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Relate

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Contents

Page No.

1. **Payments for carers**
   Describes Carer's Benefit, Carer's Allowance, Half-rate Carer's Allowance, Domiciliary Care Allowance and the Carer's Support Grant.
5. **Carer's leave**
   Describes carer's leave which allows employees to leave their employment temporarily to provide full-time care for someone in need of full-time care and attention.
6. **Keeping your social insurance record up to date**
   Describes the Homemaker's Scheme for people caring full-time for a child under 12 or an ill or disabled person.
7. **Tax credits and reliefs for carers**
   Describes the Home Carer's Tax Credit, tax relief for employing a carer and the Incapacitated Child Tax Credit.

This issue of *Relate* sets out the main schemes that are relevant for carers in the areas of social welfare, employment, maintenance of PRSI records and tax reliefs and credits.

Payments for carers

A carer is someone who looks after and supports a person who could not manage without their help. This could be due to age, physical or mental illness or disability. It does not mean a professional care worker or personal assistant who gets paid for their work. If you are caring for someone, for example, a disabled child or adult or an older person, you may qualify for a carer's payment from the Department of Social Protection. The two main social welfare payments for people providing full-time care are Carer's Benefit which is based on your Pay-Related Social Insurance (PRSI) contributions and Carer's Allowance which is means tested. You may also qualify for an annual Carer's Support Grant (formerly known as a Respite Care Grant).

Rules about caring

The general conditions for caring are the same for Carer's Allowance and Carer's Benefit. The criteria relating to "full-time care and attention" and "incapacity" also apply to carer's leave (see page 5).

You must be living with the person you are looking after or be providing full-time care to a person who is not living with you. The person must not be living in an "institution". This means a hospital, nursing home or other residential care environment. In addition, you, the carer, must not be living in an institution. However, you may continue to get your carer's payment if you, or the person you are looking after, have medical or other treatment in a hospital or other institution for less than 13 weeks.

INSIDE: **Carer's Benefit p2, Carer's Allowance p3, What counts as means for Carer's Allowance p3, Half-rate Carer's Allowance p3, Domiciliary Care Allowance p4, Carer's Support Grant p5, Taking carer's leave p6, Carer's leave and employment rights p6, Home Carer's Tax Credit p7, Incapacitated Child Tax Credit p8**

The person you are caring for must be over the age of 16 and must:

- Be so incapacitated as to require "full-time care and attention". This means that the person needs continuous supervision and frequent assistance throughout the day in connection with their normal personal needs – for example, help to walk and get about, eat or drink, wash, bathe and dress. The person may also need continuous supervision in order to avoid danger to themselves.

OR

- Be aged under 16 and getting a Domiciliary Care Allowance (DCA).

Medical certification is required unless you are caring for a child who is getting DCA (see page 4). Carer's Allowance or Benefit can be paid to you if you are caring for a child who qualifies for DCA. You do not have to be the person getting DCA on the child's behalf.

Carer's Benefit

Carer's Benefit is a payment made to people who are insured under the Pay-Related Social Insurance (PRSI) system who leave the workforce to care for a person or people in need of full-time care.

You can get Carer's Benefit for a total period of two years (104 weeks) for each person for whom you provide care. You may get this in a single period or in separate periods adding up to two years. However, if you claim Carer's Benefit for less than six consecutive weeks in any given period, you must wait a further six weeks before you can claim Carer's Benefit to care for the same person again. If you are caring for more than one person, you may get payment for each person for 104 weeks. This may result in the care periods overlapping or running concurrently. If the person you are caring for dies, payment of Carer's Benefit will continue for six weeks after the person's death.

To be entitled to Carer's Benefit you must:

- Meet the rules for caring set out above.
- Be aged 16 or over, and under 66.
- Have been employed for at least eight weeks, whether consecutive or not, in the previous 26-week period. You must have been in employment for a minimum of 16 hours per week or 32 hours per fortnight.
- Give up work in order to be a full-time carer.
- Meet the PRSI contribution conditions.
- Not take part in employment, self-employment, training or education courses outside the home for more than 15 hours a week. The maximum amount you can earn is €332.50 per week. (€332.50 is your net income after you have deducted income tax and USC, PRSI, pension payments, pension levy, union dues, subscriptions to Friendly Societies and any health insurance contract premium from your total wage). During your absence, adequate care for the person must be arranged.

