

Introduction

This leaflet explains the tax treatment of widowed persons in the year of bereavement and subsequent years.

Income Tax Treatment in the Year of Bereavement

How you are taxed during the tax year in which your spouse dies will depend on how you and your spouse were taxed before your spouse's bereavement. Broadly speaking, the position is as follows:

- ◆ If your late spouse was the 'assessable spouse', i.e. the person responsible for making a joint tax return on behalf of both of you, you will be taxable in your own right with effect from the date of death of your spouse and you will be entitled to the increased 'widowed person's tax credit in the year of bereavement' in respect of any income arising in the period from the date of your spouse's death up to the end of the tax year. The widowed person's (without dependent children) income tax bands will apply for this period.
- ◆ If you yourself were the 'assessable spouse', you will continue to receive the married person's tax credits and income tax bands for the remainder of the tax year. Also, you will continue to be taxable on your own income for the full tax year in which your spouse died plus your late spouse's income from the start of the tax year to the date of death.
- ◆ If you were both taxed as single persons under Separate Treatment for the year, the personal tax credit granted to you at the commencement of the tax year will be replaced by the increased 'widowed person's tax credit in the year of bereavement'. The income tax bands in force at the commencement of the tax year remain in force for the year.
- ◆ If you were both taxed under Separate Assessment for the year, the personal tax

credit granted to you at the commencement of the tax year will be replaced by the increased 'widowed person's tax credit in the year of bereavement'. In addition, you may also be entitled to any unused tax credits / income tax bands originally allocated to your spouse for the year.

In the event of the death of your spouse, you should contact your Regional Revenue Office who will assist you and ensure that you are granted the correct tax credits and income tax bands for the year of bereavement and subsequent years.

Income Tax for Subsequent Years

In subsequent years, the surviving spouse is entitled to the Widowed Person's Tax Credit. Depending on your circumstances, the widowed person's (without dependent children) or the widowed person's (with dependant children) income tax bands will apply. If you have qualifying dependent children*, you may also be entitled to the One Parent Family Tax Credit and the Widowed Parent Tax Credit.

*A qualifying child includes:

- ◆ A child of your own
- ◆ A stepchild
- ◆ A formally adopted child
- ◆ An informally adopted child
- ◆ Any child (who is not a child of yours) of whom you have custody and that you maintain at your own expense.

A child is regarded as a dependent of yours if he or she is:

- ◆ Born during the tax year or is under 18 years of age at the beginning of the tax year
- ◆ Over 18 years and receiving full-time education or undergoing a full-time training course for a trade or profession for a minimum of two years or
- ◆ Permanently incapacitated either physically or mentally from maintaining himself or herself and had become so before reaching

21 years of age or had become permanently incapacitated after reaching the age of 21 years but while he or she had been receiving full-time education.

Widowed Person's Tax Credit

This is a personal tax credit granted to widowed persons. The amount of this tax credit is dependent on whether you have one or more dependent children or not.

One Parent Family Tax Credit

A One Parent Family Tax Credit is a credit that can be claimed if you are a single parent (whether widowed, single, deserted, separated or divorced) and you have a child who is dependent on you. The One Parent Family Tax Credit, where due, is given in addition to your Widowed Person's Tax Credit.

The child must reside with you for the whole or part of the year of claim.

Widowed Parent Tax Credit

If you have one or more dependent children, you may be entitled to Widowed Parent Tax Credit commencing in the year after the year of bereavement and continuing for the following 4 tax years (once you continue to have one or more dependant children). The child must reside with you for the whole or part of the year of claim.

Payments from the Department of Social and Family Affairs

Payments received from the Department of Social and Family Affairs such as Survivor's Pension or One Parent Family Payment are taxable. If you are in receipt of any payments from the Department of Social and Family Affairs you should notify your Regional Revenue Office.

As the Department of Social and Family Affairs does not deduct tax at source from these payments, your Regional Office will take the appropriate measures to ensure that any tax due will be collected. If you pay tax on your other sources of income under PAYE, it will be necessary to adjust your tax credits and the standard rate cut-off point to collect any tax due on the payment from the Department of Social and Family Affairs.

If you pay tax under Self-Assessment, then any tax due on the payment from the Department of Social and Family Affairs will be included in your annual Notice of Assessment

Further Information

Leaflet ITI 'Tax Credits, Reliefs and Rates' gives details of the amounts of the Widowed Person's Tax Credit, the One Parent Family Tax Credit and the Widowed Parent Tax Credit for the current tax year. Also, Leaflet Rev I 'What to do about tax when someone dies' provides further useful information. These leaflets are available from any Revenue office, from Revenue Forms and Leaflets Service at LoCall 1890 30 67 06 (within the Republic of Ireland) or 01 6744050 (from outside the Republic of Ireland) or by visiting Revenue's website at www.revenue.ie

PAYE customers can also get further information by phoning their Regional office whose LoCall number is listed below:

- ◆ **Border Midlands West Region** **1890 777 425**
Cavan, Monaghan, Donegal, Mayo,
Galway, Leitrim, Louth, Offaly,
Longford, 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.

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