

ACCOMPANYING NOTES
FOR THE
STUDENT GRANT APPLICATION
FORM 2008/09

H.E.G.
HIGHER EDUCATION GRANTS
SCHEME 2008

V.E.C.
VOCATIONAL EDUCATION
COMMITTEES' SCHOLARSHIP
SCHEME 2008

T.L.T.
THIRD LEVEL MAINTENANCE
GRANTS SCHEME FOR
TRAINEES 2008

P.L.C.
MAINTENANCE
GRANTS SCHEME FOR STUDENTS
ATTENDING POST LEAVING
CERTIFICATE COURSES 2008



Explanatory Notes on completing the Grant Application Form

	Page
Completing the Grant Application Form	2
Personal Information	2
Sections 1 & 3 Income from Employment/Pensions other than Social Welfare Pension (including lump sum on retirement)	3
Section 2 Income from all Social Welfare/Health Service Executive Payments	4
Section 4 Income from Self Employment, including Farming	5
Section 5 Rent and other income from Land and Property	7
Section 6 Gross Income from Deposit Accounts/Investments/SSIA Etc	8
Section 7 Income from Maintenance Arrangements, Separation/ Divorce Agreements, Settlements, Trusts, Covenants, Estates Etc.	8
Section 8 Disposal of Assets & Rights	9
Section 9 Gifts & Inheritances	10
Section 10 Income from sources not shown elsewhere	11
Change in Circumstances	11
Review/Reassessment	11

Completing The Grant Application Form

In order to have your eligibility for financial assistance assessed in respect of a course in further or higher education under one of the four Student Support Maintenance Grant Schemes it is necessary to complete a Student Grant Application Form.

This Notes Booklet and relevant maintenance grant scheme must be read and understood before you commence completing the form.

Each Section of the application form must be completed. If a section does not apply in your case please write N/A (not applicable) clearly across the section. You **must** tick (✓) an answer for each question. The PPS Number of the applicant and Father/Mother/Guardian/Spouse as relevant must be inserted.

Failure to complete each section will constitute an incomplete application and it will be returned to you. This will delay the timely processing of your application and delay payment in respect of a successful application. **The appropriate declarations on page 14 must be signed.** It is the responsibility of the applicant to ensure that all the required documentation is submitted.

If a candidate's failure to provide full and complete information be the result of a deliberate material omission or inaccuracy, the candidate(s) shall be liable to prosecution, loss of grant and repayment with interest, of any portion of grant already received.

The Higher Education Grants Scheme is administered by the Local Authorities (e.g. Dublin City Council, Limerick Co. Co. etc.) The other three Schemes are administered by the Vocational Education Committee's (e.g. City of Dublin VEC, Co. Limerick VEC etc.)

If you are experiencing difficulty in completing your application form or are unsure which scheme of student support applies in your case please contact your Local Authority/ VEC as appropriate.

The completed form should be returned, together with the necessary documentation to your Local Authority/VEC as appropriate.

Details of the scheme relevant to your application are available on request from your Local Authority/VEC or from the Department of Education and Science website www.education.ie

The Student Support Maintenance Grant Schemes are as follows:

- The Higher Education Grants Scheme, which applies largely to University Honours Bachelor Degree, Higher Diploma, Post-Graduate Diploma, Masters Degree and Doctoral Degree (Level 8, Level 9 and Level 10 courses);
- Third Level Maintenance Grant Scheme for Trainees, which applies to most Higher Certificate and Ordinary Bachelor Degree courses in the Institutes of Technology (Level 6 and Level 7 courses);
- The Vocational Education Committees' Scholarship Scheme, which generally applies to Add-on Primary Honours Bachelor Degree (Level 8 courses), where students have already pursued a Higher Certificate (Level 6 course)/ Ordinary Bachelor Degree (Level 7 course). This scheme also applies to certain courses in Northern Ireland.
- The Maintenance Grant Scheme for Students attending Post-Leaving Certificate (PLC) Courses.

Personal Information

The following defines the information required in order to complete the Candidate Details:-

Question 1

"Candidate" means the person applying for the grant. The Candidate's original long birth certificate must be supplied as part of the supporting documentation.

Question 1 and Question 6

“PPS No” means your Personal Public Service Number (same as RSI/Tax Number).

