

## Tax Relief at Source (TRS)

Tax relief for medical insurance premiums paid to an authorised insurer is granted at source (TRS). Subscribers will pay a reduced premium (80% of the gross amount) to the authorised medical insurer. This reduction is the same as giving tax relief at the standard rate of tax (20%).

However, an employee whose medical insurance premiums are paid on his/her (or his/her dependents) behalf by his/her employer will not have been allowed Tax Relief at Source.

## Employer pays some or all of the medical insurance on the employee's behalf

### Claiming Relief

The relief due can be claimed either

- ◆ via the Internet through our PAYE Self-service facility by logging on to [www.revenue.ie](http://www.revenue.ie).
- or
- ◆ by phoning your Regional PAYE LoCall Service whose number is quoted below
- or
- ◆ by completing the attached form.

The following 3 examples will illustrate the medical insurance relief due.

An employee whose medical insurance premiums are paid on his/her (or his/her dependents) behalf by his/her employer will have a Benefit-In-Kind liability. PAYE and PRSI will be deducted by his/her employer from his/her money wages or salary, in respect of the taxable value of the benefit provided.

### Example 1

**The employer pays the full medical insurance premium for an employee**

The renewal notice to the employer shows the net premium due - €1,600 (Gross Premium is €2,000)

#### Employer

The employer pays the insurance provider the net of tax relief premium of €1,600. He/she pays the tax relief at source (€400) attributable to the premium to the

Collector General. The employer operates PAYE/PRSI on €2,000 notional pay to the employee.

#### Employee

As the employee has not benefited from the tax relief arising on the medical insurance premium paid by the employer, the employee is entitled to a tax credit of €400 (€2,000 at 20%) in his/her tax credit certificate.

#### Revenue

TRS Section in the Collector General's Office pays over the TRS of €400 to the medical insurance provider.

### Example 2

**The employer pays half the medical insurance premium for an employee**

The renewal notice to the employer shows the net premium due - €1,600 (Gross Premium is €2,000)

#### Employer

The employer pays the insurance provider the net of tax relief premium of €1,600. He/she pays the tax relief at source (€400) attributable to the premium to the Collector General. The employer operates PAYE/PRSI on €1,000 notional pay to the employee, i.e., the gross premium less the amount paid by the employee (€2,000 less €1,000).

#### Employee

The employee pays €1,000 to the employer in respect of one half of the premium. As the employee has not benefited from the tax relief arising from any portion of the medical insurance premium paid, the employee is entitled to a tax credit of €400 (€2,000 at 20%) in his/her tax credit certificate.

#### Revenue

TRS Section in the Collector General's Office pays over the TRS of €400 to the medical insurance provider.

### Example 3

**The employer pays an employee's medical insurance premium for basic cover and the employee pays an additional amount for additional cover**

The renewal notice to the employer shows the net premium due - €1,600 (Gross Premium is €2,000).

€600 of the net premium (€750 gross inclusive of the TRS) is attributable to the basic cover and €1,000 net of tax relief (€1,250 gross) is attributable to the additional cover.

#### Employer

The employer pays the insurance provider the net of tax relief premium of €1,600. He/she pays the tax relief at source (€400) attributable to the premium to the Collector General. The employer operates PAYE/PRSI on €750 notional pay to the employee, i.e., the gross premium less the amount paid by the employee (€2,000 less €1,250).

#### Employee

The employee pays €1,250 to the employer in respect of the additional cover. As the employee has not benefited from the tax relief arising from any portion of the medical insurance premium paid, the employee is entitled to a tax credit of €400 (€2,000 at 20%) in his/her tax credit certificate.

#### Revenue

TRS Section in the Collector General's Office pays over the TRS of €400 to the medical insurance provider.

## Claim for Medical Insurance Relief

To be completed only where tax relief was **not** granted at source.

Name of Claimant

Address

PPS Number

The above can be obtained from your Tax Credit Certificate

Amount paid €

(including amounts paid by employer) where relief was not granted at source

## Declaration

I declare that all the particulars given in this form are correct to the best of my knowledge and belief.

Signature

Date  /  /

Phone No.

Email

# Medical Insurance Relief

## Further Information

This leaflet is for general information only. You can get further information by visiting [www.revenue.ie](http://www.revenue.ie) or by phoning (within the Republic of Ireland only) your Regional Revenue Office whose LoCall number is listed below.

**Border Midlands West Region**      **1890 777 425**

Cavan, Monaghan, Donegal, Mayo, Galway, Leitrim, Longford, Louth, Offaly, Roscommon, Sligo, Westmeath

**Dublin Region**      **1890 333 425**

Dublin (City and County)

**East & South East Region**      **1890 444 425**

Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow

**South West Region**      **1890 222 425**

Clare, Cork, Kerry, Limerick

**Please note that the rates charged for the use of 1890 (LoCall) numbers may vary among different service providers.**

If you are calling from outside the Republic of Ireland, please phone 00 353 (1) 647 4444.

*While every effort is made to ensure that the information given in this leaflet is accurate, it is not a legal document. Responsibility cannot be accepted for any liability incurred or loss suffered as a consequence of relying on any matter published herein.*

**Revenue Commissioners**  
**January 2008**

