

Representative Church Body

Cost of Living Accommodation Allowance

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A more recent version of this manual is available.



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. Primarily, deductions are allowed in respect of expenses incurred, by a clergy member or minister, wholly, exclusively and necessarily in the performance of his or her duties.

In the case of the Representative Church Body (RCB), the “Cost of Living Allowance” (COLA), reimbursed by resolution of the Select Vestry of the RCB and included in the total stipend made in a year to a clergy member or minister, is allowed, subject to certain limits, as a deduction in arriving at the profit assessable under Case II of Schedule D. In practice, a RCB clergy member or minister claims 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

The annual allowances which apply for the years 2015 to 2020 are as follows:

	2020	2019	2018	2017	2016	2015
Basic Allowance	€3,498	€3,467	€3,450	€3,436	€3,436	€3,446
Max Allowance	€4,268	€4,230	€4,209	€4,192	€4,192	€4,205

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

3. Example

2020			
	Example 1	Example 2	Example 3
Amount reimbursed to RCB clergy	€2,500	€4,600	€7,000
Calculation	Under basic allowance	$€3,498 + [(\text{€}4,600 - \text{€}3,498) \times \frac{1}{4}] = \text{€}3,774$	$€3,498 + [(\text{€}7,000 - \text{€}3,498) \times \frac{1}{4}] = \text{€}4,374$
Allowable Case II deduction	€2,500	€3,774	Restricted to Max. Relief of €4,268

2019			
	Example 1	Example 2	Example 3
Amount reimbursed to RCB clergy	€2,500	€3,800	€7,000
Calculation	Under basic allowance	$€3,467 + [(\text{€}3,800 - \text{€}3,467) \times \frac{1}{4}] = \text{€}3,550$	$€3,467 + [(\text{€}7,000 - \text{€}3,467) \times \frac{1}{4}] = \text{€}4,350$
Allowable Case II deduction	€2,500	€3,550	Restricted to Max. Relief of €4,230