Question 2

“Mature candidate” means a candidate who is at least 23 years of age on the 1st of January of the year of entry or re-entry to an approved course.

“Independent mature candidate” means a candidate who is at least 23 years of age on the 1st of January of the year of entry or re-entry to an approved course and who was not ordinarily resident with his/her parents from 1st October, 2007 and can provide proof.

Documentary evidence will be required as proof of current home/ordinary address from 1st October 2007. This can include evidence of registration with the Private Residential Tenancies Board (P.R.T.B), utility bills such as telephone, gas, E.S.B.

“Candidate other than a mature candidate” means every candidate, other than a mature candidate, who is eligible to be considered under the grant scheme.

Question 4 and Question 6

Explanatory Note on Occupation: Please describe the occupation as fully and precisely as possible, stating the type of work done. The following are examples of the types of occupational descriptions which should be used:

Motor Mechanic, Civil Servant - Clerical Officer, Electrical Engineer, Retail Store/Shop Manager, Child Minder, Site Foreman, Garage Manager etc.

Question 6

“Spouse” means each person of a married couple who are living together or a man and woman who are not married to each other but are cohabiting as a husband and wife.

Question 7

“Details of dependent children” means children, including foster children, of a candidate’s parents or guardians, or children of an independent mature candidate, as the case may require, who, on 1st October, 2007 were:

- (i) under 16 years of age, or
- (ii) 16 years of age or over and
 - (a) are attending a full-time course of study at an educational institution and are dependent on their parents, or
 - (b) are medically certified as permanently unfit for work.

Section 1 & 3 - Income from Employment/Pensions other than Social Welfare Pension (including Lump sum on Retirement)

State the total gross Irish income and foreign income earned in the year from all Irish and foreign employments and pensions, whether or not they are exempted, or relieved, from Irish income tax.

The amounts to be entered are the actual gross amounts earned in the year ended 31 December 2007 (the tax year 2007) - generally what is shown on the P60s/P45s and the P21 - i.e. PAYE Balancing Statement or, if applicable, their foreign equivalent.

When a person’s P60/P45 includes amounts paid in the tax year 2007, but which were earned in previous tax years (as happens when overtime, commission, bonuses, salary increases are paid significantly in arrears) then the person may elect to inform the Inspector of Taxes and have the prior year amount excluded from the P21 - i.e. PAYE Balancing Statement for the year ended 31 December 2007.

Where a person makes such an election it will apply consistently to all the years for which grant applications are made - i.e. the previous year(s) and future years will be subject to adjustment

A **Candidate's** total income must be included in this Section, however, it should be noted that a deduction will be allowed for reasonable holiday earnings in the summary of reckonable earnings on page 11 of the application form.

A **Candidate's** earnings from holiday employment is the Candidate's reasonable earnings from employment outside of term time.

● **SUPPORTING DOCUMENTATION** required to be submitted with the Application Form:

- P21 - i.e. PAYE Balancing Statement or its foreign equivalent, and
- P60 or its foreign equivalent, and, if applicable,
- P45 or its foreign equivalent,
- A letter from employer and / or body administering pension

● **Superannuation/PRSA Contributions**

Payments made in respect of superannuation and PRSA contributions are deductible for grant purposes at the amount allowed for income tax purposes in respect of the earnings of the 2007 tax year only – i.e. no deduction is allowed for “unrelieved” payments of prior years. The documentation required is a copy of the receipt from the provider financial institution.

● **Foreign Income**

Where an individual has foreign income, the amounts to be entered in Section 1 are the equivalent amounts that would be computed if the income arose in Ireland.

● **Withdrawals from Pension Products**

If a person withdraws funds from a pension product (e.g. PRSA, ARF, AMRF) for personal use – i.e. for purposes other than for the payment of a lump sum on retirement or the purchase of an annuity pension – these funds must be included at their gross value in Section 10 page 11 – Income from sources not shown elsewhere.

● **Redundancy**

The amount to be entered in relation to payments on cessation of, or change in conditions of employment, is the gross amount received, divided by the number of years in the employment - no deduction for threshold relief is allowed. Please show your calculation of this amount, supported by a letter from the employer stating the amount paid and the number of years of employment. This should be entered in Section 10 page 11 - Income from sources not shown elsewhere.

