

Health and Well-being Related Benefits

Part 05-01-01n

This manual should be read in conjunction with section 118 of the Taxes Consolidation Act 1997

Document last updated August 2024



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1 Introduction

This manual outlines the tax treatment applicable where an employer incurs an expense in providing certain health and well-being related benefits to their employees.

This includes the provision of:

- a qualifying medical check-up;
- access to healthcare;
- a COVID-19 test; and
- an influenza (flu) vaccine.

Prior to 1 January 2021, Revenue did not seek to implement a charge to tax where, subject to a number of conditions, an employer provided any of the above benefits to an employee.

Section 7 of the Finance Act 2021 inserted four new subsections, (5I), (5J), (5K) and (5L) into section 118 of the Taxes Consolidation Act 1997 (TCA 1997). These measures provide a statutory footing for the exemptions which previously operated on an administrative basis.

This manual also outlines the tax treatment applicable where an employer makes a contribution to an in-house medical plan.

2 Definitions

2.1 Qualifying medical check-up

A qualifying medical check-up is a medical examination carried out by a medical practitioner. The purpose of the check-up must be to test a person's state of health and this may include either their physical or mental health.

A qualifying medical check-up does not however include any subsequent health care recommended by the medical practitioner. The provision of such follow-up health care may however still be exempt from a charge to tax as set out in [Paragraph 4](#) below.

2.2 Health care and health expenses

'Health care' and 'health expenses' have the same meanings as they have in section 469 TCA 1997.

Health care therefore means health care provided for the prevention, diagnosis, alleviation or treatment of an ailment, injury, infirmity, defect or disability and may therefore include care received by a woman in respect of a pregnancy.

Health care does not however include the following:

- routine ophthalmic treatment;
- routine dental treatment; or
- cosmetic surgery or similar procedures, unless the surgery or procedure is necessary to ameliorate a physical deformity arising from, or directly related to, a congenital abnormality, a personal injury or a disfiguring disease.

Health expenses are expenses in relation to the provision of health care. This may include the following:

- the services of a practitioner (as defined in [paragraph 2.3](#));
- diagnostic procedures carried out on the advice of a practitioner;
- maintenance or treatment in a hospital or nursing home provided the expenses are necessarily incurred in association with the services of a practitioner or refer to diagnostic procedures carried out on the advice of a practitioner;
- drugs or medicines prescribed by a practitioner;
- supply, maintenance or repair of any medical, surgical, dental or nursing appliance used on the advice of a practitioner;
- physiotherapy or similar treatment prescribed by a practitioner;
- orthoptic or similar treatment prescribed by a practitioner;
- transport by ambulance;
- speech and language therapy carried out by a speech and language therapist

- educational psychological assessments carried out by an educational psychologist (who is a psychologist who has expertise in the education of students).

Relief in respect of speech and language therapy, or for educational psychological assessments, will only apply where it is provided for a person who is:

- under the age of 18 years, or,
- if over the age of 18 years at the start of the tax year, receiving full-time instruction at any university, college, school or other educational establishment.

Any health care provided through an employer may be given on foot of advice received during the course of a qualifying medical check-up they have provided to an employee, or on foot of medical advice an employee has obtained independently.

2.3 Medical Practitioner and Practitioner

A qualifying check-up must be provided by a medical practitioner. For this purpose, a medical practitioner is a person who is registered in the register established under section 43 of the Medical Practitioners Act 2007.

Health care must be provided by a practitioner. For this purpose, a practitioner means a person who is registered under either:

- the register established under section 43 of the Medical Practitioners Act 2007; or
- the register established under section 26 of the Dentists Act 1985.

Therefore, the definition of a practitioner for the purposes of section 118(5J) TCA, the provision of healthcare, is broader than the definition of a medical practitioner for the purposes of section 118(5I) TCA 1997, provision of a qualifying medical check-up.

It is possible to check if a practitioner is registered by viewing their registration through the [Irish Medical Council](#) or [Dental Council of Ireland](#).

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

2.4 COVID-19 and COVID 19 tests

COVID-19 is a disease caused by infection with the virus SARS-CoV-2 that can affect the lungs and airways¹.