PRSI contribution conditions

You must have at least 156 contributions paid at any time between when you started paying contributions and the time you make your first claim for Carer's Benefit and:

- 39 contributions paid in the relevant tax year, or
- 39 contributions paid in the 12-month period before the start of Carer's Benefit, or
- 26 contributions paid in the relevant tax year and 26 contributions paid in the year before that.

Only contributions at Class A, B, C, D, H and E can be counted towards Carer's Benefit. Class S (self-employed contributions) do not count. The relevant tax year is the second last complete tax year before the year in which you make your claim. So, for claims made in 2016, the relevant tax year is 2014. You do not have to meet these conditions again for second and subsequent claims.

You are awarded credited contributions (known as credits) automatically when you are getting Carer's Benefit. Credits are awarded at the same rate as your last paid contribution. These credits help protect your future entitlement to social welfare benefits and pensions.

Claiming an increase for a child dependant

You can claim an increase for a child with your personal payment if they are under the age of 18, normally live with you and are maintained by you. This is called an Increase for a Qualified Child (IQC). If a child is in full-time education by day at a recognised school or college, this increase is payable until the end of the academic year in which the child reaches age 22. A full-rate IQC is payable if you are parenting alone. You may get a half-rate IQC if you are living with your spouse, civil partner or cohabitant (provided their income is less than €400 a week). If your spouse, civil partner or cohabitant is getting a payment from the Department of Social Protection, you will each get a half-rate IQC. Carer's Benefit has no qualified adult payment.

Tax implications

Carer's Benefit is a taxable source of income so your local tax office should be advised of it.

Carer's Benefit rates

Carer aged under 66	**Maximum weekly rate**
Caring for one person	€205
Caring for two people	€307.50
Increase for a Qualified Child	€29.80 (full-rate) €14.90 (half-rate)

You are not entitled to the Household Benefits Package (which provides an allowance for fuel and a free television licence) or to a Free Travel pass under the Carer's Benefit Scheme.

Carer's Allowance

Carer's Allowance is a payment to people on low incomes who are looking after a person who needs care because of age, disability or illness (including mental illness). If you qualify for a Carer's Allowance you may also qualify for the Household Benefits Package and a Free Travel Pass. Carer's Allowance is paid for 12 weeks (previously 6 weeks) after the death of the person being cared for.

To be entitled to a Carer's Allowance you must:

- Meet the rules for caring set out above. The person you are caring for must also require full-time care and attention for at least 12 months.
- Be habitually resident in the State.
- Be at least 18 years old (people aged over 66 can get Carer's Allowance).
- Not be engaged in employment, self-employment, training or education courses outside the home for more than 15 hours a week. During your absence, adequate care for the person must be arranged.

What counts as means for Carer's Allowance?

Your means are any income you or your spouse, civil partner or cohabitant may have, along with property (except your home) or assets that could bring in money or provide you with an income, for example, an occupational pension or benefits from another country. Payments made by the Department of Social Protection to you or your spouse or partner are not taken into account in the means test for Carer's Allowance.

The means test for the Carer's Allowance involves assessing all your income. In the assessment, €332.50 of your gross weekly income is *disregarded*, that is, not taken into account. If you are married, in a civil partnership or cohabiting the first €665 of your combined gross weekly income is disregarded. PRSI, union dues, superannuation (pension contributions) and travel expenses are also deducted. This disregard does not apply to social security payments from another state. However, an amount up to the maximum rate of the Irish State Pension (Contributory) is exempt from the means test. Any foreign social security payment above this is treated as income.

Caring for more than one person

If you are providing care to more than one person, you may be entitled to an additional 50% of the maximum rate of Carer's Allowance each week.

Care sharing

Two carers who are providing care on a part-time basis in an established pattern can share a single Carer's Allowance payment and the annual Carer's Support Grant. Each carer must provide care from Monday to Sunday but can do so on alternate weeks.

Tax implications

Carer's Allowance is a taxable source of income so your local tax office should be advised of it.