Section 2 - Income from all Social Welfare/Health Service Executive Payments

The **SUPPORTING DOCUMENTATION** which is required is a written statement from the Department of Social & Family Affairs and, if applicable, the relevant Health Service Executive, or their foreign equivalents, showing: *Name of Recipient / Name of Scheme / Amount Received / Date payment commenced / and if applicable, Date payment ceased.*

The following payments will be excluded from the reckonable income calculation but the details must be supplied on the Application Form:

- Child Benefit (i.e. Children's Allowance),
- Family Income Supplement payments,
- Means Tested One Parent Family payments,
- Disability Allowance (where paid to candidate),
- Blind Pension (where paid to candidate),
- Guardian's Payment (Previously Ophan's Pension),
- Back to Education Allowance,
- Foster Care Allowance,
- Domiciliary Care Allowance,
- Carer's Allowance.

Section 4 - Income from Self Employment, including Farming

The amount to be entered is the adjusted Profit/(Loss) for Income Tax purposes from all self-employment activities (both Irish and foreign) whether or not they are exempted, or relieved, from Irish income tax.

Where a self-employed person is exempt from filing Returns of Income, he/she should enter in Section 4 his/her estimate of profit/(loss) from his/her business.

Where a self-employed person has foreign income, the amount to be entered in Section 4 is the equivalent amount that would be computed if the income arose in Ireland.

● CLARIFICATION POINTS:

- Capital allowances are deductible from the adjusted profit for tax purposes in determining an individual's income tax liability - but they are **not** deductible in computing *Reckonable Income* for grant purposes.
- Compensation in respect of a temporary suspension of a milk quota must be included in income from self employment. (*Page 10 of this booklet deals with the disposal of a milk quota*).
- Penalties incurred under the super-levy are deductible expenses for Reckonable Income purposes.
- Costs incurred in respect of leasing a milk quota are deductible expenses for *Reckonable Income* purposes.
- Income averaging is not allowable for Reckonable Income purposes.

● SUPPORTING DOCUMENTATION required to be submitted with the *Application Form*:

- Copy of Accounts (*i.e. Trading Account, Profit and Loss Account, Capital Account and Balance Sheet*) for each business for a year ending between 1 January 2007 and 31 December 2007. The accounts extracts pages from your return of income do not satisfy the accounts requirement.
- P35 listing(s) covering the accounts year.
- Computation of Profit/(Loss) for income tax purposes for the tax year 2007.
- Original *Notice of Assessment for 2007* or its foreign equivalent.
- If applicable, current letter from the Inspector of Taxes excluding an individual from the Returns filing provisions.

● Finance Leases

A Finance Lease is one which transfers to the lessee substantially all the risks and rewards of owning an asset. All other leases are Operating Leases. Finance Lease payments are not deductible in computing Reckonable Income.

● Retirement Annuities and PRSA Contributions

Payments made in respect of Retirement Annuities and PRSA Contributions are deductible for grant purposes at the amount allowed for income tax purposes in respect of the earnings of the tax year 2007 only – i.e. no deduction is allowed for “unrelieved” payments of prior years. The amounts should be entered once only – i.e. in either Section 4 or 5, but not both.

● Withdrawals from Pension Products

Please refer to Withdrawals from Pension Products on page 4 for exact details.

SUPPORTING DOCUMENTATION required to be submitted with the *Application Form* is a copy of the receipt from the provider financial institution.

SCHEDULE A

Interest on Borrowings for Capital Expenditure Purposes

Please complete schedule below on page 12 of the Student Grant Application Form.

Interest on borrowing for capital expenditure purposes is not deductible in computing Reckonable Income. Where the Accounts contain an Interest Expense please complete the following and transfer the amount for capital expenditure purposes to line (b) on pages 8 and 9 as appropriate. If there is no amount for capital expenditure purposes please enter N/A.

Page 8 - Income from Self-Employment, including farming

NAME OF LENDER	PURPOSE OF BORROWING	INTEREST EXPENSE
_____	_____	€ _____
_____	_____	€ _____
_____	_____	€ _____
Total per Accounts:		€ _____
Total for Capital Expenditure purposes		€ _____
(transfer this amount to line (b) on page 8)		

Page 9 - Rent and other Income from Land and Property

NAME OF LENDER	PURPOSE OF BORROWING	INTEREST EXPENSE
_____	_____	€ _____
_____	_____	€ _____
_____	_____	€ _____
Total per Accounts:		€ _____
Total for Capital Expenditure purposes		€ _____
(transfer this amount to line (b) on page 9)		

SCHEDULE B - Wages/ Remuneration Adjustment

Please complete schedule below on page 12 of the Student Grant Application Form.

