

## [07.01.34]Income from investments under Social Welfare (Consolidation) Act, 1993

### 1. Introduction

The Social Insurance Fund (SIF) which was established by the Social Welfare Act, 1952 and currently operates under the terms of the Social Welfare Consolidation Act 2005.

As provided for under the legislation, the Social Insurance Fund SIF operates two main accounts:

An Investment Account held in the Central Bank which is managed and controlled by the Minister for Finance and

A Current Account with a commercial bank which is managed by the Minister for Social Protection.

### 2. Income derived from accounts held under section 9 of the Social Welfare Consolidation Act 2005.

The Social Insurance Fund (SIF) Investment Account managed by the Minister for Finance derives its income from investments held in the Investment Account held in the Central Bank.

The Social Insurance Fund (SIF) Current Account, managed by the Minister for Social Protection, derives its main income from Pay Related Social Insurance (PRSI) contributions. Deposit interest is also derived from the funds held in this account.

### 3. Legislation.

The Minister for Finance is exempt from income tax, by virtue of Section 206 TCA 1997, in respect of income derived from the Social Insurance Fund (SIF) Investment Account.

From 1 January 2015 The Minister for Social Protection is also exempt from income tax in respect of income derived from the Social Insurance Fund (SIF) Current Account.

Section 21 Finance Act 2014 extended the income tax exemption available under Section 206 TCA 1997, with effect from the 1<sup>st</sup> January 2015, to income derived by the Minister of Social Protection from the Social Insurance Fund (SIF) Current Account. Income tax in this regard is taken to include Deposit Interest Retention Tax [D.I.R.T.].

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