

**[42.4.11] PAYE****Vocational Training Opportunities Scheme (VTOS)**

*Last Updated May 2016*

**1. Introduction**

The purpose of this manual is to set out the tax treatment of payments to individuals under the Vocational Training Opportunities Scheme.

**2. Vocational Training Opportunities Scheme (VTOS)**

The VTOS, which is operated through local Education and Training Boards (ETBs – VECs prior to 1 July 2013), provides a range of courses to meet the education and training needs of unemployed people, in particular early school leavers. Under the scheme, an individual who is aged 21 or over and has been receiving certain social welfare payments for at least six months, or who has been signing for credited contributions only, is paid a weekly allowance by the ETB instead of an unemployment payment where he/she undertakes a course. Courses, which are full-time and can last up to 2 years, range from basic education and training to advanced vocational training, covering a wide choice of subjects. Many courses lead to qualifications such as the Junior Certificate, Leaving Certificate and awards at Levels 3, 4, 5 and 6 on the National Framework of Qualifications.

Since 1991, payments made under the VTOS are treated as *not* taxable. Accordingly, deductions of income tax, PRSI and Universal Social Charge should not be operated in respect of these payments.