

# Taxman goes after women who mind children

By Charlie Weston Personal Finance Editor

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WOMEN who look after children in their home will be targeted by a new Revenue charge that has been condemned as being like 'a tax on mothers'.

Mothers who have earned up to €15,000 a year child-minding without having to pay any form of tax will now be charged PRSI.

A flat-rate PRSI charge of €253 will now be levied on people who earn money by child-minding in their own homes, the [Irish Independent](#) has learned.

A spokesman last night confirmed the Revenue will now seek to collect the PRSI payment for last year from such women, who are considered to be self-employed.

Some 30,000 mothers currently mind the children of others in their own homes.

The move has come as a surprise to tax experts.

"I never heard of anyone getting demands from the Department of Social Welfare or Social Protection as it is now known or the Revenue for this PRSI," [Cathal Maxwell](#) of the paylesstax.ie website said.

This is despite the fact that income up to €15,000 from childcare carried out in the home is exempt from tax.

Mr Maxwell said it was never considered that PRSI would also be due on this.

Both the Revenue and the [Department of Social Protection](#) insisted the only change was that PRSI was now going to be collected from self-employed childminders by the Revenue, instead of the department.

The department confirmed that income from childminding in the home up to €15,000 has been exempt from income tax since Budget 2007.

"Initially income was exempt from both tax and PRSI, but a flat rate of €253 per annum, equivalent to the minimum rate for self-employed contributors was subsequently introduced," a spokeswoman said.

"The only difference for the 2009 tax year is that Revenue will be billing contributors for their PRSI liability rather than the [Department of Social and Family Affairs](#)."

Attempts to establish from the state bodies when a decision was made to impose PRSI on child-minding mothers were unsuccessful.

### **Benefit**

Despite having to pay PRSI, people who mind children in the home will not be entitled to jobseeker's benefit if their work dries up.

But they would be able to build up entitlements towards a state pension.

Mr Maxwell likened the move to that of a tax on mothers, but added that it would help childminders get a pension.

"This could actually be a good thing for the people involved as for paying a flat sum of €253 per annum in PRSI presumably one gets full entitlement to contributory old-age pension which would be a very good investment," Mr Maxwell explained.

[Patricia Murray](#), chief executive of Childminding [Ireland](#), said it was important that self-employed childminders had an opportunity to get a state contributory pension.

Most parents pay between €100 and €200 a week to have a child minded in someone else's home.

- Charlie Weston Personal Finance Editor

*Irish Independent*