



MONEY MATTERS

with Derek Madden & Company



In this issue we outline some of the new schemes and initiatives introduced by the present government to tackle unemployment as well as highlighting some reliefs that are already in place and available to small businesses when hiring new staff.

JOBS INITIATIVE INTERNSHIP PROGRAM

JobBridge is a new National Internship Scheme that will provide work experience placements for interns for a 6 or 9 month period.

The aim of the National Internship Scheme is to assist in breaking the cycle where jobseekers are unable to get a job without experience, either as new entrants to the labour market after education or training or as unemployed workers wishing to learn new skills. The scheme will also give people a real opportunity to gain valuable experience to bridge the gap between study and the beginning of their working lives.

The scheme will provide for up to 5,000 work experience placements in the private, public and voluntary sectors. This will be a time-limited scheme. Interns will receive an allowance of €50 per week on top of their existing social welfare entitlement. This will be payable for the period of the internship. Please see www.jobbridge.ie for full details. Is your business eligible?

- The programme is open to businesses in the private, public, community and voluntary sectors.
- Your business must have a minimum of 1 full time employee, employed for 30 hours or more per week.
- Your business must be a registered entity (Company or Partnership but not a Sole-Trader) or in the case of a charity, must have a registered charity number.
- You cannot provide an internship opportunity to an individual with whom you already have an existing employment arrangement with.
- You must not have vacancies in the area of activity in which the intern will be deployed.
- You cannot provide an internship to displace a current employee.
- Normal requirements apply in terms of public/employers liability, motor insurance, workplace health and safety and Garda vetting.

Information for Interns

The following is a general outline of the eligibility criteria:

- You have been in receipt of Jobseekers Allowance, Jobseekers Benefit, or signing for social insurance contribution credits for a minimum of 3 months or more in the last 6 months. Periods spent on FAS training programmes and WPP will be included in the 3 month count, however Community Employment Schemes are not included in the 3 month count.
- You are actively seeking employment.
- You will receive an allowance equivalent to your current social welfare allowance plus an additional €50 per week for the duration of the internship (internship allowance).
- The internship allowance will be paid in arrears.
- You must not request or receive top up contributions from internship providers.
- There is no restriction in place restricting the internship provider from reimbursing an intern for expenses incurred as part of the internship. However, expenses should not be provided for normal activities such as travel to and from the intern's base and normal expenditure incurred on a day-to-day basis.
- The period of receipt of the internship allowance will be disregarded in respect of social welfare payment and upon completion of the scheme the social welfare claim will be resumed from the point at which the intern left. For example, an individual on Jobseeker's Benefit with 60 days of entitlement left on his/her claim will still have 60 days of entitlement left when their internship is completed if they resume their social welfare claim.

SPRINGBOARD INITIATIVE

A new initiative called 'Springboard' was launched in May 2011 by Minister for Education and Skills Ruairi Quinn, which will provide 6,000 new places in higher education programmes for unemployed people in areas such as digital marketing, engineering and medical devices.

Managed by the Higher Education Authority, the initiative is aimed at those who were previously working but lost their jobs or were made redundant and who, with some up skilling, could fill current or future job shortages. Springboard will allow those who undertake the courses to retain their benefits and if they find a job, they will still be permitted and encouraged to finish their course. The web portal BlueBrick.ie is being used for applications, operating as a kind of "mini-CAO" for the Springboard courses.

To be eligible for a place on a Springboard programme a person must:

- Be unemployed for a period of at least 6 months prior to the course start date with a previous history of employment. And

- Be in receipt of one of the following payments from the Department of Social Protection:

- ☑ Jobseekers Benefit, Jobseekers Allowance or One Parent Family Payment Or
- Be signing for social insurance contribution credits and
- Be actively seeking employment

OTHER EMPLOYMENT GRANTS AND SUPPORTS

1. Revenue Job Assist- Double Deduction. This incentive is becoming more relevant as people have been out of work longer and as the economy begins to come out of recession and employers are looking to increase staff numbers. The scheme provides employers with a double wage and employers PRSI deduction in calculating total income for tax purposes for up to three years where they employ an individual who has been unemployed for the previous 12 months. The main conditions are:

- ☑ No redundancies must have been implemented by the employer within the previous six months.
- ☑ The employer cannot have lost an unfair dismissals claim to the previous holder of the employment.
- ☑ The employer cannot be in receipt of other employment subsidies
- ☑ The employee cannot be a spouse or child of the employer.
- ☑ The role must be capable of lasting 12 months and must involve at least 30 hours per week.
- ☑ The remuneration cannot be more than 75% commission based.
- ☑ The individual must have been unemployed for the previous 12 months and in receipt of unemployment payments from the Department of Social Protection e.g. Jobseekers Allowance, Illness Benefit etc.
- ☑ The individual cannot have been a 'qualifying employee' under the rules of this particular scheme in the past.
- ☑ A qualifying employee will receive extra personal tax credits on a reducing scale for the first three years. They may also receive extra child tax credits, retain their medical card and potentially retain other benefits such as fuel allowance. There is no cap on the number of qualifying employees that may be employed.

2. Employment Grant. A contribution paid towards new staff wages of up to €7,500 per employee. There are a number of ineligible projects e.g. construction, distribution, retail, professional services and property development. This grant is sourced via your local enterprise board.



**DEREK MADDEN
& COMPANY**

Accountants & Registered Auditors

Bowling Green, Mallow, Co Cork

022 51752

info@maddenco.ie

www.maddenco.ie