

[15.1.20] Employed person taking care of an incapacitated individual
Section 467 Taxes Consolidation Act (TCA) 1997

Reviewed June 2016

Reference material: Tax Briefing [59](#) and [65](#) and Information Leaflet [IT 47](#)

1. Introduction

Section 467 TCA 1997 provides for a deduction where an individual (or his or her spouse/civil partner) employs a person (including a person whose services are provided by or through an agency) to take care of either -

- (a) himself/herself or his or her spouse or civil partner who is totally incapacitated by reason of physical or mental infirmity; or
- (b) a relative of the individual or of the individual's spouse or civil partner who is totally incapacitated by reason of physical or mental infirmity.

“Relative” in this context includes a relation by marriage and a person in respect of whom the individual is or was the legal guardian.

Revenue accepts that services provided “by or through an agency” includes services provided by (i) charitable/voluntary organisations e.g. the Alzheimer Society of Ireland, or (ii) commercial entities that provide home care services.

2. Amount of the Deduction

The deduction is allowed at the individual's marginal rate of tax. The deduction is the lower of either the actual amount expended on employing the person or €75,000 (€50,000 for each year up to and including 2014) per incapacitated individual.

Relief may be allowed in the first year in which the individual proves that the person concerned was totally incapacitated by physical or mental infirmity. There is no requirement to apportion relief by reference to the period of incapacity in the first year.

3. Registration as an Employer

If the services of the carer are provided by or through an agency or other commercial entity and the carer is paid by the agency or commercial entity, the obligation is on the employer to make the necessary Income Tax, PRSI and Universal Social Charge deductions through the PAYE system when paying the carer.

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Where an individual employs the carer directly, he/she has certain obligations as an employer, including registering as an employer and making Income Tax, PRSI and Universal Social Charge deductions from the wages paid to the carer.

4. **Apportionment**

If two or more individuals are entitled to claim a deduction under section 467 TCA 1997 in respect of the same incapacitated individual, then –

(i) the aggregate of the deductions granted to them shall not exceed €75,000 (€50,000 for each year up to and including 2014),

and

(ii) the relief granted to each individual shall be in proportion to the amount of the employment cost he or she has borne.

5. **Restriction**

Where a deduction is allowed under section 467 TCA 1997, a claimant is not entitled to either the incapacitated child tax credit (*section 465*) or the dependent relative tax credit (*section 466*) in respect of the employed person.

6. **Form HK1**

Information [Leaflet IT47](#) incorporates claim [Form HK1](#)