

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **IRELAND 2009**

### **1. Overview of the tax-benefit system**

Unemployment Benefit (Jobseeker's benefit) is a weekly payment for persons who have made social security contributions and are out of work. Payment is made at flat rates with reduced amounts for persons who had low earnings while in work.

Unemployment Assistance (Jobseeker's allowance) is paid to those unemployed who have exhausted their entitlement to Unemployment Insurance or who do not qualify for that payment. Unemployment Assistance is means tested. Payment is made at flat rates reduced by the amount of any means.

Additions are made to Unemployment Benefit and Unemployment Assistance for any adult or child dependants while family benefits are universal. There are four schemes designed to facilitate the return to work by the unemployed and to aid families on lower incomes.

#### ***1.1. Average worker wage (AW)***

The 2009 average wage (AW) was EUR 40383<sup>1</sup>.

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<sup>1</sup> AW refers to the Average Wage estimated by the Centre for Tax Policy and Administration ([www.oecd.org/ctp](http://www.oecd.org/ctp)). For more information on methodology see *Taxing Wages 2008-2009*, OECD, 2010, part IV.

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **2. Unemployment Benefit (Jobseeker's benefit)**

### **2.1 Conditions for receipt**

- To be aged 16 or over, and under 66.
- Be unemployed.
- Be under pension age.
- Be capable of work.
- Be available for full time work.
- Be genuinely seeking work.
- Prove unemployment in the prescribed manner.
- To have suffered a substantial loss of employment and a resulting loss of earnings.
- To be fully unemployed for at least 3 days in any period of 6 consecutive days.

#### **2.1.1 Employment conditions**

To be fully unemployed for at least 3 days in any period of 6 consecutive days. Sunday is not counted for this calculation.

#### **2.1.2 Contribution conditions**

To have 52 contributions paid since starting work and to have 39 paid social insurance contributions in the last Governing Contribution Year, or have at least **26 reckonable contributions** paid in both the Governing Contribution Year and the year immediately preceding the Governing Contribution Year.

### **2.2 Calculation of benefit amount**

Flat rate payments are made for each week/day of unemployment. Increases are paid for dependent children and dependent adults.

#### **2.2.1 Calculation of gross benefit**

##### **Weekly rates (in EUR)**

Personal rate	204.30
Qualified Adult increase	135.60
Each qualified child	
Full rate	26.00
Half rate	13.00

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

Where weekly earnings while in employment were below certain amounts reduced rates of payment are made.

Jobseekers's Benefit rates are graduated according to earnings in the relevant tax year.

Average weekly earnings (in EUR)	Personal rate (in EUR)	Qualified adult increase (in EUR)
Less than 150.00	91.8	87.90
150.00 and less than 220.00	132.00	87.90
220.00 and less than 300.00	160.10	87.90
300.000 or more	204.30	135.60

If the person was in receipt of Jobseeker's Allowance prior to 26 September 2007, he may get a reduced rate qualified adult increase if his or her spouse or partner has earnings or income in excess of €100.00 and up to €310.00 gross per week.

Any increases due for dependent children are not earnings related

#### 2.2.2 *Income and earnings disregards*

Where a person in receipt of Unemployment Benefit is employed for a day or part of a day no payment is made for that day. Earnings from employment are not assessed.

One can get an increase of €26.00 for each qualified child if one qualifies for an increase for a qualified adult or if one is parenting alone. If the person does not qualify for an increase for a qualified adult, he may get a half-rate qualified child increase, if the spouse or partner has an income of €400 or less a week.

If the person was in receipt of Jobseeker's Allowance prior to 26 September 2007, he may get a reduced rate qualified adult increase if his or her spouse or partner has earnings or income in excess of €100.00 and up to €310.00 gross per week.

#### 2.3 *Tax treatment of benefit and interaction with other benefits*

The first EUR 13 per week of Unemployment Benefit payment and the dependant child element are disregarded for tax purposes.

#### 2.4 *Benefit duration*

Payable for 15 months (390 days – 6 days per week), after a 3-day waiting period. Where the claimant has paid less than 260 contributions duration of Unemployment Benefit shall be limited to 312 days.

Changed from 15 October 2008, according to the website

([http://www.citizensinformation.ie/categories/social-welfare/social-welfare-payments/unemployed-people/unemployment\\_benefit](http://www.citizensinformation.ie/categories/social-welfare/social-welfare-payments/unemployed-people/unemployment_benefit))

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

From 15 October 2008, Jobseeker's Benefit can be paid for a maximum of **12 months** to:

- New claimants who have at least 260 paid contributions
- People getting Jobseeker's Benefit for less than 6 months on 15 October 2008 who have at least 260 paid contributions.

From 15 October 2008, Jobseeker's Benefit can be paid for a maximum of **9 months** to:

- New claimants who have less than 260 paid contributions
- People getting Jobseeker's Benefit for less than 3 months on 15 October 2008 who have less than 260 paid contributions.

## **2.5** *Treatment of particular groups*

### *2.5.1 Young persons*

A person under 18 years of age is entitled to 156 days of Unemployment Benefit (26 weeks only), after which entitlement is expired. If however, he/she reaches age 18 on or before expiry of 156 days, he/she is entitled to Unemployment Benefit for up to 312 days (from the original date of claim).

### *2.5.2 Older workers*

If applicant is 65, the benefit can be paid until 66 (pension age) if 156 weekly contributions have been paid.

### *2.5.3 Others if applicable*

Those in receipt of lone parent allowance or a widow's (contributory) pension receive half of the personal rate, and no dependants' allowance

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

### **3. Unemployment assistance (Jobseeker's Allowance)**

Unemployment assistance is paid to unemployed people who do not qualify for unemployment benefit or who have exhausted their entitlement to that benefit. It is income and asset-tested.

