

Tax treatment of certain education related payments

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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 Further and Higher Education, Research, Innovation and Science (DFHERIS)¹ that are made to students in higher education, or to unemployed participants attending certain training courses.

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 (DFHERIS) and paid to unemployed participants enrolled on certain training courses, e.g., through SOLAS or the Vocational Training Opportunities Scheme (VTOS).

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 (DFHERIS) 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 (DFHERIS) are paid to unemployed participants attending certain training courses e.g., through SOLAS or VTOS schemes. The payments made to participants on these 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.

¹ [S.I. 451 of 2020](#) transfers departmental administration and Ministerial responsibility from Department of Education and Skills to Department of Further and Higher Education, Research, Innovation and Science.

2.2 Student Universal Support Ireland (SUSI) Payments

These grant payments are administered by Student Universal Support Ireland (SUSI) on behalf of the (DFHERIS). 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.

Note: This manual is currently subject to review and may not reflect up-to-date position.