



2010

# Know Your Welfare Rights



*A Practical Resource Pack*



**Know Your Welfare Rights** is a practical Resource Pack designed to assist a range of individuals and groups dealing with the welfare rights needs of people who have recently or are about to become unemployed. The Pack is particularly relevant for:

- Shop Stewards / Trade Unions Officials
- Information Providers in INOU affiliated organisations and other Resource Centres

**This Pack consists of:**

- A detailed guide containing information on Jobseeker's Benefit and Jobseeker's Allowance, Genuinely Seeking Work, Payment Rates, Credits and Secondary Benefits

- An INOU contact card
- Two leaflets, *Know your Welfare Rights*, and *Looking for Work*, which are aimed directly at people who have become or are about to become unemployed.

Please contact the INOU if you would like to receive more of these leaflets.

We value feedback on our publications and services. If you have any comments or suggestions we would be grateful if you would contact us.

Please note that the contents of this pack provide a general overview. For more detailed information please contact the INOU.



## 1: Becoming Unemployed

- Introduction
- Redundancy

## 2: Genuinely Seeking Work

- Genuinely Seeking Work (GSW)
- Genuinely Seeking Work Interview
- Services and Supports for unemployed people looking for work

## 3: A Guide to Jobseeker's Benefit (JB) and Jobseeker's Allowance(JA)

- Jobseeker's Benefit
- Jobseeker's Allowance
- Habitual Residence Condition

## 4: Rates of Payment

## 5: PRSI – Credits and Paid Contributions

## 6: Secondary Benefits



## Introduction

The economic downturn from mid-2008 has been frightening. The number of people signing on almost doubled in a 16 month period from Summer 2008. Huge numbers of people are facing and will continue to face the prospect of losing their job in 2010. While vacancies are being advertised and people are taking-up jobs, jobs are being lost at a much greater rate. During 2009, for instance, there was a huge increase in the number of redundancies, with the numbers almost double the 2008 figure. It is becoming increasingly more difficult for most people who lose their job to find employment.

Trade Union Officials, Information Providers and others will be aware of the many difficulties experienced by people who have lost their jobs. The shock as a result of factory closure or redundancy can be acute for the individual who loses his or her job. In addition, many people who lose their jobs may have little or no experience or knowledge of the social welfare system or the information they have may be incorrect. Many more will be unaware of Genuinely Seeking Work legislation and may have little or no knowledge of secondary benefits, the rates of payment and may not be

aware of available supports to look for work, training or education options.

## INOU Resources and Services

The INOU provides some key resources including:

### Website:

[www.redundancy.ie](http://www.redundancy.ie) which contains targeted information to Trade Unions/Shop Stewards and Information Providers.

### Publications:

'**Looking For Work**' leaflet, which identifies a wide range of services, supports, advice and tips to help with jobseeking

'**Know Your Welfare Rights**' leaflet is a basic guide to what you need to know when you become unemployed

'**Working For Work**' book, which is a comprehensive book that explores welfare, work, education and training options for unemployed people.

The INOU also delivers an expert free, confidential and impartial **email and telephone based welfare rights information service.**

For advice on welfare to work queries and information please contact the Welfare to Work Section.

## Redundancy

### **What is Redundancy**

A redundancy situation generally occurs where, for a variety of reasons, an employee's job no longer exists and they are not replaced. Employers are obliged, by law, to pay a statutory redundancy payment to employees who lose their jobs as a result of redundancy.

### **Eligibility for Statutory Redundancy Payments**

In order to be eligible for a statutory redundancy payment, an employee must:

- Be aged 16 years or over
- Be in employment and paying PRSI contributions, usually Class A contributions
- Have worked continuously for the employer for at least 2 years (104 weeks)
- Have worked continuously for the employer for more than 2 years if working part-time

### **Written Periods of Notice**

An employer is obliged to issue a written notice of redundancy to the employee (Form RP50) and to send a duplicate of the form to the Department of Enterprise, Trade and Employment. Generally, the minimum period of notice will depend on a person's length of service or the period of notice in the person's contract of employment. It is good employment practice for an employer to notify all workers of a redundancy situation regardless of their length of service. The following table lists the minimum period of notice, which a person is entitled to receive.

Length of employment	Minimum Period of Notice
Less than 13 weeks	Nil
13 weeks – 2 years	1 Week
2 years – 5 years	2 Weeks
5 years – 10 years	4 Weeks
10 years – 15 years	6 Weeks
More than 15 years	8 Weeks

» The employee is entitled to reasonable time off to look for other work during the period of notice.