COVID-19 tests are tests which have been designed to detect the presence of COVID-19 in the person to whom they are administered. This includes:

- reverse transcription polymerase chain reaction tests, more commonly referred to as a 'PCR test'; and
- tests which rely on the detection of viral proteins using a lateral flow immunoassay, more commonly referred to as a 'rapid antigen test'.

2.5 Influenza vaccination

The influenza vaccination is a vaccination which helps protect against infection of flu viruses. This is commonly referred to as the 'flu vaccine'.

The flu vaccine is available annually and can be obtained from GP surgeries or pharmacists. Further [information on obtaining a flu vaccine](#) can be found on the HSE website.

The influenza vaccination does not include a vaccination against COVID-19. COVID-19 vaccinations are currently provided free of charge through the HSE's COVID-19 vaccination and booster programme. Further [information on obtaining a COVID-19 vaccination](#) or booster can be found on the HSE website.

¹ As defined in the Infectious Diseases Regulations 1981 (S.I. No. 390 of 1981), as amended by the Infectious Diseases (Amendment) Regulation 2020.

3 Provision of a qualifying medical check-up

An employer may provide an employee with a medical check-up as part of an employee health or well-being initiative, or to ensure the employee fulfils the terms of his or her employment contract.

Section 118(5I) TCA 1997 provides that where an employer incurs an expense in providing a medical check-up to an employee, a charge to tax will not arise where all of the conditions set out below are met:

- 1) The check-up provided is a qualifying medical check-up, as defined in [Paragraph 2.1](#) above i.e., the check-up must be a medical examination carried out to test the employee's state of health;
- 2) The examination is carried out by a medical practitioner, as defined at [Paragraph 2.3](#) above i.e. the practitioner must be registered in the register established under section 43 of the Medical Practitioners Act 2007; and
- 3) In the case of non-contractual requirements for a check-up, such check-ups are made available to all staff generally - with only one such check-up per year being exempt from BIK.

Where health care is provided on foot of a qualifying medical check-up this may give rise to a separate benefit. Section 118(5J) TCA 1997 provides for an exemption from the benefit in kind charge on the provision of such health care in certain circumstances. See [Paragraph 4](#) below for further details.

3.1 Availability of Exemption

3.1.1 Where there is no contractual requirement to undergo a medical check-up
Where there is no requirement for an employee to undergo a qualifying medical check-up under the terms of his or her employment, he or she may avail of this exemption only once in any year of assessment.

In such cases, where an employer provides an employee with more than one qualifying medical check-up in a year of assessment, only the first such check-up will be exempt from a charge to tax. Any subsequent check-ups will be a taxable benefit and will be liable to income tax, USC and PRSI. See Tax and Duty Manual (TDM) [Part 05-01-01a](#) for guidance on determining the notional pay in such cases.

3.1.2 Where there is a contractual requirement to undergo a medical check-up
Where there is a requirement for an employee to undergo a qualifying medical check-up under the terms of his or her employment, there is no limit on the number of times he or she may avail of this exemption in a year of assessment.

Where an employer has a mixture of employees who do and do not have a contractual requirement to undergo medical check-ups, the employer is not required to offer a medical check-up to all employees in order for this exemption to apply to those who are subject to a contractual requirement.

Where an employer offers a check-up to all employees who are contractually required to undergo a medical check-up, the exemption may apply to that cohort of employees only and there is no obligation on an employer to offer a check-up to the remaining employees. However, if an employer does opt to provide a check-up to any employee who is not subject to a contractual requirement to undergo a medical check-up, they must offer such check-ups to all employees in that cohort.

Example 1

Company A has 50 employees, 10 of whom are contractually required to undergo quarterly medical check-ups due to the nature of their role. The remaining 40 employees are not contractually required to undergo any medical check-ups.

The employer offers a qualifying medical check-up to the 10 employees who are subject to a contractual requirement to undergo quarterly check-ups, but does not offer or provide a check-up to the remaining 40 employees who are not subject to the same requirement.

In such circumstances, no BIK will arise in respect of the 10 employees who undergo the quarterly check-ups.