The wage/remuneration payments described below are not deductible in computing Reckonable Income. Where the Accounts contain payments of this nature please complete the following and transfer the total remuneration adjustment to line (c) on pages 8 and 9 as appropriate:

- a) Remuneration paid to individuals -other than Qualifying Casual Workers or siblings of the candidate - where PAYE/PRSI regulations were not applied. Total amount included in accounts: _____
- b) Remuneration paid to dependent siblings (whether or not PAYE/ PRSI regulations were applied). Total amount included in accounts: _____
- c) Remuneration paid to non-dependent siblings where PAYE/ PRSI regulations were not applied. Total amount included in accounts: _____
- d) Remuneration paid to non-dependent siblings (in accordance with PAYE/PRSI regulations) in excess of market rates:

	€ _____
Total amount included in Accounts	_____
Less market rates of pay	_____
Excess Pay	_____

Total remuneration adjustment (a)+(b)+(c)+(d):
 (transfer this amount to line (c) on page 8 or page 9).

Amount of Adjustment

€

A separate **Schedule** must be prepared for each business. If you have insufficient space, use page 16 at the back of the application form.

Section 5 - Rent and other Income from Land and Property

- Address: State postal address for property; if postal address is not available for land, state townland where land is located.

The amount to be entered is the adjusted Profit/(Loss) for Income Tax purposes from all land and property (both Irish and foreign) whether or not it is exempted, or relieved, from Irish income tax.

Where a person is excluded from filing Returns of Income, he/she should enter in Section 5 his/her estimate of profit/(loss) from land and property.

Where a person has foreign income from land and property, the amount to be entered is the equivalent amount that would be computed if the income arose in Ireland.

- **CLARIFICATION POINT**

- Capital allowances (*including those claimable under Urban Renewal Relief Legislation*) are deductible from the adjusted profit for tax purposes in determining an individual's income tax liability - but they are **not** deductible in computing *Reckonable Income* for grant purposes.

- **SUPPORTING DOCUMENTATION** required to be submitted with the *Application Form*:

- Copy of Accounts (*i.e. Profit and Loss Account, Capital Account and Balance Sheet*) for the year ended 31 December 2007. The accounts extracts pages from your return of income do not satisfy the accounts requirement.
- P35 listing(s).
- Computation of Profit/(Loss) for income tax purposes for the tax year 2007.
- Original Notice of Assessment for 2007 or its foreign equivalent.
- If applicable, current letter from the Inspector of Taxes excluding an individual from the Returns filing provisions.

Section 23 Type Relief

No deduction is allowed for capital expenditure, regardless of its treatment for income tax purposes.

Finance Leases

(as previously detailed in Section 4)

Retirement Annuities, PRSA Contributions/ Withdrawals from Pension Products

(as previously detailed in Section 4)

Schedule A

Interest on Capital Expenditure,
(as previously detailed in Section 4)

Schedule B

Wages/Remuneration Adjustment,
(as previously detailed in Section 4)

Section 6 - Gross Income from Deposit Accounts/Investments/SSIA Etc

- Insert the gross amount for all income derived from deposit accounts, loans, investments, etc - both Irish and foreign - whether or not they are exempted, or relieved, from Irish income tax and/or foreign taxes.
- For the purpose of Section 6, investments include savings certificates, life assurance bonds and other financial instruments where the interest/profit is accumulated and paid out as a lump sum at the end of the investment period. Where such financial instruments, both Irish and foreign, are held, a proportion of the interest/profit must be included in *Reckonable Income*. This annual amount is calculated by dividing the accumulated interest/profit at the end of the investment period by the number of years over which it will have accumulated. For example, €5,000 invested in 2006 to realise €7,500 gross after five years would have an annual income of €500 (i.e. €2,500 divided by 5) for reckonable Income purposes for the year ended 31 December 2007. The annual interest should be time-apportioned in the year in which the investment is made, and in the year in which it is realised, where these periods are less than a full year.
- The amount of interest to be included in respect of each Irish loan or deposit account is the gross amount, i.e. the sum of the amount received and the Irish tax deducted.
- The amount of income to be included in respect of Special Savings Incentive Accounts (SSIAs) is the government grant earned on the savings in the relevant tax year plus, in the case of savings accounts, the gross interest earned in the relevant tax year, and, in the case of investment accounts, the investment profit earned in the relevant tax year. Investment losses sustained in the relevant tax year are deductible.
- The amount of income to be included in respect of distributions from Irish companies is, in *all* cases, the amount received plus the tax credit.
- The amount to be included in respect of foreign interest and dividends is the € equivalent of the gross amount earned before deduction of foreign tax, if any.