### **Redundancy Payments**

The amount of the Redundancy payment is determined by the employee's length of continuous service and weekly earnings. Weekly earnings include the gross weekly wage, average regular overtime and benefits-in-kind. Currently, the maximum weekly amount for determining the level of a statutory redundancy payment is €600. However, Trade Unions often successfully negotiate settlements above the statutory redundancy rate. The statutory redundancy payment, or the statutory redundancy part of an enhanced redundancy payment, is tax-free. Any enhanced elements of a redundancy payment are liable for tax.

### **Calculating Redundancy Payments**

If an employee is eligible for a Redundancy payment, they are entitled to:

- Two weeks pay for each year they have been employed (subject to the €600 per week limit on statutory redundancy payments) and
- A bonus week's pay

### **If a Redundancy is disputed**

If there is a dispute in a redundancy situation, this may be referred to the Employment Appeals Tribunal. Further information is available on their website - [www.eatribunal.ie](http://www.eatribunal.ie)

#### **Example – Calculating Redundancy Payments**

A person has worked for an employer for 5 complete years. Their statutory redundancy payment will be calculated as follows:-

Two week's pay x 5	10 weeks
One week's bonus pay	+1 week
Total Statutory Entitlement	11 weeks

### **Further Information**

- For information on calculating redundancy payments, a statutory redundancy calculator is available on the Department of Enterprise, Trade and Employment's website at [www.entemp.ie](http://www.entemp.ie)
- The RP50 Form is also available to download from the Department's website
- Further information is available on the National Employment Rights Authority website at [www.employmentrights.ie](http://www.employmentrights.ie)

## Inability or refusal to pay a redundancy payment

If an employer is unable to pay redundancy, they should fill out and sign the RP50 Form. The employee can apply to the Redundancy Payments section of the Department of Enterprise, Trade and Employment for direct payment from the Social Insurance Fund.

The employee can bring a claim to the Employment Appeals Tribunal if an employer refuses to pay a redundancy payment and does not fill out and sign the RP50 Form.

## Managing on a reduced income

The loss of a job can lead to a dramatic change in a person's financial circumstances, particularly where the individual has children and / or other dependants.

**The Money Advice and Budgeting Service (MABS)** operate a number of local offices countrywide. These provide advice and practical help such as money management and negotiating with creditors.

The MABS Advice Worker can assist an unemployed person to work out repayment agreements.

### Further Information



A full list of local MABS offices is available at [www.mabs.ie](http://www.mabs.ie)



MABS Helpline: 1890 28 34 38

## 2. Genuinely Seeking Work and Services for Unemployed people Looking for Work



### Genuinely Seeking Work (GSW)

In order to qualify for an unemployment payment, a person should be available to take up full-time work that is reasonably suitable for them or training, education or development recommended by a Department of Social and Family Affairs (DSFA) Official.

▶▶ A person may take up to three days part-time employment while seeking full-time work and may qualify for a Jobseeker's payment for the other days in the week that they are unemployed. They need to continue their job-seeking on the days they are not working.

**How to retain a Jobseeker's Payment** – In order to continue to receive JB or JA a person should show that they have taken reasonable steps to look for work. These include:

- Listing oral and written applications for work to employers
- Maintaining a current CV
- Looking for information on employment from job advertisements and employment agencies
- Registration with FÁS, Local Employment Service (LES) and / or Job Club
- Acting on the advice given by DSFA Facilitators, FÁS or other placement agencies such as the LES
- Availing of suitable training, education and development opportunities

- Taking steps towards self-employment

If the person is unsuccessful in finding work initially, they may be asked to broaden their jobsearch.

### **Keep a Record of all Job Seeking Efforts**

A person should keep a record of all their job seeking efforts. This record should include:

- Copies of all job advertisements responded to. If it is not possible to cut out the advert the details of the job should be written down. Similarly, copies of all e-mail applications and subsequent correspondence should be kept
- All employers' replies, including e-mails
- A list of all telephone calls made regarding jobs. It would also be useful to list the name(s) of people talked to
- Certificates of Postage from the Post Office. These are free of charge and act as evidence of efforts to find jobs
- Registering with FÁS and any subsequent visits to the FÁS office
- Registration details of any job placement service or employment agency including keeping copies of all correspondence.

## GSW Interview

An unemployed person may be called in for an interview in their local social welfare office to discuss their job-seeking efforts. If social welfare believe that the person is not genuinely seeking work, they may lose their payment. If the person believes that this decision is unfair they should ask for another interview to put forward their case.

