

Tax Treatment of CervicalCheck Payments

Part 07-01-23B

This document should be read in conjunction with sections 205C, 256, 267, 613, 730GA and 739G of the Taxes Consolidation Act 1997 and section 82(1)(bc) of the Capital Acquisitions Tax Consolidation Act 2003.

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1 Introduction

A number of exemptions from tax for certain payments made to women who have been impacted by the failures in the CervicalCheck national screening programme were announced by the Minister for Finance in Budget 2025. These encompass payments made under the CervicalCheck non-disclosure ex-gratia Scheme, the CervicalCheck Tribunal Act 2019, and claims concluded by way of settlement and court order.

This manual outlines:

- the income tax and Capital Gains Tax (CGT) treatment of payments, referred to as **relevant payments**, made to a relevant woman. Where the woman is deceased at the time of the making of a relevant payment, the exemption will apply in respect of that payment being made directly to the woman's dependant(s);
- the income tax and CGT tax treatment of income arising and gains accruing to a relevant woman from her investment, in whole or in part, of relevant payments;
- the Capital Acquisition Tax (CAT) treatment of any payment made under the CervicalCheck non-disclosure ex-gratia Scheme.

2 Legislation

Section 30 of Finance Act 2024 amended the Taxes Consolidation Act 1997 (TCA) and the Capital Acquisitions Tax Consolidation Act 2003 (CATCA) to provide for the tax exemptions in respect of CervicalCheck payments.

The key amendments include:

- the insertion of a new section 205C 'Exemption in respect of CervicalCheck payments' into the TCA and an amendment to section 613 TCA to provide for an exemption from income tax and CGT in respect of relevant payments and an exemption from income tax and CGT in respect of income arising and gains accruing to a relevant woman, on the investment of such payments received by her;
- amendments to sections 256, 267, 730GA and 739G TCA to provide for exemptions from Deposit Interest Retention Tax (DIRT) and exit tax for any income arising or gains accruing to a relevant woman from the investment of relevant payments received by her;
- an amendment to section 82 CATCA to provide for an exemption from CAT in respect of any payment made under the CervicalCheck non-disclosure ex-gratia Scheme.¹

These exemptions apply retrospectively. Please see [paragraph 7](#) for further details.

¹ See paragraph 23.12 of [Exemptions from CAT- CAT Manual Part 23](#) for further information on section 82 CATCA.

3 Definitions

The relevant definitions for the purposes of the exemption from income tax and CGT are set out in section 205C TCA.

Relevant woman takes its definition from the CervicalCheck Tribunal Act 2019 and means:

- a woman—
 - identified as part of the Review of Cervical Screening as having CervicalCheck cytology review findings that were discordant with those of the original cytology examination in relation to the woman concerned, or
 - whose cytology slides were sought, by the Review of Cervical Screening, to be re-examined as part of its review but where one or more of those slides could not be re-examined as part of that review by reason of circumstances beyond the control of the woman concerned,
- or
- a woman who received a diagnosis of cervical cancer—
 - who had a screening history through CervicalCheck,
 - whose diagnosis of cervical cancer was notified to CervicalCheck,
 - who cytology slides were re-examined as part of the retrospective CervicalCheck cytology clinical audit, and
 - whose cytology review findings, following the re-examination, were discordant with those of the original cytology examination in relation to the woman concerned.

Dependant is defined in Part IV of the Civil Liability Act 1961, and in respect of a deceased person whose death is caused by a wrongful act includes:

- a spouse, civil partner, parent, grandparent, stepparent,
- a child, grandchild, stepchild,
- a brother, sister, half-brother, half-sister, and
- certain cohabitants.

Appropriate person takes its definition from the CervicalCheck Tribunal Act 2019 and means:

- a **relevant woman**, or

- where a **relevant woman** has died, a **dependant** of the **relevant woman** concerned.

Relevant payment means any of the following:

- a payment made under the CervicalCheck non-disclosure ex-gratia Scheme;
- a payment made under the CervicalCheck Tribunal Act 2019;
- a payment to an **appropriate person** in respect of compensation following the institution by or on behalf of a **relevant woman** of a civil action for damages in respect of personal injury; however, any compensation for mental distress resulting from the **relevant woman's** death made to an **appropriate person** other than a **relevant woman** is excluded. This includes a payment made by way of out-of-court settlement.