Carer's Allowance rates

Carer	**Maximum weekly rate**
Aged under 66, caring for one person	€204
Aged under 66, caring for two or more people	€306
Aged 66 or over, caring for one person	€242
Aged 66+, caring for two people	€363
Increase for a Qualified Child	€29.80 (full-rate) €14.90 (half-rate)

Your payment is made up of a personal rate for yourself and extra amounts for any child dependants. Carer's Allowance has no qualified adult payment.

You may get credited social insurance contributions (PRSI) while you are getting a Carer's Allowance if you have taken leave from work to care for someone (see page 6).

Half-rate Carer's Allowance

If you are getting certain social welfare payments and you are providing full-time care and attention to another person, you can keep your main social welfare payment and get a half-rate Carer's Allowance as well. You will also be eligible for the Carer's Support Grant and a Free Travel Pass. Half-rate Carer's Allowance can be paid with most social welfare payments including pensions and disability payments (provided you meet the criteria for caring and are fit to care).

You cannot get half-rate Carer's Allowance with the following social welfare payments:

- Back to Education Allowance.
- Basic Supplementary Welfare Allowance (SWA) and SWA Increase for a Qualified Adult.
- Carer's Benefit.
- Family Income Supplement.
- Jobseeker's Allowance.
- Jobseeker's Benefit.
- Jobseeker's Transitional Payment.

You cannot get Jobseeker's Allowance (JA) or Jobseeker's Benefit (JB) and half-rate Carer's Allowance because you must be actively seeking employment and be available to take up employment to qualify for JA and JB. However, you may qualify for half-rate Carer's Allowance if your spouse, civil partner or cohabitant is getting JA or JB and claiming for you as a qualified adult.

Situations in which half-rate Carer's Allowance can be paid

If you are in one of the following situations you may qualify for half-rate Carer's Allowance:

- **Already getting Carer's Allowance but also meet the qualifying criteria for another social welfare payment**
  If you are getting Carer's Allowance and you also meet the qualifying conditions for another social welfare payment (for example, a State pension) you should apply for the other payment. If you qualify for the other payment you will be paid it in full and keep half your Carer's Allowance payment as well.

- If you are currently getting Carer's Allowance and your spouse, civil partner or cohabitant claims another social welfare payment, they may claim an increase in their social welfare payment for you as a qualified adult and your Carer's Allowance will be reduced by half. This can only be done with your consent but it may increase your total household income.

- **Caring for someone while a qualified adult on your spouse, civil partner or cohabitant's claim**
  If your spouse, civil partner or cohabitant is claiming for you as a qualified adult on their payment and you provide full-time care to another person, you can apply for half-rate Carer's Allowance and keep your current Increase for a Qualified Adult in full.

- **Getting a social welfare payment other than Carer's Allowance and caring for someone**
  If you are getting one of the social welfare payments payable with half-rate Carer's Allowance and caring for someone, you may keep your social welfare payment and qualify for half-rate Carer's Allowance.

People parenting alone

People parenting alone and caring for one of their children or for an adult (such as a parent or a sibling) can qualify for both One-Parent Family Payment (OFP) and half-rate Carer's Allowance until their youngest child is 16 years of age. If your youngest child is aged between seven and 15 inclusive you must qualify for Carer's Allowance to continue to qualify for OFP.

You can claim OFP and a half-rate Carer's Allowance until your youngest child turns 16 provided you continue to meet the conditions for both schemes. You will also get an Increase for a Qualified Child for any other children in the family until they reach 18 (or 22 if in full-time education) while Carer's Allowance and OFP are being paid.

If you were previously getting both OFP and half-rate Carer's Allowance, and were affected by the OFP age change reforms, you are now eligible to re-apply for both payments.

If you are caring and parenting alone and your youngest child is aged between seven and 15 inclusive you should apply for OFP and Carer's Allowance at the same time.

Half-rate Carer's Allowance rates

Half-rate Carer's Allowance	Carer aged under 66	Carer aged 66 and over
Caring for one person	€102	€121.00
Caring for two or more	€153	€181.50

Domiciliary Care Allowance

Domiciliary Care Allowance (DCA) is a monthly payment for a child aged under 16 with a severe disability. It is not means tested. To qualify, the child's disability must be likely to last for at least one year, and they must:

- Be aged under 16 (at 16 the child can apply for Disability Allowance).

