

# How to claim Personal Income Protection tax relief on Revenue.ie



# Claiming tax relief Personal Income Protection



# How to claim income protection tax relief on Revenue.ie Personal Income Protection

## Step 1 – Log in to My Revenue

<https://www.revenue.ie/en/Home.aspx>

The screenshot shows the Revenue.ie myAccount sign-in page. At the top left, it says 'Revenue | myAccount' and 'Gaeilge' at the top right. Below this is a 'Sign In' header. The main area has two columns. The left column contains a 'PPS Number' field, a 'Date of Birth' field (split into DD, MM, YYYY), and a 'Password' field. Below these is a note: 'Temporary passwords can also be used' and a link 'Forgot Password?'. At the bottom left is a checkbox 'I'm not a robot' and a reCAPTCHA logo. The right column contains text: 'If you have a verified MyGovID account, you can use your MyGovID details to sign in', a 'Continue with MyGovID' button, a link 'What is MyGovID?', the word 'Or', a 'Register Now' button, and text: 'If you already have a temporary password, use this to sign in. You do not need to register again.' A vertical line with a circle containing 'Or' separates the two columns.

## Step 2 – On 'Health' click on 'Show more'

The screenshot shows the 'Income Tax Return' page on Revenue.ie. At the top right is a 'My Documents' icon. Below the header is a 'Tax credits & reliefs' section. A progress bar shows five steps: 1. Personal details, 2. PAYE income, 3. Non-PAYE income, 4. Tax credits & reliefs (highlighted), and 5. Declaration. Below the progress bar is the text: 'Please confirm, edit or delete tax credits and reliefs already on record. Add new tax credits or reliefs not already on record.' Underneath is the heading 'Add tax credits:' followed by a list of categories: 'Health', 'You and your family', 'Your job', and 'Other credits'. Each category has a 'Show more' link and an 'Expand All' link at the top right.

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## Step 3 – Select ‘Income Continuance’

### Tax credits & reliefs


Personal details   PAYE income   Non-PAYE income   **Tax credits & reliefs**   Declaration

1 — 2 — 3 — **4** — 5

Please **confirm**, **edit** or **delete** tax credits and reliefs already on record. **Add** new tax credits or reliefs not already on record.

#### Add tax credits:

Expand All ▾

 Health Show less ▲

Nursing Home Expenses <a href="#">Select</a>	Blind Persons Tax Credit <a href="#">Select</a>
Guide Dog Allowance <a href="#">Select</a>	Income Continuance <a href="#">Select</a>
Assistance Dog Allowance <a href="#">Select</a>	

## Step 4 – Add details of Income Protection Provider and annual contribution and click ‘Add’

### Income Continuance

An Individual who pays a premium on a policy to secure the continuance of income and payment of benefits during disablement through accident, injury or sickness. Relief should only be claimed where your employer has not already made a deduction from your Gross Pay.

Please note payments made to the VHI, Aviva etc for medical insurance cover, on which tax relief was not already granted at source, should not be claimed here as they are not income continuance premiums. They should be claimed under Medical Insurance Relief.

[Would you like more information?](#)

\* Denotes a required field

Name of insurer \*

  
  
Contribution Amount \*  
  

[Cancel](#) [Add](#)

# Amended Tax credit cert explanation

Income protection premium

€6474 per annum

Tax relief at 40% €2,589

TAX CREDIT AND UNIVERSAL SOCIAL CHARGE CERTIFICATE	
FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021	
Tax Credits €	
Personal Tax Credit	1,650.00
Employee Tax Credit	1,650.00
Inc. Continuance Insurance	1,294.80
<b>Gross Tax Credits</b>	<b>4,594.80</b>
<b>Net Tax Credits</b>	<b>4,594.80</b>
Tax Rate Bands €	
<b>Rate Band 1</b>	35,300.00
This Rate Band is increased by:	
Inc. Continuance Insurance	6,474.00
The amount of your income taxable at 20%	41,774.00
All income over €41,774.00 is taxable at 40%	
USC Rate Bands €	
<b>Rate Band 1</b>	12,012.00
The amount of your income chargeable at 0.5%	12,012.00
<b>Rate Band 2</b>	8,675.00
The amount of your income chargeable at 2%	8,675.00
<b>Rate Band 3</b>	49,357.00
The amount of your income chargeable at 4.5%	49,357.00
All income over €70,044.00 is chargeable at 8%	

20% of annual premium

Annual premium added to tax free allowance

# Tax credit cert explanation

## Tax payable with no Income Protection

Tax payable with no Income Protection		
Annual Salary	€ 70,044	
Tax credit (Personal & Employee)	€ 3,300.00	
Tax payable if no IP in place		
Taxable salary at 20%	€ 35,300.00	€ 7,060.00
Taxable salary at 40%	€ 34,744.00	€ 13,897.60
	Tax due	€ 20,957.60
Tax due less credit (€3,300)	€ 17,657.60	
Tax payable	€ 17,657.60	

## Tax Payable with Income Protection

Tax Payable with Income Protection		
Annual Salary	€ 70,044	
Tax credit (Personal & Employee)	€ 3,300.00	
Income Continuance Tax Credit	€ 1,294.80	
Income Protection premium	€6474 pa	
Tax relief due from Income Protection	€ 2,589.60	
Tax payable with IP		
Taxable salary at 20%	€ 41,774.00	€ 8,354.80
Taxable salary at 40%	€ 28,270.00	€ 11,308.00
	Tax due	€ 19,662.80
Tax due less credit (€3,300 & €1,294.80)	€ 15,068.00	
Tax payable	€ 15,068.00	

Tax payable €17,657.60 – €15,068.00 = €2,589.60

**Client is paying less tax with IP as the difference between tax payable with IP and without IP is € 2,589.60**

€2589.60 is 40% of the annual premium

# How to claim personal income protection tax relief on Revenue

For more information

<https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/health-and-age/permanent-health-benefit-contributions/index.aspx>

The tax treatment will depend on your individual circumstances. If you are unsure of any aspect of the tax treatment of premiums or benefits, please contact your Financial Broker for more information.

# Tax relief Executive Income Protection

- Executive Income Protection is owned by the employer and taken out on behalf of employees.
- No contribution cert issued with Executive Income Protection
- The premiums paid towards the policy qualify as tax-deductible business expenses under section 81 Tax Consolidation Act 1997 for policy costs incurred.
- The benefit is paid gross to the employer who is then expected to deduct the relevant tax, PRSI and Universal Social Charge amounts under the PAYE system, before paying the benefit to the employee