4 Tax Exemptions for Cervical Check Payments

4.1 Income tax and capital gains tax treatment

Section 205C TCA provides an exemption from income tax and CGT in relation to a 'relevant payment' (see [paragraph 3](#) 'Definitions' for the definition of 'relevant payment') which includes:

- a payment made under the CervicalCheck non-disclosure ex-gratia Scheme;
- a payment made under the CervicalCheck Tribunal Act 2019;
- a payment in respect of compensation awarded by the courts or made under an out-of-court settlement but excluding any compensation to a dependant for mental distress resulting from the impacted woman's death.

The income tax exemption applies to relevant payments made to a relevant woman, or where she is deceased, payments made directly to her dependant(s).

Note: section 613 TCA² provides an exemption from CGT in respect of payments to which section 205C TCA applies.

4.2 Capital acquisitions tax treatment

Section 82(1) CATCA exempts certain receipts from CAT by providing that they are not gifts or inheritances. This includes the receipt of compensation or damages. Payments made by way of court order, settlement or CervicalCheck Tribunal determination are exempt from CAT under this provision.

Finance Act 2024 amended section 82(1) CATCA to provide for an exemption from CAT for any payment made under the CervicalCheck non-disclosure ex-gratia Scheme.

It is important to note that if a claimant dies before a payment is made by way of a court order, settlement, CervicalCheck Tribunal determination or the CervicalCheck non-disclosure ex-gratia Scheme, with the result that such a payment is made directly to her estate, the beneficiaries of that individual's estate will not benefit from an exemption from CAT under section 82(1) CATCA.

² See related Tax and Duty Manual [Part 19-07-10](#) for further information on section 613 TCA.

5 Tax Exemption for Investment Income and Gains

5.1 Overview

The exemption in respect of income arising and gains accruing from the investment, in whole or in part, of relevant payments applies in respect of relevant payments made to a relevant woman only. It does not apply to relevant payments made directly to a relevant woman's dependant(s).

Income derived from the investment of a relevant payment is exempt from income tax in accordance with section 205C(2) TCA. Gains accruing on the disposal of assets acquired directly or indirectly with such relevant payment or with exempt income derived from such payments are exempt from CGT in accordance with section 205C(3) TCA.

The investment exemption applies to a relevant woman who received a relevant payment on or after 1 September 2008.

5.2 The investment exemption

The investment exemption provides for:

- an income tax, USC and PRSI exemption on income that is-
 - chargeable to tax under Schedule C, Cases III, IV or V of Schedule D, or Schedule F, and
 - arising to a relevant woman from the investment, in whole or in part, of a relevant payment (or arising from the investment of such income).
- an exemption from CGT in respect of gains accruing on the disposal of-
 - assets acquired with a relevant payment,
 - assets acquired with tax exempt investment income derived from a relevant payment, or
 - assets acquired directly or indirectly with the proceeds from the disposal of assets acquired with relevant payments or with exempt income derived from relevant payments.

The definition of 'relevant payments' is set out in [paragraph 3](#).

Notwithstanding the fact that deposit interest, Schedule F dividends, or other taxed income arising from the investment of a relevant payment are, under the provisions of section 205C TCA, excluded from total income, a refund of any retention tax or tax credits (as appropriate) attaching to such income may be made, if otherwise due.

5.3 Reinvestment in other assets

Section 205C(2) and 205C(3) TCA provide an exemption from income tax and CGT in respect of income arising and gains accruing from the investment, in whole or in part, of relevant payments. It is recognised that, over the period of an investment, the investment may appreciate in value and any re-investment of such funds may also qualify for the exemption. Where proceeds from the disposal of such investments are reinvested, any subsequent gains arising on the disposal of the assets in which such proceeds are reinvested will also be exempt from CGT in the hands of the relevant woman.

5.4 Assets financed partly by borrowings

Where a relevant woman finances the purchase of an asset partly with a relevant payment and partly with a loan, only a portion of the income arising in the course of her ownership of the asset, or the gain arising on the disposal of same, will qualify for exemption. The income or gain that qualifies is the proportion to which the relevant payment (together with any capital appreciation thereof) used to finance the asset bears to the total funds expended to finance the asset. The exemption can only be given, in respect of income arising from the investment of a relevant payment.

5.5 Deposit interest retention tax

A relevant woman can make a declaration to Revenue that they would be entitled to a refund of the entire amount of DIRT if so deducted. The financial institution, on receipt of notification from Revenue that no DIRT is to apply, will pay interest without the deduction of DIRT³. A form will be made available on Revenue's website www.revenue.ie.

5.6 Life assurance exit tax

Under section 730GA TCA, where a relevant woman invests a relevant payment or part thereof in a life assurance policy, any exit tax deducted by the life assurance company can be repaid to the relevant woman.