Section 7 - Income from Maintenance Arrangements, Separation/Divorce Agreements, Settlements, Trusts, Covenants, Estates, Etc.

Other than for the exception stated below, details are required of all income - both Irish and foreign - from all Settlements, Trusts, Covenants, Estates, Maintenance Arrangements, etc, whether or not they are exempted, or relieved, from Irish income tax. In all cases, gross income should be shown.

The exception is:

- income received by a **Candidate** who is not an **Independent Mature Candidate** under a covenant from his/her **Parents/Guardians** need not be included.

The criteria specified for the purpose of establishing marital separation are as follows

- (1) current deserted wives benefit book or
- (2) current one parent family payment book or
- (3) maintenance agreement/order/divorce decree or
- (4) an affidavit sworn before a Commissioner for Oaths/Peace Commissioner that he/she is separated.

- The position in relation to the assessment of Reckonable Income of separated persons who elect for joint income tax assessment is, that the maintenance payment received by the parent with whom the candidate resides has no tax attaching to it, and, therefore, the amount as stated in the maintenance agreement represents the gross amount.

Section 8 - Disposal of Assets & Rights

- Other than for the exceptions stated below, details are required of all gains and losses on the disposals of assets and rights - both Irish and foreign - whether or not they were exempted, or relieved, from Irish Capital Gains Tax, and/or its foreign equivalent.

- **THE EXCEPTIONS ARE:**

The disposal of a principal private residence, except where the sale price reflects development value.

In the case of an **Independent Mature Candidate**

- disposals between **Spouse** and **Candidate**,
- disposals from **Spouse** or **Candidate** to their dependent children.

In the case of all other **Candidates**:

- disposals between **Parents/Guardians**,
- disposals from **Parents/Guardians** to the candidate,
- disposals from **Parents/Guardians** to their dependent children.

PLEASE COMPLETE SCHEDULE C, PAGE 13 OF THE APPLICATION FORM

CLARIFICATION POINTS:

- The amount to be included in respect of each disposal is the actual gain or loss, calculated as set out in SCHEDULE C divided by the number of years for which the asset or right was held.
- Original Cost should include incidental costs, e.g. freight, etc.
- Disposal Price is the gross sale price, or, if the transaction is not at arms length, the market value. If market value is being used, place a capital 'M' after the figure inserted in the Disposal Price column.
- Incidental Costs of Disposal includes costs such as advertising, sales commission, etc.
- Years Held should be rounded to the nearest whole year.
- Indexation of cost is not allowable for Reckonable Income purposes.

● **Disposal of Milk Quota**

Compensation for the disposal of a milk quota is in respect of the disposal of an asset. The calculation is as follows:

a) Determination of fraction sold:
$$\frac{\text{Quota compensation}}{\text{Reduced value of land + quota compensation}}$$

b) Determination of gain/(loss):
$$\begin{array}{r} \text{Quota compensation} \\ \text{Less} \\ \text{Cost of all land X by fraction at (a).} \end{array}$$

c) Amount to be included in Schedule C:
$$\frac{\text{Gain/(loss) at (b) divided by}}{\text{number of years for which land was held.}}$$

● **Disposal of Shares**

Gains on disposal of shares acquired under a profit sharing scheme or share option scheme are to be included in *Reckonable Income*. The amount to be included is the net sale proceeds less the price paid, if any, divided by the number of years over which they were held.

