

DIRT Free Deposit Accounts - Branch Procedures

Part 08-04-08A

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1. Introduction

The purpose of this instruction is to remind staff of the correct procedures in dealing with account holders who wish to have interest earned on money on deposit credited to their savings account by their Financial Institution without deduction of DIRT.

Previous instructions are contained in Tax and Duty Manual [Part 08-04-08](#) and that Instruction should be read in conjunction with this Instruction as it contains more detailed information on the conditions to be met by the individuals and on checks, etc. that should be carried out in the branches.

2. Individuals aged 65 or over

To meet the conditions by which individuals aged 65 or over may claim to have their interest paid without deduction of tax:

- they or their spouse or civil partner are aged 65 or over during the year, and
- their total income for the year (including spouse's or civil partner's income) will be below the relevant annual exemption limit.

The relevant exemption limits are set out on [DE1 Declaration Form](#)

Note: relevant exemption limit is increased if claimant(s) have dependent children.

Where an individual meets the requirements they must apply directly to their financial institution by completing the [DE1 Declaration Form](#). This form is available from financial institutions and from all Revenue offices.

A separate declaration form is required from the account holder for each account held with each financial institution.

Branches should not contact the financial institutions directly nor should they issue notifications to financial institutions instructing them to exempt certain accounts from DIRT. This is not the agreed practice arrived at with the financial institutions when the scheme was introduced.

At the time of the introduction of the exemption scheme, Revenue agreed to cease the foregoing practice and insist that the relevant declarations be completed by individuals on [DE1 Declaration Form](#) where exemption was sought and that individuals send the form to their local financial institution. **Therefore individuals who wish to qualify for exemptions on the basis of being 65 years of age or over and meeting the relevant income thresholds must apply directly to their financial institution to have an account made DIRT-exempt by completing the [DE1 Declaration Form](#).**

3. Permanently Incapacitated Individuals

To meet the conditions by which they may claim to have their interest paid without deduction of tax:

- they or their spouse or civil partner must be permanently incapacitated by physical or mental infirmity from maintaining himself or herself, and
- the permanently incapacitated person (and their spouse or civil partner) would have been entitled to a full refund of DIRT if it had been deducted by a Financial Institution.

Where an individual meets the requirements they must apply to Revenue to have an account made DIRT-exempt by completing the [DE2 Declaration Form](#). This form is available from all Revenue offices.

A separate declaration form is required from the account holder for each account held with each financial institution.

4. Notification to Financial Institutions

Where a permanently incapacitated claimant qualifies for the DIRT exemption Revenue is to issue a notification to the relevant financial institution, advising the institution that they should operate a DIRT exempt account for the account holder in question.

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[...]

When DE2 applications are approved Revenue offices should forward notifications of exempt accounts to central addresses of financial institutions. **Under no circumstances should they be issued to the local branch of the financial institution.** The form DE2, submitted by the applicant for exemption status, should be retained by Revenue offices and should not be sent to the financial institution, either in original or copy format. As this form will have confidential information regarding medical conditions, there would be data protection implications for Revenue in sending such information to financial institutions. **Accordingly, only the notification form should be sent.**

Caseworkers completing the notification forms should ensure that:

- (1) all sections of the notification form are completed correctly, especially account details to enable the bank to identify the account holder,
- (2) a separate notification is issued for each exempted account,
- (3) notifications to financial institutions are not covering accounts already exempted.

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