



Irish National Organisation of the Unemployed

August 2010

Employer Incentives to Recruit Unemployed People

This leaflet identifies key incentives and services to encourage employers to recruit unemployed people.

Introduction

Research has shown that unemployed people who return to the workplace do so with a high degree of motivation and commitment to their jobs. If an employer is thinking of employing new staff, they may not be aware of the range of incentives and services available when recruiting unemployed people. This leaflet gives an overview of these incentives and services.

Free Services

There are two main State employment agencies, the Local Employment Services (LES) and FÁS. They provide a range of supports to assist employers with their recruitment needs.

LOCAL EMPLOYMENT SERVICES (LES) provide a range of services to employers focussing on the provision of practical support, advice, guidance and information relating to employment services. These supports provide:

- A free and confidential placement service
- Information on a range of employment incentives on offer through the tax and social welfare systems
- Distribution of information on employer vacancies through local agency networks
- Networking opportunities with other local employers on common recruitment needs

FÁS is the National Training and Employment Agency and can assist employers with the recruitment of staff. FÁS Jobs Ireland is an online system where employers can register their company details and any vacancies they may have.

As most unemployed people are registered with FÁS there are a huge number of jobseekers using this system. The system allows employers to update company information, display vacancies and retrieve and store jobseeker's CVs.

Financial Incentives

The **REVENUE JOB ASSIST SCHEME** offers an employer financial incentives to recruit unemployed people through tax savings.

What's it worth?

Employers may claim a double deduction in calculating their taxable income on:

- Qualifying employees' wages and
- Employer's PRSI contributions for qualifying employees

☞ These deductions can be claimed for up to 3 years.

☞ There is no limit to the number of qualifying employees an employer can take on under the scheme providing they take up qualifying jobs.

QUALIFYING SOCIAL WELFARE PAYMENTS

To qualify an employer must employ a person who has been in receipt of Jobseeker's Benefit, Jobseeker's Allowance or certain Social Welfare payments for 12 months or more.

☞ The Revenue Job Assist form is available to download from www.revenue.ie. The form must be completed by both the employer and the employee.

QUALIFYING JOBS

Revenue Job Assist applies to jobs which:

- Are for a minimum of 30 hours per week
- Are capable of lasting at least 12 months.

Revenue Job Assist does not apply to jobs that are:

- Mainly commission based
- As a result of the previous employee being unfairly dismissed
- Already grant-aided by other agencies or supported by existing schemes
- Taken up by a company director or their spouse

☞ Usually employers will not qualify for Revenue Job Assist if any of their employees were made redundant in the 26 weeks prior to the start of the new employment.

Financial Incentives

The **EMPLOYER JOB (PRSI) INCENTIVE SCHEME** exempts employers from paying their share of PRSI for certain employees for 12 months. The purpose of the scheme is to support job creation.

The scheme is open to employers who create new and additional jobs in 2010. If you created a new job before June 2010 you may still qualify for the scheme. If you qualify it will be for 12 months from the date you are approved for the scheme.

QUALIFYING CRITERIA

To qualify, both the job created and the person employed must meet certain criteria.

THE PERSON EMPLOYED must be:

- in receipt of one of the following social welfare payments for a continuous period of at least 6 months:

Jobseeker's Benefit Jobseeker's Allowance
One-Parent Family Payment Disability Allowance

OR

- on the FÁS Work Placement Programme for at least 3 months

THE JOB must:

- Be created in 2010 • Last for at least 6 months
- Be a new and additional job
- Be for at least 30 hours per week

Please note:

- Employers will not be allowed to substitute existing employees to avail of the scheme
- If the employment ends within 6 months of getting the exemption, the employer may be liable to pay the employer's PRSI contributions for that employee
- You can only get an exemption from employer's PRSI for a limited number of employees. This limit is 5% of your existing workforce or, for smaller companies, a maximum of 5 new jobs.

HOW TO APPLY

If you have a new employee and are eligible for the scheme, fill in a PRSI 20 form which can be downloaded from the Department of Social Protection's website: www.welfare.ie For further information contact the Dept of Social Protection on LoCall: 1890 927 999

Work Placement Programme (WPP)

The **Work Placement Programme** facilitates employers to take on unemployed people for work experience placements which may last up to a maximum of 9 months. The person must have been in receipt of certain social welfare payments for at least 3 months. These payments include:


- Jobseeker's Allowance / Jobseeker's Benefit
- One Parent Family Payment
- Disability Allowance * • Blind Pension *
- Invalidity Pension * • Illness Benefit *

* It is important to receive written approval from the Department of Social Protection before starting the Work Placement Programme

If, at the end of the 9 month period, the employer is in a position to recruit the person they will have had ample opportunity to determine if they are suitable.

Payment of participants is not a programme requirement. Participants will be in receipt of a social welfare payment and there may be restrictions regarding any additional payments. Participants are required to notify the Department of Social Protection (DSP) of any payments received and are advised to check that this does not affect their social welfare status and entitlements.

There are two different options on the programme: **Work Placement Programme 1 (WPP1)** and **Work Placement Programme 2 (WPP2)**. If you are a graduate with a Level 7 qualification you can apply for both the graduate placements (WPP1) and the non-graduate placement (WPP2). Otherwise you can apply for all non-graduate placements (WPP2)

 An employer who recruits a person who has been on the Work Placement Programme for 3 months or more will be eligible for the Employer Job (PRSI) Incentive Scheme.

Businesses in the public, private, community and voluntary sector can apply to offer work placements. Employers will need to complete the work placement programme online application form. Application guidelines are also available to download from the FÁS website: www.fas.ie

Useful Links

Department of Social Protection	www.welfare.ie
Department of Enterprise, Trade and Innovation	www.deti.ie
Department of Finance	www.finance.gov.ie
Government Departments	www.gov.ie
FÁS	www.fas.ie
Revenue Commissioners	www.revenue.ie
Small Firms Association	www.sfa.ie
Irish Small and Medium Sized Enterprises	www.isme.ie
Irish Business and Employers Confederation	www.ibec.ie
Irish Business and Finance Portal	www.finfacts.ie
Enterprise Ireland	www.enterprise-ireland.ie
Central Statistics Office	www.cso.ie
IFSRA	www.ifsra.ie
Chambers Ireland	www.chambers.ie
Irish Development Agency (IDA)	www.ida.ie
FORFAS	www.forfas.ie
Citizens Information	www.citizensinformation.ie
National Employment Rights Authority	www.employmentrights.ie



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Information Service

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websites: www.inou.ie www.redundancy.ie

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