Example 2

Company AB has 50 employees, 10 of whom are contractually required to undergo quarterly medical check-ups due to the nature of their role. The remaining 40 employees are not contractually required to undergo any medical check-ups.

The employer offers a qualifying medical check-up to the 10 employees who are subject to a contractual requirement to undergo quarterly medical check-ups. Of the 40 employees who are not subject to the same requirement, the employer offers a medical check-up to 8 who are in a management position.

The employer in this case will not be considered to have fulfilled the requirement to make a check-up generally available to all staff. In this case, the BIK exemption will only apply to those 10 employees who are contractually required to undergo a medical check-up. The 8 managers will be subject to tax on the provision of the check-up.

3.1.3 Provision of qualifying medical check-up to family members

Where an employer incurs an expense in providing a medical check-up to a spouse, civil partner or other family member of an employee, the exemption provided for in section 118(5I) TCA 1997 will not apply.

The expense incurred by the employer will be a benefit in the hands of the employee, and will be liable to income tax, USC and PRSI as set out in TDM [Part 05-01-01a](#).

3.1.4 Reimbursement of costs by employer

An employee may incur expense in arranging a medical check-up independently. If an employee is reimbursed any portion of that expense by his or her employer, such reimbursement will not be taxed as pay if:

- the expense is vouched; and

- all other conditions of the exemption are met.

Where an employee is reimbursed by his or her employer for an expense he or she has incurred in arranging a qualifying check-up independently, he or she will not be entitled to claim relief for health expenses on the portion of the expense which has been reimbursed.

Any portion of the expense which is not reimbursed by the employer may qualify for tax relief under section 469 TCA 1997, which provides for tax relief on health expenses. See TDM [Part 15-01-12](#) for further information on how to claim tax relief on health expenses.

4 The provision of health care

An employer may provide an employee with access to health care as part of an employee health and well-being initiative.

Section 118(5J) TCA 1997 provides that where an employer incurs health expenses in providing access to health care to an employee, a charge to tax will not arise where all of the conditions set out below are met:

- 1) The health care provided is of a type which would qualify for relief under section 469 TCA 1997, as detailed in [Paragraph 2.2](#) above - i.e., the health care provided must be for the prevention, diagnosis, alleviation or treatment of an ailment, injury, infirmity, defect or disability;
- 2) The health expense incurred by the employer is also of a type which would qualify for relief under section 469 TCA 1997, as detailed in [Paragraph 2.2](#) above - i.e., the health expenses must relate to costs such as a practitioner's services, diagnostic procedures or the dispensing of drugs or medicines prescribed by a practitioner; and
- 3) Such access to health care is made available to all staff generally.

Any health care provided may be given on foot of advice received during the course of a qualifying medical check-up provided by an employer, as outlined in [Paragraph 3](#) above. Alternatively, health care may also be provided on foot of medical advice obtained by an employee independently.

4.1 Availability of Exemption

4.1.1 Number of times exemption can be availed of

There is no limit on the number of times an employee may avail of this exemption.

Where all the conditions attaching to the exemption are met a charge to tax will not arise on any health expenses incurred by an employer in providing an employee with access to health care.

4.1.2 Provision of health care to family members

Where an employer incurs health expenses in providing access to health care to a spouse, civil partner or other family member of an employee, the exemption provided for in section 118(5J) TCA 1997 will not apply.

The health expense incurred by the employer will be a benefit in the hands of the employee, and will be liable to income tax, USC and PRSI as set out in TDM [Part 05-01-01a](#).

4.1.3 Reimbursement of costs by employer

An employee may incur health expenses in obtaining health care independently. If an employee is reimbursed any portion of that expense by his or her employer, such reimbursement will not be taxed as pay if:

- the expense is vouched; and

- all other conditions of the exemption are met.

Where an employee is reimbursed by his or her employer for health expenses he or she has incurred in obtaining health care independently, he or she will not be entitled to claim relief for health expenses on the portion of the expense which has been reimbursed.

Any portion of the expense which is not reimbursed by the employer may qualify for tax relief under section 469 TCA 1997 in the usual manner. See TDM [Part 15-01-12](#) for further information on how to claim tax relief on health expenses.

