

Tax Tip
Week of November 30, 2009

New Rules on Employer Paid Scholarships

CRA has announced a change in policy for scholarships paid by employers to the children of its employees. The old rules required such income to be included in the income of the parent. However, CRA now takes the position that such payments are scholarship income in the hands of the student. This effectively makes the amounts non-taxable.

These rules only apply to post-secondary institutions and not private schools.