

Tax treatment of certain education related payments

Part 07-01-42

Document last reviewed February 2024

This document should be read in conjunction with Section 192F and Section 192G of the Taxes Consolidation Act 1997 as amended.



1 Introduction

This manual sets out Revenue's position regarding the tax treatment of education related payments funded by the Department of Education (DE) that are made to students in higher education, or to unemployed participants attending training courses through SOLAS. SOLAS is the State organisation with responsibility for funding, planning and co-ordinating Further Education and Training (FET) in Ireland. It was established in 2013 under the Further Education & Training Act 2014 and is an agency of the DE.

2 Exempt Payments

Section 192G TCA 1997 (as inserted by section 13 of the Finance Act 2019) exempts from income tax further education training allowance payments, which are made by or on behalf of the DE and paid to unemployed participants enrolled on training courses through SOLAS.

Section 192F TCA 1997 (as inserted by section 14 of the Finance Act 2019) exempts from income tax the Student Universal Support Ireland (SUSI) grant payments made by an awarding authority on behalf of the DE to students in higher education.

Payments made before 1 January 2020 are also exempt from income tax and USC as retrospective exemptions were granted in sections 192G and 192F TCA 1997.

2.1 Training Allowance Payments

The training allowance payments funded by the DE are paid to unemployed participants attending FET training courses through SOLAS. The payments made to participants on FET courses are based on Department of Social Protection (DSP) payment rates. The payment received by participants mirrors the underlying payment that he or she was in receipt of from DSP, up to the point when he or she enrolled on the training course.

The rationale for moving individuals off their DSP payments onto "training allowances" (where payment is conditional on attendance) is to ensure active participation in training. On completion of a course, participants who do not progress to a further training option or who do not enter paid employment return to the DSP where their social welfare claim can be reactivated.

2.2 Student Universal Support Ireland (SUSI) Payments

These grant payments are administered by Student Universal Support Ireland (SUSI) on behalf of the DE. The Education Training Boards (ETBs) and Local Authorities (LAs) also administer a small number of legacy cases.

The main objective of these payments is to provide a contribution towards the cost of higher education in order to assist as many students as possible to obtain one qualification at post-leaving certificate, undergraduate and postgraduate levels. The

payments are structured to target those identified as “most in need” of assistance. The main financial support available for eligible students attending full-time higher education courses is the student grant, which may include a maintenance grant and/or a fee grant, depending on eligibility.

Payments made in accordance with the law of any other EU Member State or of the United Kingdom, which corresponds to a payment referred to in this paragraph are also exempt from income tax and USC.