5 Provision of COVID-19 testing

Due to health and safety concerns arising from the COVID-19 pandemic, an employer may facilitate an employee in obtaining a COVID-19 test.

Section 118(5K) TCA 1997 provides that where an employer incurs an expense in facilitating a COVID-19 test for an employee a charge to tax will not arise on same where all of the conditions set out below are met:

- 1) Any testing provided must be a necessary requirement to enable the employee to perform their duties of employment.

Examples of scenarios in which this exemption may apply are as follows:

- where public health guidance requires that individuals must be tested for COVID-19 before attending the work-place;
- where an employer requires their employees to be tested for COVID-19 before attending the workplace; or
- where an employee is undertaking international travel as part of his or her role and is required to undergo COVID-19 testing in order to facilitate either outbound or inbound travel.

This exemption will however not apply where an employer facilitates an employee in obtaining a COVID-19 test to enable him or her to undertake personal or recreational travel or activities.

- 2) The employer must satisfy him or herself that any test provided has been administered in line with the manufacturer's instructions and approved for use by the relevant regulatory body².
- 3) Any such testing provided must be made generally available to all staff.

COVID-19 tests may be provided free of charge by the HSE and the benefit in kind provisions will not apply where an employer assists an employee in obtaining or booking a free COVID-19 test through the HSE.

This exemption therefore only applies where an employer incurs expense in facilitating an employee in obtaining a PCR or rapid antigen test through a private clinic or purchased from a retail outlet, for example:

- where an employer brings a third-party test provider into the workplace to carry out COVID-19 testing there;

² In the case of rapid antigen tests, those tests which are included in the common list of COVID-19 rapid antigen tests agreed in accordance with the Council Recommendation of 21 January 2021, and which comply with the requirements of Directive 98/79/EC of the European Parliament and of the Council of 27 October 1998 or, as appropriate, Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017, are considered to have been approved for use by a relevant regulatory body. In the case of rapid antigen tests provided in a jurisdiction outside the European Union, such tests must be of a kind that comply with the regulatory requirements under the laws of that jurisdiction and such requirements are expected to be equivalent in nature to those applicable in the European Union.

- where an employer arranges for an employee to attend a third-party testing facility for a test to be administered on site; or
- where an employer obtains and provides a COVID-19 test kit to an employee for self-administration.

The [HSE website](#) provides detailed information on how to correctly self-administer a rapid antigen test.

5.1 Availability of Exemption

5.1.1 Number of times exemption can be availed of

There is no limit on the number of times an employee may avail of this exemption. Where all the conditions attaching to the exemption are met, a BIK charge will not arise on any expense incurred by an employer in facilitating an employee in obtaining a COVID-19 test.

5.1.2 Provision of COVID-19 tests to family members

Where an employer incurs expense in facilitating a spouse, civil partner or other family member of an employee in obtaining a COVID-19 test, the exemption provided for in section 118(5K) TCA 1997 will not apply.

The expense incurred by the employer will be a benefit in the hands of the employee, and will be liable to income tax, USC and PRSI as set out in TDM [Part 05-01-01a](#).

5.1.3 Reimbursement of costs by employer

An employee may incur expense in obtaining a COVID-19 test independently. If an employee is reimbursed any portion of that expense by his or her employer, such reimbursement will not be taxed as pay if:

- the expense is vouched; and
- all other conditions of the exemption are met.

Where an employee is reimbursed by his or her employer for an expense he or she has incurred in arranging a qualifying COVID-19 test independently, he or she will not be entitled to claim relief for health expenses on the portion of the expense which has been reimbursed.

Any portion of the expense which is not reimbursed by the employer may qualify for tax relief under section 469 TCA 1997, which provides for tax relief on health expenses. However it should be noted, that it is only where a COVID-19 test is prescribed by, or carried out on the advices of, a practitioner that its cost meet the legislative requirement of section 469 TCA 1997. See TDM [Part 15-01-12](#) for further information on how to claim tax relief on health expenses.

6 Influenza vaccination

An employer may facilitate an employee in obtaining an influenza vaccination as part of an employee health or well-being initiative.