- ! Always ask for a Social Welfare decision in writing as this is an unemployed person's entitlement.

## Appealing a Decision

If a person disagrees with the decision by Social Welfare to deny them a Jobseeker's payment, they should always appeal that decision. In order to appeal, the individual must complete the Social Welfare Appeals Form (SWA01) which can be obtained from any Social Welfare Office or explain your appeal in a letter.

- ! A person has 21 days to Appeal a Social Welfare decision.

- ☰ Send the completed appeals form to: Chief Appeals Officer, Social Welfare Appeals, D'Olier House, D'Olier St., Dublin 2.

## Having Representation at Appeals

Experience has shown that an unemployed person is much more likely to be successful in their appeal if they have assistance from an Information Officer or a Trade Union Official when making their appeal and in attending the appeal itself.

If a JB or JA payment has been stopped and the unemployed person has lodged an appeal they may qualify for a means-tested Supplementary Welfare Allowance (SWA) payment from the Community Welfare Officer.

## Further Information

- A detailed guide to the implementation of Genuinely Seeking and Available for Work legislation is available on the Department of Social and Family Affairs website [www.welfare.ie](http://www.welfare.ie)
- Contact the INOU if you have any queries on Genuinely Seeking Work or social welfare appeals.
  - ☎ 01 856 0088
  - ✉ [welfareinfo@inou.ie](mailto:welfareinfo@inou.ie)
- The Social Welfare Appeals Office is located at D'Olier House, D'Olier Street, Dublin 2
  - ☎ Locall 1890 747434
  - 💻 [www.socialwelfareappeals.ie](http://www.socialwelfareappeals.ie)

## Services and supports for unemployed people looking for work

### *Nationwide Services*

#### ● **Social Welfare Offices**

Facilitators are based in Social Welfare Offices around the country to assist people to find employment.

A full listing of Social Welfare Offices, are available on the Department's website at [www.welfare.ie](http://www.welfare.ie)

#### ● **FÁS Offices**

Employment Services Officers are based in local FÁS Offices and can register anyone with FÁS who is over 15 years of age and not attending school. They also advise on employment opportunities, training courses and other options, which may lead to employment.

A full listing of FÁS Offices, is available on the FÁS website at [www.fas.ie](http://www.fas.ie)

### *Area specific Services*

#### ● **Local Congress Centres Network/ Resource Centres**

Local Congress Centres Network / Resource Centres provide services and supports that assist people in finding employment. Many Centres also provide a range of services including welfare to work advice, information on local job vacancies, assistance with CV preparation and running Job Clubs.

A full listing of Local Congress Centres, is available on the ICTU website at [www.ictu.ie](http://www.ictu.ie)

#### ● **Job Clubs**

Job Clubs provide job seeking skills courses for people who are 'job ready' or who have recently become unemployed.

A full listing of FÁS Job Clubs, is available on the FÁS website.

#### ● **Pobal Funded Area Based Partnerships and Community Partnerships**

Partnerships often provide services to unemployed people. These may include information, guidance and training courses. Partnerships have a particular role in supporting unemployed people to become self-employed.

A full listing of Area Based Partnerships, is available on the Pobal website at [www.pobal.ie](http://www.pobal.ie)

A full listing of Community Partnerships, is also available on the Pobal website.

#### ● **The Local Employment Service (LES)**

The Local Employment Services assist people who have been unemployed for more than three months to secure employment. The LES may provide Mediator and Guidance services.

A full listing of Local Employment Services, is available on the FÁS website. [www.fas.ie](http://www.fas.ie)

