

Financial Incentives to take up Work

Information to help you bridge the gap between unemployment and work

Work and Unemployment Payments

Part time work and unemployment payments

If you are unemployed and in receipt of either Jobseeker's Benefit or Jobseeker's Allowance you can work part-time and claim some of your Jobseeker's payment for the days you are unemployed.

Working part-time is allowed, providing you are:

- Unemployed for at least 3 in any 6 consecutive days
- Genuinely seeking full-time employment
- Available to work in the days you are unemployed

Working for any part of a day, even for only one hour, is counted as a full day of employment.

Part-time work and Jobseeker's Benefit (JB)

If you are claiming JB you can work for up to 3 days a week and receive payment for the days you are unemployed. You will not be paid JB for the days you are working, but earnings from work will not affect your remaining JB payment.

Sunday is not considered a day of employment. For Jobseeker's Benefit there is no limit to the amount you can earn on a Sunday.

From July 2012, if you are in receipt of a Jobseeker's Benefit payment and you work part-time, your JB payment will be based on a 5 day week rather than a 6 day week, which may result in a change to earnings.

Part-time work and Jobseeker's Allowance (JA)

If you are claiming Jobseeker's Allowance you can work for up to 3 days a week and receive payment for the days you are unemployed.

Earnings from work may affect your JA payment. Generally if you work on a Sunday you will not lose a portion of your weekly JA payment for this day. The only time that working on a Sunday could affect your JA payment is when you combine any earnings from Sunday with other days worked during the week and these earnings are more than the maximum rate for your circumstances.

Family Income Supplement

Family Income Supplement (FIS) is a weekly tax free payment for working people on low pay with families.

To be entitled to FIS you must:

- be working for at least 19 hours a week or 38 hours every fortnight and not getting Jobseeker's Benefit or Jobseeker's Allowance. Your spouse/partners hours can be added to your hours to make up 19 hours.
- Expect to be employed for at least 3 months
- Have at least one child who is under 18 or 18 – 22 and in full time education and who is normally living with you and supported by you.
- Satisfy a Means Test

FIS and the Means Test

The means test will count all of your income including:

- Rental income from property
- Your spouse or partner's income

The means test does not include income from payments such as Child Benefit and Rent Supplement.

What's it worth?

Conor and Niamh have 4 children. Conor is employed for 19 hours and earns €250 per week net (after tax). If Conor applies for a FIS payment based on his family size and net wages his new total household income will be €594.40.

This is calculated as follows:

Set FIS rate for family of four children	€824.00
Less Conor's income	- €250.00
Income Difference	€574.00
Weekly FIS payment (60% of €574)	€344.40
Plus Conor's earnings	+ €250.00
Total Household Income	€594.40

How to apply for FIS – Include with your application form (available from your local Social Welfare office):

- A copy of your Certificate of Tax Credits for the current tax year
- Your latest P60
- 2 recent payslips

Send your completed FIS application form to:
 Family Income Supplement (FIS) Section, Department of Social Protection, Social Welfare Services Office, Government Buildings, Ballinalee Road, Longford.

Self Employment Options

There are two types of Enterprise Allowance which may allow you to retain a Social Welfare Payment / Secondary Benefits and start your own business.

BACK TO WORK ENTERPRISE ALLOWANCE (BTWEA)

You will qualify for the BTWEA if you:

- Are starting your own business that has been approved in advance in writing by a Facilitator or Enterprise Officer

And

- You are 12 months unemployed and in receipt of Jobseeker's Allowance (JA) or Jobseeker's Benefit (JB) and have an entitlement to JA.

You can receive BTWEA for a maximum of 2 years, 100% of your social welfare payment for the first year and 75% for the second year.

Applying for BTWEA

You will need to complete the application form BTW 2 (available from www.welfare.ie) and send it to: The Enterprise Officer in your local Partnership / Local Development Company. If you do not live in a Partnership area you should send your application to the Facilitator in your local Social Welfare office.

SHORT-TERM ENTERPRISE ALLOWANCE

You will only qualify for the Short-Term Enterprise Allowance if you are in receipt of Jobseeker's Benefit.

Payment on Short-Term Enterprise Allowance

The Allowance will be paid for a maximum of 1 year. It will end when your entitlement to Jobseeker's Benefit (JB) ends. If you are already on JB, you will only receive the Short-Term Enterprise Allowance for the remaining time you have left on JB.

Example: Robert has an entitlement to a JB payment for 12 months. He applies for the short-term enterprise allowance after being in receipt of a JB payment for 3 months. He will receive this allowance for the remaining 9 months he has left on JB.

Work and Secondary Benefits

Secondary Benefits are benefits that you may be entitled to as a result of being in receipt of a Jobseeker's payment. When taking up work you should consider whether extra income will affect your secondary benefits. Outlined below is how extra income may affect a Medical Card and rent and mortgage interest supplement.

MEDICAL CARD

You can take up full-time work and keep your Medical Card for 3 years. If you have been receiving an unemployment payment for 12 months or more. This does not apply to part-time work.

RENT AND MORTGAGE INTEREST SUPPLEMENT

If you receive a Rent or Mortgage Interest Supplement and take up part time work (under 30 hours per week) the first €75 of additional household income* will not be counted against your payment. In addition, 25% of income over that €75 is not counted, but the remaining 75% of the income is counted against the Rent / Mortgage Supplement. If you work over 30 hours per week you will not be entitled to Rent or Mortgage Interest Supplement.

What's it worth?

Example: Additional household income = €150

Step 1: disregard the first €75 = balance is €75

Step 2: then disregard 25% of balance = €18.75 (€75 – 25%)

Step 3: total disregard = €93.75 (€75 + €18.75)

Assessable Income = €56.25 (€150 - €93.75)

Assessable income of €56.25 will be taken off the Rent or Mortgage Interest Supplement payment.

Please note: Taking up part-time work will, in most circumstances, lead to a reduction in your Social Welfare payment. Earnings from work may also affect other secondary benefits such as Fuel Allowance.

* Additional household income is your total income minus the supplementary welfare allowance rate for your family size.

Other Incentives ✓

REVENUE JOB ASSIST (RJA)

This scheme provides additional tax-free allowances (including a Child Tax Allowance) for people who are returning to work and in receipt of qualifying social welfare payments. Under this scheme you must be employed for a minimum of 30 hours per week and the job should be capable of lasting for at least 12 months. You may qualify for this scheme if you are in receipt of a Jobseeker's payment for 12 months. You will not qualify if you have:

- been made redundant in the last 6 months

If you qualify for RJA you will retain your Medical Card for 3 years and you may also be eligible for FIS.

PART-TIME JOB INCENTIVE SCHEME (PTJIS)

This scheme allows people who have been getting Jobseeker's Allowance for 15 months or more to take up part-time work and get a Part-time Job Allowance instead of the Jobseeker's Allowance. The Allowance is payable regardless of the money you earn in your job. However, your combined income may affect your entitlement to Rent/Mortgage Interest Supplement.

Go online or contact us ✓

For more detailed information on financial incentives to take up work or information on the following:

- Welfare Rights
- Education and Training
- Schemes and Programmes



**Irish National Organisation
of the Unemployed**

Information Service



01 856 0088



welfareinfo@inou.ie

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

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