
Staff Suggestion Scheme Awards, Exceptional Performance Awards and Examination Awards

Part 05-01-09

This document should be read in conjunction with section 112 of the Taxes Consolidation Act 1997

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Introduction

This manual sets out the tax treatment of certain awards to staff.

1. Staff Suggestion Scheme Awards

Awards made under staff suggestion schemes are taxable and an employer must operate PAYE, PRSI and USC on the value of the award.

2. Exceptional Performance Awards

If an employer has a scheme in place to reward exceptional performance, any awards received under such schemes are taxable in the hands of the employee.

3. Examination Awards

Reimbursement by an employer to an employee of course or exam fees or direct payment of course or exam fees by an employer are not regarded as a taxable benefit if the course undertaken is relevant to the business of the employer.

A course is regarded as relevant to the business of an employer where it leads to the acquisition of knowledge or skills which are -

- necessary for the duties of the employment, or
- directly related to increasing the effectiveness of the performance of the present or prospective duties of the office or employment.

A cash award made to an employee in recognition of passing an examination, or acquiring a qualification, which bears some relationship to his/her duties, should be regarded as not assessable, provided that the award is of such an amount that can, reasonably, be regarded as a reimbursement of expenses likely to have been incurred in studying, and sitting for the examination.

Special increments of salary awarded on passing an examination, etc., are, however, chargeable, as part of the recipient's remuneration, in the ordinary way.