- Live at home with the person claiming the allowance for five or more days a week (in some cases a half-rate payment can be paid if the child is living away from home for part of the week – see 'Half-rate payment of DCA' below).
- Meet the medical criteria – see below.
- Be ordinarily resident in the State.

In addition, the person claiming the allowance must care for the child and be habitually resident in the State.

Medical criteria

To qualify for DCA a child must have "a severe disability requiring continual or continuous care and attention substantially in excess of the care and attention normally required by a child of the same age".

You can find the definitions for terms such as *severe* or *substantially* in the DCA Medical Guidelines. These are used by the Department of Social Protection when it is assessing applications for DCA. The guidelines state that the payment is not based on the type of disability but on the resulting physical or mental impairment which means that the child requires substantially more care and attention than another child of the same age. There is no list of conditions.

The Department's Medical Assessor looks at all the following details before giving an opinion on whether a child meets the medical criteria:

- The history of the case.
- All medical reports received (your GP fills out a medical report and you should include reports from any other relevant specialists).
- Your description of the care and attention required by your child. (The application form allows you to state what extra care your child needs under a number of headings).

Half-rate payment of DCA

Children who are being cared for on a full-time basis in residential homes or other institutions are not eligible for the allowance. However, children in residential care who go home may receive a half-rate payment if they are at home for two or more days a week, for example, a child who attends residential services from Monday to Friday and goes home at weekends.

DCA rates

The DCA rate is €309.50 per month and the half-rate is €154.75. You can claim a DCA for any number of children.

Hospital stays and DCA payments

Payment of DCA continues for up to 13 weeks if the child is getting medical or other treatment in hospital.

DCA and other payments

Your entitlement to Child Benefit is not affected by your DCA payment. You may qualify for Carer's Benefit or Carer's Allowance if you meet the conditions for these payments. People getting DCA on behalf of a child do not need to fill out the medical form when applying for Carer's Allowance or Benefit.

Carer's Support Grant

The Carer's Support Grant is an annual payment made to carers by the Department of Social Protection. Carers can use the grant in whatever way they wish. In June of each year the Department of Social Protection automatically pays the grant to carers getting Carer's Allowance, Carer's Benefit, Domiciliary Care Allowance or Prescribed Relative's Allowance from the Department. Only one Carer's Support Grant can be paid for each person being cared for. The Grant will increase to €1,700 in June 2016.

The grant is paid to people getting one of the payments mentioned above. It can also be paid to certain other carers providing full-time care. If you are not getting one of the above payments, you must be:

- Aged 16 or over.
- Ordinarily resident in the State.
- Caring for the person full-time.
- Caring for the person for at least six months – this period must include the first Thursday in June
- Living with the person being cared for or, if not, be contactable quickly by a direct system of communication (for example, telephone or alarm).

The Grant may also be paid if the Department of Social Protection is satisfied that the carer is likely to provide full-time care and attention for six months. You do not qualify if you are working more than 15 hours per week outside the home, if you are taking part in an education or training course for more than 15 hours a week, if you are getting a jobseeker's payment or if you are signing on for jobseeker credits. You also do not qualify if you are living in a hospital, convalescent home or similar institution.

Carer's leave

The Carer's Leave Act 2001 allows employees to leave their employment temporarily to provide full-time care for someone in need of full-time care and attention. You are entitled to take carer's leave of at least 13 weeks up to a maximum of 104 weeks. If you ask to take less than 13 weeks' carer's leave, your employer may refuse your request – see 'Taking carer's leave' below:

Carer's leave from employment is unpaid but the Carer's Leave Act ensures that those who propose to avail of carer's leave will have their jobs kept open for them for the duration of the leave. You may be eligible for Carer's Benefit if you have enough PRSI contributions. If you do not qualify for Carer's Benefit, you may qualify for Carer's Allowance, which is a means-tested payment. You can take carer's leave even if you do not qualify for either of these payments. You must have worked for your employer for a continuous period of 12 months to be eligible for carer's leave.

