



Oifig an Phríomhoifigigh Airgeadais  
Feidhmeannacht na  
Seirbhíse Sláinte  
Seomra 125, Ospidéal  
Dr. Steevens  
BÁC 8

Office of the Chief Financial Officer  
Health Service Executive  
Room 125, Dr Steevens  
Hospital  
Dublin 8

7<sup>th</sup> June 2023

Deputy Neasa Hourigan TD,  
Dáil Éireann,  
Leinster House,  
Kildare Street,  
Dublin 2.

**Re PQ 24352 23:** *To ask the Minister for Health the number of charities or individuals in the direct employment of charities registered in Ireland that are subject to tax withholding arrangements by the HSE; and if he will make a statement on the matter.*

Dear Deputy Hourigan,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

On the assumption that the withholding tax you are referring to in your question is Professional Services Withholding Tax (PSWT), then in circumstances where the charity is exempt from tax and has provided confirmation in writing from the Revenue Commissioners to that effect to the HSE, there would be no PSWT deducted from payments to those charities by the HSE (the Accountable Person for PSWT).

Revenue advice is that:

- Where the activity of a charity involves PSWT payments, the charity should provide its CHY number to the accountable person responsible for making payments. A CHY number is a designation given to registered charities by Revenue confirming the tax exempt status of the charity. The charity should outline that it is exempt from PSWT and that full payment, including PSWT, should be made in respect of professional services;
- The accountable persons making the payment to the charity should ensure that where a payee has a CHY number, PSWT should not be withheld from the payment for professional services. PSWT is not required to be paid to Revenue in these circumstances as the charity is exempt from paying this tax.

The HSE requests that charities provide a letter from Revenue confirming its CHY status and its CHY number. A review of the HSE Payments systems for 2022 and up to April 2023 confirmed that no withholding tax was deducted from payments made to vendors recorded on the HSE systems as having a CHY status.

Regarding your reference to “or individuals in the direct employment of charities”, we would have no knowledge of who these individuals are. In any event, if, for example, an individual apart from being an employee of a charity, has a self-employed business/practice and is engaged on that basis (i.e. engaged by the HSE for professional services in his/her own account), those individuals would be liable to PSWT as they would not be a tax exempt charity.

If you have any queries, please do not hesitate to contact me.

Yours sincerely

*Sarah Anderson*

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