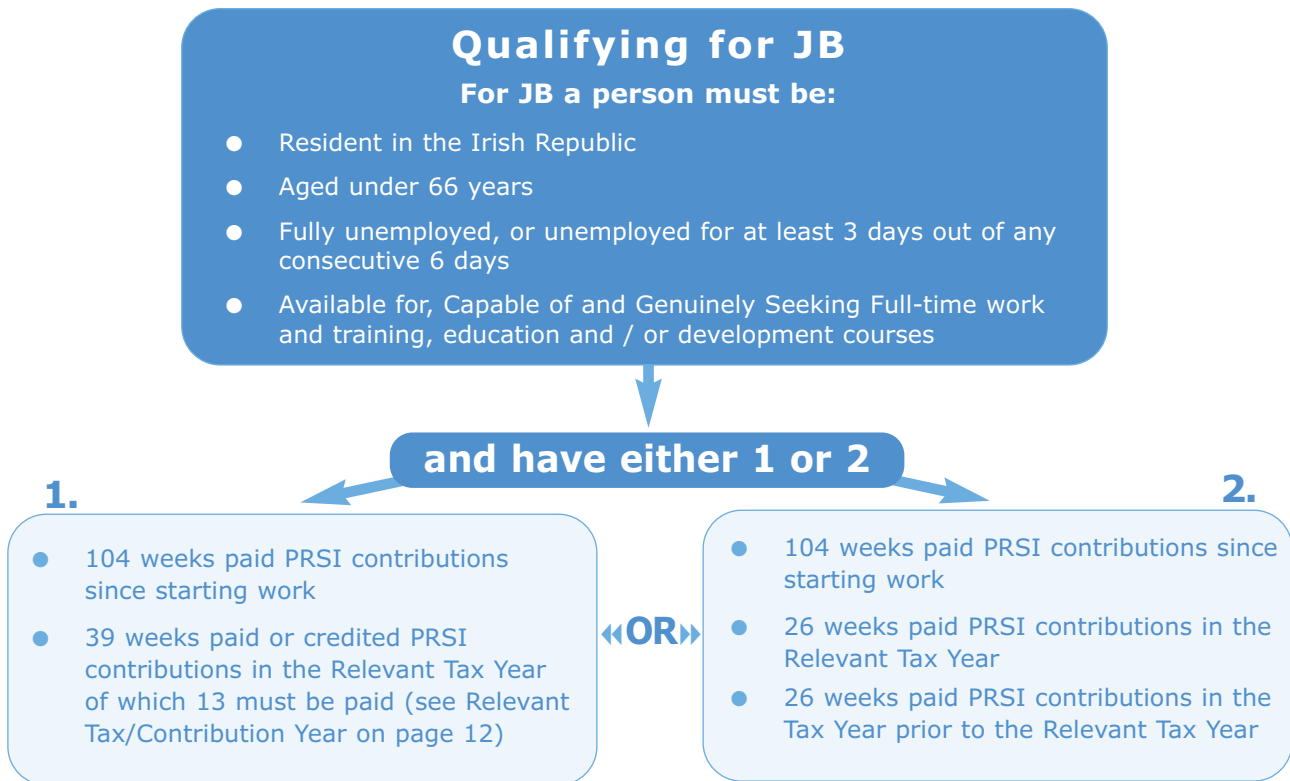




#### Jobseeker's Benefit (JB)

##### Qualifying for JB

Jobseeker's Benefit is one of two main unemployment payments. This payment can be paid for up to 12 months after which time a person may apply for Jobseeker's Allowance. Entitlement to JB is based on the number of relevant PRSI contributions (what used to be known as stamps). PRSI contributions can be paid (when working) or credited (including when signing-on the Live Register). Section 5 contains further information on PRSI Contributions.



##### Payment

A person will be entitled to the full JB rate if their weekly wages in the relevant tax/contribution year was at least €300. Section 4, Rates of Payment, shows the 2010 JB rates.

**!** In certain circumstances it may be more financially worthwhile for a person to opt for a JA payment rather than a reduced JB payment. For further information please contact the INOU.

### ***Duration of Payment***

Jobseeker's Benefit will be paid for a maximum of 12 months to new claimants who have at least 260 paid PRSI contributions and a maximum of 9 months to claimants who have less than 260 paid PRSI contributions.

### ***Re-Qualifying for Jobseeker's Benefit***

If an individual has used up their entitlement to Jobseeker's Benefit they may re-qualify for JB within 26 weeks of that claim providing they have 13 paid PRSI contributions.

### ***Relevant Tax/Contribution Year***

The relevant tax/contribution year is the tax year two years before a claim is made. For making a JB claim in 2010, the relevant tax/contribution year is 2008.

### ***Delay in JB payment***

There may be a delay in receiving a Jobseeker's Benefit Payment up to a maximum of 9 weeks, if a person receives a redundancy payment of €50,000 or over. This applies to people who are less than 55 years of age.

If a person uses some of their redundancy payment to clear or reduce debts such as; mortgage or rent, they may receive their JB payment quicker.

### ***Loss of Entitlement to a JB Payment***

A person may lose their entitlement to a JB payment if they:

- Refuse an offer of suitable employment or training provided by FÁS, without good cause (also applicable for JA)
- Leave employment without good cause

### ***Part-Time Working and JB***

A person on JB can work up to three days per week. They will lose their JB payment for the days they have worked. The person must continue to prove that they are available for and genuinely seeking full-time work for the days they are unemployed. Qualified Adults of a JB claimant can earn up to €100 before their payment is affected. A qualified adult is a spouse or partner who does not receive a social welfare payment in their own right.

