

Tax treatment of benefits received under permanent health benefit schemes. FA79 s8(1), (4), (4A) and (6); FA86 s7; FA92 s7 125.—(1) In this section—

“benefit” means a payment made to a person under a permanent health benefit scheme in the event of loss or diminution of income in consequence of ill health;

“permanent health benefit scheme” means any scheme, contract, policy or other arrangement, approved by the Revenue Commissioners for the purposes of this section, which provides for periodic payments to an individual in the event of loss or diminution of income in consequence of ill health.

(2) (a) A policy of permanent health insurance, sickness insurance or other similar insurance issued in respect of an insurance made on or after the 6th day of April, 1986, shall be a permanent health benefit scheme within the meaning of this section if it conforms with a form which, at the time the policy is issued, is either—

(i) a standard form approved by the Revenue Commissioners as a standard form of permanent health benefit scheme, or

(ii) a form varying from a standard form so approved in no other respect than by making such alterations to that standard form as are, at the time the policy is issued, approved by the Revenue Commissioners as being compatible with a permanent health benefit scheme when made to that standard form and satisfying any conditions subject to which the alterations are so approved.

(b) In approving a policy as a standard form of permanent health benefit scheme in pursuance of paragraph (a), the Revenue Commissioners may disregard any provision of the policy which appears to them insignificant.

(3) (a) Any benefit received by a person under a permanent health benefit scheme, whether as of right or not, shall be deemed to be—

(i) profits or gains arising or accruing from an employment, and

(ii) emoluments within the meaning of Chapter 4 of Part 42.

(b) Tax under Schedule E shall be charged on every person to whom any benefit referred to in paragraph (a) is paid in respect of all such benefits paid to such person, and tax so chargeable shall be computed under section 112 (1).

(4) The Revenue Commissioners may nominate any of their officers, including an inspector, to perform any acts and discharge any functions authorised by this section to be performed or discharged by them.