The person you are proposing to care for must be deemed to be in need of "full-time care and attention" by a deciding officer of the Department of Social Protection. The decision by the Department is reached on the basis of information provided by the family doctor (GP) of the person for whom you will be caring. The person you will be caring for does not need to be a family member or spouse, but could be a friend or colleague.

Taking carer's leave

You may apply to take carer's leave in one continuous period of 104 weeks or for a number of periods not exceeding a total of 104 weeks. If you do not take carer's leave in one continuous period, there must be a gap of at least six weeks between each period of carer's leave. You must give your employer at least six weeks' notice of your intention to take carer's leave.

The minimum statutory entitlement to carer's leave is 13 weeks. If you apply for a period of carer's leave which is less than 13 weeks' duration, your employer may refuse (on reasonable grounds) to allow you to take less than 13 weeks' carer's leave. Where your employer refuses this leave, they must specify to you in writing the grounds for refusing you this leave. However, you and your employer may agree arrangements for carer's leave which are more favourable to you.

You may only be on carer's leave in respect of one person at any one time. An exception is where two people live together and both are in need of full-time care and attention. In this situation the total amount of carer's leave is 208 weeks.

If your carer's leave has ended, you cannot begin another period of carer's leave to care for a different person until a period of six months has passed since the end of the previous period of carer's leave.

Working while on carer's leave

You may work while you are on carer's leave for up to 15 hours a week, provided your income from employment or self-employment is less than a weekly income limit set by the Department of Social Protection. Alternatively, you may attend an educational or training course or take up voluntary work for a maximum of 15 hours a week. Before you start work or training you should inform the Department of Social Protection.

Carer's leave and employment rights

As regards your employment conditions, generally you are to be treated as if you had been in work during your period of carer's leave, except that you are not entitled to pay. You are only entitled to annual leave and public holidays in respect of the first 13 weeks of carer's leave.

You may not be dismissed for exercising your right to carer's leave. You are protected against being victimised for taking carer's leave or proposing to take it. This means that your employer may not penalise you by dismissal, unfair treatment including selection for redundancy or an unfavourable change in your conditions of employment.

Unpaid leave from employment (outside of carer's leave)

If you wish to avail of unpaid leave from employment for less than the 13-week minimum set down by the Carer's Leave Act, it is possible to agree this with your employer. You and your employer must agree this in writing, clearly stating the date when you will begin this leave and when you will return from leave. You will need to get in touch with the PRSI records section in the Department of Social Protection to ensure that your social insurance record is preserved during this leave.

Keeping your social insurance record up to date

It is very important to maintain your social insurance record to ensure that you are eligible for social welfare payments, including, for example, for a State Pension (Contributory).

PRSI credits for carers

If you give up work to care for someone and get Carer's Allowance or Carer's Benefit you will be awarded credits. These can help you to maintain your PRSI record and to qualify for other payments in the future, for example, for a State Pension (Contributory). However, you cannot get credits with Carer's Allowance if your last PRSI contribution was more than two years before you started caring. If you were getting Jobseeker's Allowance (if you have at least one paid contribution), Jobseeker's Benefit or Illness Benefit before your claim for Carer's Allowance you can be awarded credits.

If you are on carer's leave from work but do not get Carer's Benefit or Allowance, you are still entitled to get credits. You should get your employer to complete the application form for carer's leave credits. This will make sure that your existing cover for social welfare is fully maintained.

Homemaker's Scheme

A homemaker, for the purposes of the Homemaker's Scheme, is a man or woman who provides full-time care for a child under age 12, or an ill or disabled person aged 12 or over. Under the Homemaker's Scheme, any years that you spent as a homemaker (since 6 April 1994) are ignored or disregarded when working out your yearly average contributions for a State Pension (Contributory). To be eligible, you must:

- Permanently live in the State (except in cases where provisions under EU or posted worker regulations apply)
- Be aged under 66.
- Have started insurable employment or self-employment on or after the age of 16 and before the age of 56.
- Not work full-time (however, you can work and earn less than €38 gross per week).
- Care full-time for a child aged under 12 or an ill or disabled person.

