

## Representative Church Body

### Cost of Living Accommodation Allowance

*Last updated August 2015*

#### 1. Introduction

Section 837 of the Taxes Consolidation Act 1997 entitles a member of the clergy or a minister of any religious denomination to claim certain deductions against any profits, fees or emoluments arising from his or her profession.

Under existing arrangements, the “Cost of Living Allowance” (COLA), reimbursed by resolution of the Select Vestry of the Representative Church Body (RCB) and included in the total stipend made in a year to a member of clergy, is allowed, subject to certain limits, as a deduction in arriving at the profit assessable under Case II of Schedule D. In practice, the RCB clergy claim the COLA as a deduction in arriving at the assessable profit included in their annual income tax return.

The COLA is reviewed annually to take account of the Consumer Price Index.

#### 2. Summary of Annual Allowances

	2015	2014	2013	2012	2011
<b>Basic Allowance</b>	<b>3,446</b>	<b>3,439</b>	<b>3,422</b>	<b>3,365</b>	<b>3,313</b>
<b>Max Allowance</b>	<b>4,205</b>	<b>4,197</b>	<b>4,176</b>	<b>4,106</b>	<b>4,042</b>

Where an amount greater than the basic allowance is reimbursed to a member of clergy, the allowable deduction is calculated at the basic rate plus an additional amount of one-fourth of the excess over the basic rate, subject to the relevant maximum allowance shown above.

#### 3. Examples

2015			
	Example 1	Example 2	Example 3
Amount reimbursed to RCB clergy	€2,500	€4,600	€7,000
Calculation	Under basic allowance	$€ 3,446 + [(\text{€}4,600 - \text{€}3,446) \times \frac{1}{4}] = \text{€}3,734$	$€ 3,446 + [(\text{€}7,000 - \text{€}3,446) \times \frac{1}{4}] = \text{€}4,334$
Allowable Case II deduction	€2,500	€ 3,734	Restricted to Max. Relief of € 4,205

2014

	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Amount reimbursed to RCB clergy	€2,500	€3,800	€7,000
Calculation	Under basic allowance	$€ 3,439 + [(\text{€}3,800 - \text{€} 3,439) \times \frac{1}{4}] = \text{€}3,529$	$€3,439 + [(\text{€}7,000 - \text{€}3,439 \times \frac{1}{4}) = \text{€}4,329$
Allowable Case II deduction	€2,500	€3,529	Restricted to Max. Relief of €4,197

2013			
	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Amount reimbursed to RCB clergy	€2,500	€4,000	€7,000
Calculation	Under basic allowance	$€3,422 + [(\text{€}4,000 - \text{€}3,422) \times \frac{1}{4}] = \text{€}3,566$	$€3,422 + [(\text{€}7,000 - \text{€}3,422 \times \frac{1}{4}) = \text{€}4,316$
Allowable Case II deduction	€2,500	€3,566	Restricted to Max. Relief of €4,176

2012			
	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Amount reimbursed to RCB clergy	€2,500	€4,000	€7,000
Calculation	Under basic allowance	$€3,365 + [(\text{€}4,000 - \text{€}3,365) \times \frac{1}{4}] = \text{€}3,523$	$€3,365 + [(\text{€}7,000 - \text{€}3,365 \times \frac{1}{4}) = \text{€}4,273$
Allowable Case II deduction	€2,500	€3,523	Restricted to Max. Relief of €4,106

2011			
	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Amount reimbursed to RCB clergy	€2,500	€4,000	€7,000
Calculation	Under basic allowance	$€3,313 + [(€4,000 - €3,313) \times \frac{1}{4}] = €3,484$	$€3,313 + [(€7,000 - €3,313) \times \frac{1}{4}] = €4,234$
Allowable Case II deduction	€2,500	€3,484	Restricted to Max. Relief of €4,042