

Farming: Spouse trading in partnership

Part 23-01-32

This document should be read in conjunction with Chapter 1 of Part 23 of the Taxes Consolidation Act 1997

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Executive Summary

This manual explains the approach to be taken in Divisions when a farmer retrospectively claims to have been trading in partnership with a spouse over a number of years, notwithstanding the returns have been prepared on the basis that the farming activity was carried on by one spouse.

1 Introduction

Enquiries have been received from farmer representatives seeking to have some farmers treated as having been trading in partnership with a spouse over a number of years, although accounts and returns of income have been prepared on the basis that the farming activity was carried on by one spouse.

Such claims are usually made so as to establish the spouse as an insurable self-employed person for social welfare purposes. They may then qualify for relevant benefits, principally the old age contributory pension.

This manual outlines the approach to be taken in Divisions when these claims are received.

2 Approach to be adopted in Divisions

2.1 Returns now being submitted

Whether farming is being carried on in partnership depends on the facts of the particular case. Self-assessment returns received on the basis that a partnership is trading should be processed in the usual way.

2.2 Earlier years

Where a claim is received to have assessments already made on a sole trader revised to an assessment on the sole trader and spouse trading as a partnership, the farmer should be advised that any review of the insurability of both spouses will be undertaken by the Scope section of Department of Social Protection. The assessments for the earlier years should not be amended.

The Scope section is based at:

Department of Social Protection,
Gandon House,
Amiens Street,
Dublin 1

Telephone: 01 673 2585 (+353 1 673 2585 from Northern Ireland or overseas)

Email: scope@welfare.ie