The exit tax can be reclaimed, where appropriate, when the annual tax return is submitted to Revenue.

³ See related Tax and Duty Manual [Part 08-04-01](#) for further information on the deduction of tax from interest payments by certain deposit takers.

5.7 Exit tax deducted by investment funds

Under section 739G TCA, where a relevant woman invests a relevant payment or part thereof in an investment fund, any exit tax deducted by the investment fund can be repaid to the relevant woman⁴.

The exit tax can be reclaimed, where appropriate, when the annual tax return is submitted to Revenue.

⁴ See related Tax and Duty Manual [Part 27-01a-02](#) for further information on investment funds.

6 Examples

Example 1

Fiona, a relevant woman, receives a payment of €20,000 under the CervicalCheck non-disclosure ex-gratia Scheme and uses it to purchase shares. She sells the shares later for €30,000, realising a gain of €10,000.

Income Tax, CGT and CAT Implications:

Initial Payment to Fiona: Fiona is exempt from income tax, CGT and CAT in respect of the payment of €20,000 she receives.

Gain on sale of shares: The €10,000 gain is exempt from CGT.

Example 2

Sarah, a relevant woman, receives a payment of €80,000 from an out-of-court settlement. She invests this payment in a savings account⁵. Sarah passes away in 2023, and her estate distributes €30,000, being the balance of the savings account, to her daughter, Emily.

Income Tax, CGT and CAT Implications:

Initial Payment to Sarah: Sarah is exempt from income tax, CGT and CAT in respect of the out-of-court settlement payment of €80,000 she receives.

Investment of €80,000 by Sarah: Any income or gains arising from the €80,000 investment are exempt from income tax and CGT for Sarah up to the point of her death.

Distribution to Emily: The €30,000 inherited by Emily is subject to CAT and she will be entitled to the Group A threshold (€335,000 in 2023). Assuming Emily has not received any prior benefits in this group threshold, she will not have a CAT liability.

Investment by Emily: If Emily chooses to invest the €30,000, the exemption does not apply to any income and gains from this investment.

Example 3

Jane, a relevant woman, was awarded €100,000 damages by the CervicalCheck Tribunal. She deposits the entire amount in a savings account earning 1% interest per annum (€1,000 interest). DIRT is deducted.

Income Tax, CGT and CAT Implications:

Initial Payment to Jane: Jane is exempt from income tax, CGT and CAT in respect of the payment of €100,000 she receives.

Investment of €100,000 by Jane: The interest income of €1,000 is exempt from income tax.

DIRT Implications without Exemption: DIRT at 33% is deducted from interest (€330). The DIRT can be reclaimed, where appropriate.

⁵ The financial institution pays interest without the deduction of DIRT – see [paragraph 5.5](#).

Example 4

Martha, a relevant woman, was awarded €500,000 damages by the CervicalCheck Tribunal. She deposits the entire amount in a savings account earning 1% interest per annum (€5,000 interest).

Income Tax, CGT and CAT Implications:

Initial Payment to Martha: Martha is exempt from income tax, CGT and CAT in respect of the payment of €500,000 she receives.

Investment of €500,000 by Martha: The interest income of €5,000 is exempt from income tax.

DIRT Implications with Exemption:

Interest income is exempt from DIRT.

Martha submits a declaration to Revenue.

Revenue notifies the bank.

No DIRT is deducted.

Example 5

Mary, a relevant woman, receives a payment of €50,000 from an out-of-court settlement and invests it in units in an investment fund. After 5 years, the investment grows in value to €60,000. Mary disposes of her units and exit tax of 41% is deducted by the investment fund on the €10,000 gain (€4,100).

Income Tax, CGT and CAT Implications:

Initial Payment to Mary: Mary is exempt from income tax, CGT and CAT in respect of the payment of €50,000 she receives.

Exit Tax Implications:

Mary can claim a refund of the €4,100 exit tax deducted by the investment fund.

She submits an annual tax return to Revenue with supporting documentation.

Example 6

Anna, a relevant woman, was awarded €100,000 damages by the CervicalCheck Tribunal and invests it in purchasing a rental property. The total cost of the property is €200,000. €100,000 is financed by her payment and the balance of €100,000 financed with a mortgage. The annual rental profit is €15,000.

Income Tax, CGT and CAT Implications:

Initial Payment to Anna: Anna is exempt from income tax, CGT and CAT in respect of the payment of €100,000 she receives.

Investment of €100,000 by Anna. Income Tax Implications: Only the proportion of rental profit attributable to the investment of the damages

award is exempt from income tax.