Section 118(5L) TCA 1997 provides that where an employer incurs an expense in facilitating an employee in obtaining an influenza vaccination, a charge to tax will not arise where all of the conditions set out below are met:

- 1) The influenza vaccination is administered in accordance with public health regulations³ i.e., the vaccination administered is approved for use by the HSE and is administered by an appropriately trained individual.

Examples of scenarios in which this exemption may apply are as follows:

- where an employer engages an appropriately trained individual to administer the vaccination at the workplace; or
- where an employer arranges for an employee to attend an appropriately trained individual for a vaccination to be administered on site.

The influenza vaccination does not include a vaccination against COVID-19. Such vaccinations are currently provided free of charge through the HSE's COVID-19 vaccination and booster programme.

- 2) Any such vaccinations must be made generally available to all staff.

6.1 Availability of Exemption

6.1.1 Number of times exemption can be availed of

As the influenza vaccination is delivered as part of the HSE's annual flu vaccination programme, it is anticipated that this exemption will not be availed of more than once a year by any individual employee.

6.1.2 Provision of an influenza vaccination to family members

Where an employer incurs expense in facilitating a spouse, civil partner or other family member of an employee in obtaining an influenza vaccination, the exemption provided for in section 118(5L) TCA 1997 will not apply.

The expense incurred by the employer will be a benefit in the hands of the employee, and will be liable to income tax, USC and PRSI as set out in TDM [Part 05-01-01a](#).

³ Any influenza vaccine administered must be of the type specified in column 1 of the Eighth Schedule to the Medicinal Products (Prescription and Control of Supply) Regulations 2003 (S.I. No. 540 of 2003), and must be administered in accordance with the requirements specified in columns 2 to 6 of that Schedule opposite the mention of the product concerned.

6.1.3 Reimbursement of costs by employer

An employee may incur expense in obtaining an influenza vaccination independently. If an employee is reimbursed any portion of that expense by his or her employer, such reimbursement will not be taxed as pay if:

- the expense is vouched; and
- all other conditions of the exemption are met.

Where an employee is reimbursed by his or her employer for expense he or she has incurred in obtaining an influenza vaccination independently, he or she will not be entitled to claim relief for health expenses on the portion of the expense which has been reimbursed.

Any portion of the expense which is not reimbursed by the employer may qualify for tax relief under section 469 TCA 1997, which provides for tax relief on health expenses. See TDM [Part 15-01-12](#) for further information on how to claim tax relief on health expenses.

7 In-House Medical Schemes

Some employers operate in-house medical schemes on behalf of their employees. This may include employing or paying a retainer to a general practitioner (GP). A charge to benefit in kind will not arise for any employee or director availing of this GP service provided it is available to all employees and directors. This exemption from BIK does not extend to retired employees or family members.

In some in-house medical schemes, an employee may make a contribution to a pooled fund and claim medical expenses from that fund should they incur any such costs over the course of a year.

In many cases there will be sufficient resources in the fund to cover all costs claimed, and the employer will not be required to make any contribution to same. In such cases, a taxable benefit does not arise.

However, in some circumstances the employer may be required to contribute to the fund to ensure that a deficit does not arise. Any contribution made by an employer to such schemes will give rise to a taxable benefit.

The benefit which arises is the total cost incurred by the employer in supplementing the resources in the scheme and should be distributed between the employees who made a claim from the scheme in the year of assessment. The value of the benefit should be apportioned having due regard to the value of claims made by each employee in the year of assessment and should lead to a result which is fair and reasonable.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

There is no obligation on an employer to provide such a scheme to its employees, or for an employee to join such a scheme if it is offered. Where an employee does not join a scheme or does not make a claim from a scheme in a year of assessment, no portion of any benefit which arises in that year should be allocated to that employee.

Where an employer chooses to operate an in-house medical scheme, they have discretion over the terms of such scheme, for example, the level of employee contributions to be made and any limitations or restrictions on the amount or type of medical expenses which may be claimed from the scheme. The employer is however required to provide the details of the scheme to the Revenue office dealing with its affairs.

Where an employee makes a claim from the scheme and is reimbursed for any portion of the medical expenses which he or she has incurred, that portion of the cost will not be eligible for relief under section 469 TCA 1997.