

Taxation of payments made to Home Tutors by the Department of Education

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1 Introduction

This manual clarifies the taxation treatment of emoluments paid to Home Tutors under the Home Tuition Grant Scheme run by the Department of Education).

2 Background

The purpose of the Home Tuition Grant Scheme is to provide funding towards the provision of a compensatory educational service for children who, for a number of specific reasons, are unable to attend school.

It is a condition of the scheme that parents or guardians must source a qualified tutor who is registered with the Teaching Council of Ireland for the duration of the approved tuition.

Under Department of Education rules, Home Tuition cannot commence until an approval letter is received by the parent or guardian from the Department of Education confirming the date of commencement of the tuition and the number of hours tuition approved.

3 Tax treatment of payments

From September 2015, the payment of emoluments to Home Tutors is being made directly to the Home Tutors by the Department of Education and is subject to PAYE deductions.

The Department of Education will request a Revenue Payroll Notification (RPN) from Revenue in respect of each Home Tutor as part of the Home Tutor's payroll process. This will ensure that the Home Tutor pays only the correct amounts of income tax and USC, as he/she will be able to use any available tax credits and standard rate band.

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[...]

4 Pay Related Social Insurance (PRSI)

The Department of Social Protection has determined that PRSI Class S applies to the emoluments paid to Home Tutors governed by the Home Tuition Grant Scheme.