has not sought to collect tax on certain DSP payments.

Section 126 TCA 1997 was amended by section 13 of Finance Act 2018 in order to put beyond doubt that certain DSP payments are exempt from the charge to tax. The Table in the Appendix lists all such payments. These payments are exempt from the charge to tax for any year of assessment to which a payment relates.

Appendix

Description of payment	Basis on which payment is made
Basic supplementary welfare allowance	Section 189 of the Act of 2005 ¹
Back to education allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Back to education allowance'
Back to work enterprise allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Back to work enterprise allowance'
Back to school clothing and footwear allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Back to school clothing and footwear allowance'
Carer's support grant (previously the Respite Care Grant)	Section 225 of the Act of 2005
Constant attendance allowance	Section 78 of the Act of 2005
Death benefit – funeral expenses	Section 84 of the Act of 2005
Death benefit – orphans	Section 83 of the Act of 2005
Direct provision allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Direct provision allowance'
Disability allowance	Section 210 of the Act of 2005
Disablement gratuity	Section 75(8) of the Act of 2005
Domiciliary care allowance	Section 186F of the Act of 2005
Exceptional needs payment	Section 201 of the Act of 2005
Farm assist	Section 214 of the Act of 2005
Fuel allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Fuel allowance'

¹ 'Act of 2005' means the Social Welfare Consolidation Act 2005.

Guardian's payment (contributory)	Section 130 of the Act of 2005
Guardian's payment (non-contributory)	Section 168 of the Act of 2005
Household benefit package	A payment made under a scheme administered by the Minister for Social Protection and known as 'Household benefit package'
Humanitarian assistance payment	A payment made under a scheme administered by the Minister for Social Protection and known as 'Humanitarian assistance payment'
Jobseeker's allowance	Section 141 of the Act of 2005
Jobseeker's transitional payment	Section 148A of the Act of 2005
Medical care	Section 86 of the Act of 2005
Part-time job incentive scheme	A payment made under a scheme administered by the Minister for Social Protection and known as 'Part-time job incentive scheme'
Rent allowance	Section 23 of the Housing (Private Rented Dwellings) Act 1982
Supplementary welfare allowance	Section 198 of the Act of 2005
Telephone support allowance	A payment made under a scheme administered by the Minister for Social Protection and known as 'Telephone support allowance'
Training support grant	A payment made under a scheme administered by the Minister for Social Protection and known as 'Training support grant'
Urgent needs payment	Section 202 of the Act of 2005
Widowed or surviving civil partner grant	Section 137 of the Act of 2005
Working family payment (formerly Family Income Supplement, FIS)	Section 228 of the Act of 2005
Youth employment support scheme	A payment made under a scheme administered by the Minister for Social Protection and known as 'Youth employment support scheme'