If you are not living with the person you are looking after, a direct system of communication must exist between your home and the person being cared for, for example, by telephone or alarm system, and the person being cared for must not be getting full-time care and attention from anyone else.

It is important to note that only one person can be regarded as the homemaker at any one time. If you stop being a homemaker and your spouse or civil partner takes up homemaking duties, you should notify the Department of Social Protection immediately to ensure there is no loss of entitlements under the Homemaker's Scheme.

Homemaking years

A homemaking year is a year in which you are out of the workforce for the full tax year. Up to a maximum of 20 homemaking years can be disregarded for State Pension (Contributory) purposes.

As only a full year can be disregarded, homemaker's credits can be awarded for part of a year at the start of the homemaking period, from the date you become a homemaker up to the end of the tax year. Likewise, homemaker's credits can also be awarded for part of a year when the homemaking period ends, from the start of the tax year up to the date you stop homemaking.

Tax credits and reliefs for carers

Home Carer's Tax Credit

A Home Carer's Tax Credit is a tax credit of up to €1,000 given to married couples or civil partners (who are jointly assessed for tax) where one spouse or civil partner works in the home caring for a dependent person. Dependent people can include children, older people and people with disabilities.

The tax you are liable to pay is calculated as a percentage of your income. A tax credit is deducted from this to give the actual amount of tax that you have to pay. A tax credit has the effect of reducing your payable tax by the amount of the credit.

A Home Carer's Tax Credit can be claimed when:

- The married couple or civil partners are jointly assessed for tax.
- One spouse or civil partner works in the home caring for one or more dependent people.
- The home carer's own income is under €7,200. A reduced tax credit applies if the carer's income is between €7,200 and €9,200.

Carer's Allowance is not taken into account when determining the home carer's income but it is a taxable source of income. This means that if you are claiming Carer's Allowance, it will make up part of your jointly-assessed income.

Tax relief for employing a home carer

You can claim tax relief on the cost of employing a carer either if you employ one for yourself or for another family member. You can employ the carer directly or you can use an agency that employs carers. If you employ the carer yourself, you should register as an employer and you will be responsible for your employee's tax and social insurance (PAYE, USC and PRSI). You will also have other duties and obligations as an employer, for example, regarding hours of work, contracts of employment, payslips, holidays and the minimum wage.

The Citizens Information Board provides independent information, advice and advocacy on public and social services through citizensinformation.ie, the Citizens Information Phone Service and the network of Citizens Information Services. It is responsible for the Money Advice and Budgeting Service and provides advocacy services for people with disabilities.

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If you pay an agency to provide the carer, the agency will employ the carer and be responsible for their tax and social insurance. You can still claim tax relief on the cost of paying the agency to provide a carer. You can claim tax relief (at your highest rate) on the lower of the following two amounts:

- The actual cost incurred or
- The maximum deduction of €75,000

The maximum amount of relief for employing a carer is €75,000 in 2016. You can get tax relief on the cost of employing a carer, less any amount recovered from the Health Service Executive. If two or more of you pay for the care, the relief is divided between you in proportion to the amount each paid.

Incapacitated Child Tax Credit

You can claim an Incapacitated Child Tax Credit of €3,300 in 2016 if you are the parent or guardian of a child who is *permanently incapacitated*, either physically or mentally.

Qualifying disabilities

Disabilities regarded as permanently incapacitating are:

- Cystic Fibrosis
- Spina Bifida
- Blindness
- Deafness
- Down Syndrome
- Spastic paralysis
- Certain forms of schizophrenia
- Acute autism

This is not an exhaustive list.

The child must have become permanently incapacitated before reaching 21 years of age, or become permanently incapacitated after reaching the age of 21, but while still in full-time education or while training for a trade or profession for a minimum of two years.

You can claim the credit for a stepchild, a formally or informally adopted child or any child of whom you have custody, who is maintained at your own expense and who is permanently incapacitated. You can claim a credit for more than one child where more than one child is permanently incapacitated.

Where the child is maintained by one parent only, that parent is entitled to claim the full amount of the tax credit. However, where the child is maintained by more than one person, the tax credit is divided between them in proportion to the amount paid by each towards the maintenance of the child.

You may also claim tax relief for medical expenses incurred by yourself or any other person.

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