

Relief for insurance against expenses of illness. ITA67 s145(1), (2), (3) and (4); FA80 s19 and Sch1 PtIII par1; FA96 s7 and s132(1) and Sch5 Ptl par1(4) 470.—(1) In this section—

“appropriate percentage”, in relation to a year of assessment, means a percentage equal to the standard rate of tax for that year;

“authorised insurer” means any undertaking entered in The Register of Health Benefits Undertakings, lawfully carrying on such business of insurance referred to in the definition of “relevant contract” but, in relation to an individual, also means any undertaking authorised pursuant to Council Directive No. 73/239/EEC of 24 July 1973¹, Council Directive No. 88/357/EEC of 22 June 1988², and Council Directive No. 92/49/EEC of 18 June 1992³, where a relevant contract was effected with the individual when the individual was not resident in the State but was resident in another Member State of the European Communities;

“relevant contract”, in relation to an individual, means a contract of insurance which provides specifically, whether in conjunction with other benefits or not, for the reimbursement or discharge, in whole or in part, of actual medical, surgical or nursing expenses (including the cost of maintenance at a hospital, nursing home or sanatorium) resulting from sickness of or accident to—

- (a) the individual,
- (b) the spouse of the individual, or
- (c) the children or other dependants of the individual or of the spouse of the individual.

(2) Where an individual for a year of assessment proves that in the year preceding the year of assessment—

- (a) the individual, or
- (b) if the individual is a married person assessed to tax in accordance with section 1017, the individual's spouse,

has made a payment to an authorised insurer under a relevant contract, then, the income tax to be charged on the individual if the individual made the payment, or on the individual's spouse if the individual's spouse made the payment, for the year of assessment, other than in accordance with section 16 (2), shall be reduced by an amount which is the lesser of—

(i) (I) where the payment covers no benefits other than such reimbursement or discharge as is referred to in the definition of “relevant contract”, an amount equal to the appropriate percentage of the full amount of the payment, or

(II) where the payment covers benefits other than such reimbursement or discharge as is referred to in the definition of “relevant contract”, an amount equal to the appropriate percentage of so much of the

payment as is referable to such reimbursement or discharge,

and

(ii) the amount which reduces that income tax to nil.

(3) Where the income tax reduction of one of the spouses is ascertained in accordance with subsection (2), then—

(a) if there is no income tax to be charged on the spouse for the year of assessment, other than in accordance with section 16 (2), in relation to which relief under subsection (2) may be given, the relief may be given in relation to income tax to be charged on the other spouse for that year, other than in accordance with section 16 (2), and

(b) if the amount so ascertained exceeds the income tax to be charged on the spouse for the year of assessment, other than in accordance with section 16 (2), the excess may be used to reduce the income tax to be charged on the other spouse for that year, other than in accordance with section 16 (2).

(4) Where relief is given under this section, no relief or deduction under any other provision of the Income Tax Acts shall be given or allowed in respect of the payment or part of a payment, as the case may be.

1O.J. No. L228 of 16.8.1973, p.3. 2O.J. No. L172 of 4.7.1988, p.1. 3O.J. No. L228 of 11.8.1992, p.1.s