## **Jobseeker's Allowance (JA)**

### ***Qualifying for JA***

Jobseeker's Allowance is the other main unemployment payment. If a person does not have enough PRSI contributions to qualify for a JB payment they may qualify for a JA payment providing they are:

- Resident in the Irish Republic
- Aged 18 or over
- Aged under 66 years
- Fully unemployed or unemployed for at least 3 days out of any consecutive 6 days
- Available for, Capable of and Genuinely Seeking Full-time work, training, education and / or development courses

### **AND**

- Satisfy a means test (which includes a partner's or spouse's income)
- Satisfy the Habitual Residence Condition

### JA Means Test

A person's means of income will determine entitlement to a JA payment and the level of that payment. The JA claimant will be interviewed about their means. They should keep bank statements and/or account details if possible as these may be required.

The following four potential means of income are taken into account in the Means Test:

- Cash Income
- Property (other than a person's own home)
- Capital
- Benefit and Privilege (this refers to the benefit received by an unemployed person from living in a parent's home and only applies to people aged under 25)

### How an unemployed person's means are assessed

When an unemployed person's means are being assessed, their cash income, savings, investments or any property, other than their own home, are worked out using the following formula;

Capital	Weekly Means
Up to €20,000	€0
€20,000 – €30,000	€1 per €1,000
€30,000 – €40,000	€2 per €1,000
Over €40,000	€4 per €1,000

### Example

A person who has recently become unemployed has savings, to the value of €40,000.

Savings	€40,000
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Assessable savings

First €20,000 value	€0
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€20,000-€30,000 (10 x €1)	€10
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€30,000-€40,000 (10 x €2)	€20
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Total Weekly value of savings	€30
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€30 will be deducted from the person's weekly payment

### Part-Time Working and JA

A person can claim a Jobseeker's Allowance payment and work up to a maximum of three days per week. They will lose part of their JA payment for the days they have worked.

The person must continue to prove that they are available for and genuinely seeking full-time work for the days they are unemployed.

Where a person claims a JA payment and works part-time, an income disregard of €20 will be allowed for each day worked (up to a maximum of three days per week). This income disregard also applies to Qualified Adults.

Qualified adults of a JA claimant can work full or part-time but their earnings may affect their family JA rate.

**Habitual Residence Condition** is an assessment carried out by the Department of Social and Family Affairs which determines whether a person will receive a JA payment. A person will usually satisfy the rule if they have been:

- Legally residing in Ireland (or Northern Ireland, Great Britain or the Channel Islands) for 2 years or more
- Have worked in Ireland
- Intend to remain in Ireland

**Supplementary Welfare Allowance (SWA) Payment** is a means-tested short-term payment for people who have applied for JB or JA and are awaiting a decision on their claim or who have appealed their claim. This payment is available through Community Welfare Officers, who are currently based in local health centres.

### Qualifying for a SWA Payment

To qualify for a SWA payment a person must:

- Satisfy a means test (which includes a partner's or spouse's income)
- Satisfy the Habitual Residence Condition
- Have applied for all benefits or assistance (including appeals) from both the DSFA and/or the Health Service Executive (HSE)

- Satisfy the Community Welfare Officer that the person needs the particular payment and they are Genuinely Seeking Work.

### EU Citizens and SWA

EU citizens who have been working in Ireland may be able to claim a SWA payment, access Rent Supplement and other SWA payments, if they:

- Have been employed in Ireland
- Have lost their job *and*
- Meet other relevant SWA qualifying conditions

### Other Entitlements

There may be an entitlement to other payments which are related to family circumstances. These may include:

- A Qualified Adult Payment
- A Qualified Child Payment which is a payment for children under 18, or 22 if in full-time education

A person may also have an entitlement to other benefits (called secondary benefits) as a result of receiving a Jobseeker's Benefit or Jobseeker's Allowance payment. For further information see Section 6 – Secondary Benefits.

## Further Information

- For more detailed information on any aspect of Jobseeker's Benefit or Jobseeker's Allowance, please contact the INOU:



01 856 0088



[www.redundancy.ie](http://www.redundancy.ie) / [www.inou.ie](http://www.inou.ie)

- The Department of Social and Family Affairs website [www.welfare.ie](http://www.welfare.ie) contains more information on the guidelines on Habitual Residence Condition.

