

February 2018

## **NOTICE TO EMPLOYERS & PENSION PROVIDERS**

### **Taxation of Illness Benefit and Occupational Injury Benefit payable by the Department of Employment Affairs and Social Protection (DEASP)**

Employers and pension providers are reminded that, with effect from 1 January 2018, the taxable element of Illness Benefit and Occupational Injury Benefit payments paid by the Department of Employment Affairs and Social Protection is included in employees' tax credit certificates. This has the effect of reducing employees' tax credits/standard rate bands and the appropriate income tax due, if any, will be collected through normal payroll operation.

Employers/pension providers should not add Illness Benefit or Occupational Injury Benefit payments received by an employee to his or her salary – for taxation purposes. Previous Employer Notices issued in October and November 2017 refer.

Any queries in relation to Illness Benefit payments should be directed to the Department of Employment Affairs and Social Protection. Any queries in relation to taxation should be directed to Revenue.

#### **Additional information to assist with queries to payroll**

When Revenue is advised that an Illness Benefit claim has commenced, we will send a letter to the employee notifying him or her that we are aware of the claim and we are sending an amended tax credit certificate to the employer.

The amended certificate will issue on a Week 1 or a Cumulative basis depending on the length of the Illness Benefit claim and the amount received.

In most cases where the Illness Benefit is received for less than 4 weeks, a cumulative certificate will issue.

For Illness Benefit claims that exceed 4 weeks, the weekly amount will be annualised and a Week 1 Cert will issue. As soon as the DEASP notify us the claim has closed, we will replace the annualised amount with the actual amount of Illness Benefit received, and a further amended tax credit certificate will issue to the employer.

**Maura Conneely**  
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**Revenue Commissioners**

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