

Exemption in respect of compensation for certain living donors

Part 07-01-33

This document should be read in conjunction with section 204B of the Taxes Consolidation Act 1997

Last reviewed December 2023

1. Introduction

Compensation paid in respect of the donation of a kidney or lobe of liver by a living donor under conditions specified by the Minister for Health under the European Union (Quality and Safety of Human Organs Intended for Transplantation) Regulations 2012 (S.I. No. 325 of 2012) is exempt from income tax. Such compensation applies to expenses of travel and accommodation actually incurred and to loss of income, subject to certain maximum amounts.

2. Legislation

Section 6 of Finance Act 2014 inserted a new section, section 204B, into the Taxes Consolidation Act 1997, which provides that, with effect from 1 January 2015, compensation paid to living donors of a kidney for transplantation is exempt from income tax and is not chargeable to the Universal Social Charge.

Section 7 of Finance Act 2019 amended section 204B TCA, with effect from 12 March 2019, to include compensation paid to living donors of a lobe of liver for transplantation.

3. Background

The donation of organs is governed by the European Union (Quality and Safety of Human Organs Intended for Transplantation) Regulations 2012 (S.I. No. 325 of 2012). Regulation 21 provides that donation from deceased and living donors shall be voluntary and unpaid but that living donors may receive compensation for donation, provided it is strictly limited to making good the expenses and loss of income related to the donation. Regulation 21 also provides that the Minister for Health shall define the conditions under which such compensation may be granted.

In November 2014, the Department of Health issued a policy document entitled “Policy on Reimbursement of Expenses of Living Kidney Donors”, which defines conditions for the purposes of Regulation 21 of S.I. No. 325 of 2012. Key principles which are set out in that document are:

- (i) only accommodation and travel expenses actually incurred will be reimbursed.
- (ii) loss of earnings may be reimbursed up to an upper limit of €6,000.
- (iii) vouched travel and accommodation expenses may be reimbursed up to an upper limit of €6,000.

In March 2019, the Department of Health issued a revised policy on the reimbursement of Expenses of Living Kidney & Liver Donors. Click [here](#) for more information.

The revised policy increased the loss of earnings that may be reimbursed up to an upper limit of €10,000. In addition, childcare costs that would not have otherwise been incurred by the donor may be reimbursed up to an upper limit of €5,000, subject to certain criteria being met.

The reimbursement scheme is administered by the HSE's Living Donor Reimbursement Office.

Note: This manual is currently subject to review and may not reflect up-to-date position.