● **Realisation of a Life Assurance Policy**

For *Reckonable Income* purposes, the gain on the realisation of a life assurance policy or units in an investment undertaking must be declared. The calculation is as follows:

[the amount received on realisation, plus the Irish tax deducted, minus the amount(s) paid in premium(s)] divided by the number of years since the first premium was paid.

SUPPORTING DOCUMENTATION required to be submitted with this Application Form:

- Computation of Capital Gain for the tax year 2007 already supplied or to be supplied to the Inspector of Taxes.

Section 9 - Gifts & Inheritances

- Other than for the exceptions stated below, details are required of all gifts and inheritances - both Irish and foreign - whether or not they were required to be reported for Capital Acquisitions Tax purposes.

The exceptions are:

- a) In the case of an **Independent Mature Candidate**:
 - gifts and inheritances between a **Candidate** and **Spouse** need not be declared.
- b) In the case of all other **Candidates**, the following need not be declared:
 - gifts and inheritances between **Parents/Guardians**,
 - gifts and inheritances received by the **Candidate** from **Parents/Guardians**.

PLEASE COMPLETE SCHEDULE D, PAGE 13 OF THE APPLICATION FORM

C.A.T. / Disponer

C.A.T. means Capital Acquisitions Tax.

Disponer means the person who provided the gift or inheritance.

Section 10 - Income from sources not shown elsewhere

Examples of income to be included in Section 10 are:

- Tax Exempt Incomes-Artists, Stallion Fees, Woodlands, Greyhound Stud Fees, Patents, Rent-a-Room Relief, Childcare Services.
- Benefits not included on P60/ P21-employer PRSA contributions, other taxable benefits.
- Payments received on commencement or cessation of employment or redundancy, restrictive covenants etc
- Gross value of amounts withdrawn from pension products for personal use.
- Sums received after the discontinuance of a business - e.g. the realisation of debtors considered uncollectable when the business ceased trading.
- Fees or commissions earned outside an individual's main employment or self-employment.
- Gains from prize bonds, lotteries, gambling or sweepstakes.
- Woodlands income should be submitted in the following format:

Schedule E – Profit from Woodlands

Please complete schedule below on Page 13 of the Student Grant Application Form.

Sales and other income from Woodlands for a year ending between 1 January 2007 and 31 December 2007 (inclusive of grants, premia, etc.)

Value of standing trees at the beginning of the year

Add Total expenditure on woodlands in the year

Less Value of standing trees at the end of the year

Cost of sales - (b) + (c) - (d)

Profit - (a) - (e)

(Include this total (f) in Section 10 on Page 11 of the Student Grant Application Form)

(a) € _____

(b) € _____

(c) € _____

(d) € _____

(e) € _____

(f) € _____

Change in Circumstances

Change in Reckonable Income which is likely to be permanent.

Under the means test provisions of the student support schemes, a candidate's reckonable income is that for the year ended 31 December 2007 - the tax year 2007.

Where an individual experiences a change in circumstances at any time during the period 1st of January 2008 to the last term of the 2008/09 academic year, which may effect their reckonable income, they may apply to their Local Authority/VEC to have their eligibility for grant aid assessed or reassessed.

Such assessments are dealt with as follows:

- **Positive change in circumstances** occurring during the period referred to above will not affect eligibility to grant aid in the 2008/09 academic year. However, eligibility to grant aid in subsequent academic years will be based on income to the 31 December of the year prior to renewal of grant aid.
- **Adverse change in circumstances** occurring during the period referred to above. Eligibility for grant aid will be based on revised income rather than income for the year ended 31 December 2007. Awards or adjustments in cases where an adverse change in reckonable income occurs, assessed under this clause, shall normally be made with effect from the college term in which the change in circumstances occurs.
- **Overtime Payments**

Where it can be proved without doubt that overtime payments are not of a recurrent nature, the Local Authority or VEC may disregard such payments when assessing the reckonable income of grant applicants. A letter from the employer stating that the overtime will not recur in the current tax year should be submitted with the application. In addition, it will be necessary to provide evidence, e.g. by way of a P60, of gross salary for the preceding tax year also, i.e. provide a P60 for both the 2007 **and** the 2006 tax years. Where overtime has been disregarded as reckonable income all such cases will be reassessed for the following academic year.

Review/Reassessment

- Grant awards under the Maintenance Grant Schemes are subject to Annual Review/Reassessment.