Total Investment: €200,000 (€100,000 damages award + €100,000 mortgage).

Percentage funded by damages award: 50%.

Exempt Rental profit: 50% of €15,000 = €7,500.

Taxable Rental profit: €7,500.

Example 6 continued

Anna sold the property in 2024 for €300,000, making a gain of €100,000.

CGT Implications:

Only the proportion of gain attributable to the investment of the damages award is exempt.

Percentage funded by damages award: 50%.

Exempt Gain: 50% of €100,000 = €50,000.

Taxable Gain subject to CGT: €50,000.

7 When do the Exemptions take effect?

The amendments to the TCA and the CATCA provided for in section 30 of Finance Act 2024 apply retrospectively and prospectively.

The exemptions from income tax and CGT apply to any relevant payment made since 2008, being the year in which the CervicalCheck national screening programme commenced. Accordingly, an individual can make a claim for a repayment of any income tax or CGT paid on the receipt of a relevant payment dating back to the 2008 tax year subject to the time limits set out in [paragraph 8](#).

The exemption from CAT in respect of payments made pursuant to the CervicalCheck non-disclosure ex-gratia Scheme applies to any payments made since 11 March 2019, being the date on which the Government approved the terms of the Scheme. Accordingly, an individual can claim a repayment of any CAT paid in respect of a CervicalCheck non-disclosure ex-gratia Scheme payment dating back to 2019 subject to the time limits set out in [paragraph 8](#).

In addition, a relevant woman can make a claim for a repayment of income tax, CGT, DIRT or exit tax paid in relation to the investment of relevant payments as outlined in [paragraph 5](#) 'Tax Exemption for Investment Income and Gains' subject to the time limits set out in [paragraph 8](#). This includes:

- income tax paid on income arising from the investment, in whole or in part, or of the income derived from a relevant payment, which is now exempt under these new provisions;
- CGT paid on gains arising from the investment of proceeds of a relevant payment from 1 January 2008 which is now exempt under these new provisions;
- DIRT deducted on deposits which relate solely to a relevant payment from 1 January 2008;
- exit tax deducted on relevant payments invested in life assurance policies or investments in Irish funds from 1 January 2008.

8 Time limits for Repayment Claims

8.1 Income tax and capital gains tax

Generally, a person has 4 years after the end of the tax year to which the claim relates to make a claim for repayment. However, these deadlines have been extended for repayment claims for tax years between 2008 and 2020 (inclusive) which arose as a result of the receipt or investment of any relevant payment. **The deadline for making a claim for a repayment of tax in respect of tax years 2008 to 2020 is 31 December 2025.** This is to ensure that individuals will have sufficient time to make such claims as the years 2008 to 2020 will have fallen outside of the 4-year time limit for making such claims prior to the commencement of Finance Act 2024.

The standard 4-year time limit under section 865(4) TCA applies from tax year 2021 onward.

Tax Year (s)	2008 to 2020	2021	2022	2023	2024
Deadline for Making Claim	31 December 2025	31 December 2025	31 December 2026	31 December 2027	31 December 2028

8.2 Capital acquisitions tax

Similarly, an individual is generally required to make a claim for a repayment of CAT within 4 years of the valuation date or the date of payment of the tax concerned. However, this deadline has been extended for CAT repayment claims in respect of the CervicalCheck non-disclosure ex-gratia Scheme for payments made in tax years 2019 and 2020.

The standard 4-year time limit under section 57(3) CATCA applies from tax year 2021 onward.

Tax Year (s)	2019/2020	2021	2022	2023	2024
Deadline for Making Claim	31 December 2025	31 December 2025	31 December 2026	31 December 2027	31 December 2028

9 Revenue Contact Details

The Sensitive Cases Unit (SCU) based in Letterkenny is responsible for providing assistance and confidential management of the tax affairs for individuals who have been awarded payment(s) under the CervicalCheck non-disclosure ex-gratia Scheme, the CervicalCheck Tribunal Act 2019, or claims concluded by way of settlement and court award. The benefits of dealing with the SCU include specialist assistance with submitting tax returns/claiming reliefs or refunds and a direct phone service.

The quickest, easiest, and most secure way to manage your tax is by using our online services, where you can sign in with your MyGovID or myAccount login details. Through MyEnquiries please include in the FAO section the following address - cervicalcheck@revenue.ie, to direct a query to the SCU.

Business users can manage their tax affairs via ROS on www.revenue.ie and through MyEnquiries please include in the email section the following address - cervicalcheck@revenue.ie, to direct a query to the SCU.

Alternatively contact the SCU by post/phone using the details below
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