



Irish National Organisation of the Unemployed

August 2010

Start your own business

What you need to know about moving from unemployment to self-employment



Introduction

This leaflet outlines financial incentives, business supports and practical information available to unemployed people looking to start their own business.


Services

CITY/COUNTY ENTERPRISE BOARDS (CEBs) provide advice and support on the steps involved in setting up a business. This includes providing grants for feasibility studies, financial support for the establishment of new businesses and a range of soft supports such as training and mentoring.


 www.enterpriseboards.ie

PARTNERSHIPS / LOCAL DEVELOPMENT COMPANIES

Provide supports for people starting their own businesses. An Enterprise Officer provides advice, training and business mentoring supports. There are 53 Local Development Companies in Ireland.

 www.planet.ie

FÁS is the National Training and Employment Authority. FÁS is organised as a network of regional and local offices nationwide which includes 20 training centres. FÁS provide day-time and evening courses in starting your own business. Duration of courses varies and participants on certain Social Welfare Payments may be entitled to courses free of charge. An Employment Services Officer is available to offer advice about training courses which may best suit your needs.

 www.fas.ie

LOCAL SOCIAL WELFARE OFFICE Facilitators may be able to provide some smaller scale funding e.g. training. Facilitators also approve applications to Enterprise Allowances.

 www.welfare.ie

ENTERPRISE IRELAND focus on business start-ups which have a high potential to create jobs and develop an export market.

 www.enterprise-ireland.ie

Retaining your Social Welfare Payment

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)

Qualifying for 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

- Are 12 months unemployed and getting Jobseeker's Allowance (JA) or Jobseeker's Benefit (JB) and have an entitlement to JA.

Payment on BTWEA

The amount of time you can participate on the BTWEA is 2 years. You will receive 100% of your Social Welfare payment for the first year, and 75% for the second year.

If you have previously participated in the BTWEA scheme and exhausted your entitlement, you can participate a second time after a period of at least 5 years has elapsed.

 You may also qualify for BTWEA if you are in receipt of other types of Social Welfare payments, including a One Parent Family Payment.

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.

Your application will be examined by the Enterprise Officer or Facilitator who may wish to discuss certain aspects of your proposal with you.

Do not begin self-employment until you have received written approval from your local Partnership/Local Development Company or the Department of Social Protection.

Retaining your Social Welfare Payment

SHORT-TERM ENTERPRISE ALLOWANCE

Qualifying for the Short-Term Enterprise Allowance
You will qualify for the Short-Term Enterprise Allowance if you have an entitlement to 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: John 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.

SECONDARY BENEFITS AND THE BTWEA/SHORT-TERM ENTERPRISE ALLOWANCE

Participants may be able to keep some or all of their Secondary Benefits while on either scheme.

Secondary Benefits not affected by income:

- Fuel Allowance
- Medical Card
- Diet Supplement
- Differential Rent
- Back to School Clothing and Footwear Allowance

Secondary Benefits that may be affected by income:

- Rent Supplement
- Mortgage Interest Supplement (for own home only)

Qualified Adults – Spousal Swap

A qualified adult is a spouse or partner who does not receive a social welfare payment in their own right. A qualified adult may be eligible for an Enterprise Allowance payment. This involves the main claimant and the Qualified Adult exchanging places on the welfare payment.

Obtaining Finance

BANKS — It may prove to be difficult to get a loan in the current economic climate so it is very important that you present your business plan as clearly and confidently as possible.

☞ Be prepared for a range of detailed questions including how you plan to guarantee the loan that is being applied for.

Most banks also offer a range of different services and supports to start up businesses which include: free banking services on certain account types; waiving account transaction fees; and access to professional advice.

CREDIT UNIONS link with local City/County Enterprise Boards to provide small loans. Check with your local Credit Union for further information.

W www.creditunion.ie

PARTNERSHIPS / LOCAL DEVELOPMENT COMPANIES may have their own loan facility or may have an arrangement with the local Credit Union. Check with the enterprise officer.

CITY/COUNTY ENTERPRISE BOARDS provide low interest or interest free loans for selected projects.

FACILITATORS in your local Social Welfare Office may provide small grants from the Technical Assistance and Training Fund.

FIRST-STEP provides regional micro-enterprise networks where you will receive free training, mentoring and access to start-up loans of up to €25,000.

W www.first-step.ie

ENTERPRISE IRELAND offer matched funding of up to €15,000 for High Potential Start-up companies.



**Irish National Organisation
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Information Service

☎ 01 856 0088 ✉ welfareinfo@inou.ie

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

FREE ■ CONFIDENTIAL ■ IMPARTIAL

Points to Consider

A BUSINESS PLAN is essential. You will need one if you are looking to secure finance from financial institutions or schemes such as the BTWEA. An Enterprise Officer in your local Partnership / Local Development Company can help you prepare one. The Department of Social Protection provides its own business plan workbook through local development companies. Downloadable from: www.lcrl.ie/enterprise/btwea

A CASH-FLOW PROJECTION SHEET helps to estimate your business income and expenditure on a monthly basis. An Enterprise Officer can help you prepare one.

LEGAL IMPLICATIONS – There are numerous legal implications when setting up a business such as: registering as self-employed with the Revenue Commissioners, understanding your responsibilities with regards to income tax and VAT or preparing a health and safety statement. An Enterprise Officer may be able to provide you with information on these areas.

BUSINESS TRAINING is provided by a range of different organisations including FÁS and City/County Enterprise Boards.

Useful Links ✓

Companies Registration Office	www.cro.ie
Pobal (formerly Area Development Management Ltd)	www.pobal.ie
Office of the Director of Corporate Enforcement	www.odce.ie
Citizens Information	www.citizensinformation.ie
Department of Enterprise, Trade and Innovation	www.deti.ie
Department of Social Protection	www.welfare.ie
FÁS	www.fas.ie
Health and Safety Authority	www.hsa.ie
Industrial Development Authority	www.idaireland.ie
First-Step	www.first-step.ie
Irish Business and Employers Confederation	www.ibec.ie
Irish Financial Services Regulatory Authority	www.ifsra.ie
Irish Small and Medium Enterprises	www.isme.ie
Money Advice and Budgeting Service	www.mabs.ie
National Standards Authority of Ireland	www.nsai.ie
Irish Revenue Commissioners	www.revenue.ie
Údaras na Gaeltachta	www.udas.ie
National Employment Rights Authority	www.employmentrights.ie