

Income from investments under Social Welfare (Consolidation) Act 2005

Part 07-01-34

This document should be read in conjunction with section 206 TCA 1997 and Social Welfare Consolidation Act 2005

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Introduction

The Social Insurance Fund (SIF) which was established by the Social Welfare Act 1952 and currently operates under the Social Welfare Consolidation Act 2005. The SIF operates two main accounts:

- An Investment Account held in the Central Bank which is managed and controlled by the Minister for Finance, and
- A Current Account with a commercial bank which is managed by the Minister for Social Protection. This account derives its main income from Pay Related Social Insurance (PRSI) contributions. Deposit interest is also earned on funds held in this account.

Tax exemption

The Minister for Finance is exempt from income tax, by virtue of Section 206(1) TCA 1997, in respect of income derived from the SIF Investment Account.

The Minister for Social Protection is, since 1 January 2015, also exempt from income tax in respect of income derived from the SIF Current Account by virtue of section 206(2) TCA 1997 [as introduced by section 21 Finance Act 2014].

Income tax in this regard is taken to include Deposit Interest Retention Tax [DIRT].