- More details on the guidelines applied by the Department in relation to JA and JB are also available on the Department's website
- The Department of Social and Family Affairs Payments & Information Services are contactable by phone at:



(01) 704 3000

## 4. Rates of Payment



Jobseeker's Allowance 2010 Rates					
	18-21		22-24		25 or over
	Full Rate	Reduced Rate	Full Rate	Reduced Rate	Full Rate
Personal Rate	€196.00	€100.00	€196.00	€150.00	€196.00
Qualified Adult Rate	€130.10	€100.00	€130.10	€130.10	€130.10
Each Qualified Child Rate	€29.80	N/A	€29.80	N/A	€29.80
Each Qualified Child Half Rate	€14.90	N/A	€14.90	N/A	€14.90



A person under 25 and in receipt of a JA payment will only receive the full JA rate if they have child dependants or are on an approved training or education course. The reduced rate does not apply to JA recipients who are 25 or over.

2010 Maximum Payment Rates for Jobseeker's Benefit	
Personal Rate	€196.30
Qualified Adult Rate	€130.10
Each Qualified Child Rate	€29.80
Each Qualified Child Half Rate	€14.90

### Wage Band Limits

For claims made in 2010 you need to have earned €300 or more weekly to get the maximum €196 personal rate (see table below).

Jobseeker's Benefit 2010 Rates				
Average Weekly Earnings	Personal Adult Rate	Qualified Adult Rate	Qualified Child Rate	Qualified Child Half Rate
Less than €150	€88.10	€84.30	€29.80	€14.90
€150 – €219.99	€126.60	€84.30	€29.80	€14.90
€220 – €299.99	€153.60	€84.30	€29.80	€14.90
€300 or more	€196.00	€130.10	€29.80	€14.90



If you do not qualify for the Qualified Adult Payment, you may get a Qualified Child Half-Rate Payment if your spouse or partner has income of €400 or less per week.



Credits are social insurance (PRSI) contributions that will help protect a person's social insurance entitlements (e.g. Pensions) during periods when they are not able to make paid contributions (i.e. when unemployed). If a person has become unemployed they can sign-on for credits if they have paid PRSI contributions in the previous 2 years.

- ☛ If a person signs on for credits, they will be required to meet the genuinely seeking work criteria.
- ☛ Credits can be very important in ensuring that a person qualifies for payments such as a state pension.
- ☛ Contributions can be paid or credited.

### PRSI Class A

If a person has been working and paying PRSI, they will have paid Class A PRSI unless they are either:

- Self employed,
- Employed by the state before 6th April 1995 or,
- Earning less than €38.00 gross per week

Class A PRSI provides entitlement for Jobseeker's Benefit and other social insurance payments such as Illness Benefit.

Benefits which a person may be entitled to as a result of paying Class A PRSI include:

- Jobseeker's Benefit
- Illness Benefit
- Maternity Benefit
- Adoptive Benefit
- Health and Safety Benefit
- Invalidity Pension
- Widow's or Widower's (Contributory) Pension
- Guardian's (Contributory) Payment
- State Pension (Contributory)
- State Pension (Transition)
- Bereavement Grant
- Treatment Benefit
- Occupational Injuries Benefit
- Carer's Benefit



Secondary Benefits are benefits which a person may be entitled to as a result of being in receipt of an unemployment payment.

If a person is in receipt of JB or JA, they may be entitled:

- From their local Health Services Executive to:
  - **Mortgage Interest Supplement**
  - **Rent Supplement**
  - **Medical Card**
  - **GP Visit Card**
  - **Back to School Clothing & Footwear Allowance**
  - **Diet Supplement**
  
- From their local Social Welfare office to:
  - **Fuel Allowance\***
  - **Smokeless Fuel Allowance\*\***
  
- From their Local Authority to:
  - **Differential Rent**
  - **Rental Accommodation Scheme (RAS)\*\*\***

\* **Fuel Allowance** – The Fuel Allowance is payable to a person who is in receipt of Jobseeker's Allowance for more than 390 days, but is not payable with Jobseeker's Benefit.

\*\* **Smokeless Fuel Allowance** – The Smokeless Fuel Allowance is payable to people who live in smokeless or low fuel areas who are in receipt of Jobseeker's Benefit or Jobseeker's Allowance for more than 13 weeks.

\*\*\* **Rental Accommodation Scheme (RAS)** – The Rental Accommodation Scheme is for people who receive rent allowance for over 18 months and who need long-term housing. The scheme is run by the Local Authorities.