#### **3.1 Conditions for receipt**

- Be aged 18 or over, and under the pension age of 66.
- Be fully unemployed for at least 3 days in any period of 6 consecutive days.
- Be capable of work.
- Be available for full time work.
- Be genuinely seeking work.
- Satisfy the conditions as to means.
- Prove unemployment in the prescribed manner.

#### **3.2 Calculation of benefit amount**

##### **3.2.1 Calculation of gross benefit**

The payment is made up of a personal rate and extra amounts for the dependants and is made for each day unemployed

##### **Weekly rates**

Personal rate	EUR
Maximum rate	204.30
Adult dependant	135.60
Each qualified child	
Full rate	26.00

Maximum personal rate where claimant is aged under 20 years	100.00
Increase for Qualified Adult	100.00

##### **Under 20 rate for Jobseeker's Allowance**

Persons not affected:

- All 18 and 19 year olds who are entitled to an increase in respect of a Qualified Child;
- All 18 and 19 year olds whose period of interruption of employment started on or before April 29, 2009;
- People transferring to Jobseeker's Allowance immediately after exhausting

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

their entitlement to JB or those transferring from the Disability Allowance to Jobseeker's Allowance.

The personal rate of Jobseeker's Allowance was reduced to €100 per week for new claimants under 20 years of age (first week of May 2009). The maximum Increase for a Qualified Adult payable to a new Jobseeker's Allowance claimant aged under 20 was also reduced to €100 per week (first week of May 2009). However, there are some exceptions - see 'Rates' below.

If you are under 20 and getting Jobseeker's Allowance before the first week of May you were not affected by these changes.

There was no change to Jobseeker's Benefit for claimants under 20 years of age.

\* You can get an increase of €26.00 for each qualified child if you qualify for an increase for a qualified adult or if you are parenting alone. If you do not qualify for an increase for a qualified adult you may get a half-rate qualified child increase.

### 3.2.2 *Income and earnings disregards*

- a) If recipient is working part-time or casually (up to 3 days per week) payments of Unemployment Assistance for the full week less 60 per cent of average net weekly earnings will be made. (If recipient has no child dependants, EUR 20 per day worked is first deducted from the average net weekly earnings and then 60 per cent of the balance is assessed as the weekly means.)
- b) If the person was in receipt of Jobseeker's Allowance prior to 26 September 2007, he may get a reduced rate qualified adult increase if his or her spouse or partner has earnings or income in excess of €100.00 and up to €310.00 gross per week.
- c) Unemployment Assistance is a means tested payment. Means include any income, pension, savings or property (except for own residence) which claimant or spouse might have. A reduced payment is made when the claimant has means.

### 3.3 *Tax treatment of benefit and interaction with other benefits*

Not Taxable

### 3.4 *Benefit duration*

Unlimited. It is paid from the first day for those who had an unemployment benefit claim, and after a three-day waiting period for those who cannot qualify for unemployment benefit.

### 3.5 *Treatment of particular groups*

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

3.5.1 *Young persons*

None

3.5.2 *Older workers*

None

3.5.3 *Others if applicable*

None

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

#### **4. Social assistance**

Supplementary Welfare Allowance (SWA) is a financial assistance scheme. SWA is not commonly paid to the unemployed.

##### **4.1 Conditions for receipt**

Claimants must neither be working full-time (30 hours, or more), nor be in full-time education. They must have applied for any other benefits/allowances to which they might be entitled. The benefit is means-tested.

##### **4.2 Calculation of benefit amount**

###### **4.2.1 Calculation of gross benefit**

The payment is made up of a personal rate and extra amounts for the dependants

#### **Weekly Rates**

Family situation	Rates (in EUR)
Maximum personal rate	204.3
Increase Qualified Adult	135.6
Each Qualified Child	26.00

Supplementary Welfare Allowance rates for claimants under 25 from January 2010.

<b>Supplementary Welfare Allowance maximum rate for people under 25 years of age</b>			
Age	Personal rate	Increase for a Qualified Adult	Applies to
18 - 19	€100	€100	New and existing claimants
20 - 21	€100	€100	New claimants
22 - 24	€150	€130.10	New claimants

The reduced personal and qualified adult rate of Supplementary Welfare Allowance for claimants under 25 years of age will not apply in the following cases:

- People with dependent children
- People aged 18 or 19 on 30 December 2009 and getting SWA since 29 April 2009
- People at least 20 years of age on 30 December 2009 who are getting SWA since 30 December 2009



Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

- Certain children in the care of the HSE during the 12 months before reaching 18 years of age will also be assessed using the JA rate for people aged 25 or over.

Supplementary support for rent and mortgage interest payments exists, ensuring the recipient's income after paying rent/mortgage interest is not less than the Supplementary Welfare Allowance rate less an amount of EUR 24.00 per week.

#### **4.2.2** *Income and earnings disregards*

There is a one-to-one income test using on Total net family income (including unemployment insurance, assistance, Back to Work Scheme, Part-time Job Incentive Scheme, lone parent benefits and Family Income Supplement). Family benefits are excluded.

#### **4.3** *Tax treatment of benefit and interaction with other benefits*

Not taxable.

#### **4.4** *Benefit duration*

As long as the conditions are fulfilled.

#### **4.5** *Treatment of particular group*

##### **4.5.1** *Young persons*

None

##### **4.5.2** *Older workers*

None

##### **4.5.3** *Others if applicable*

None

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **5. Housing benefits**

### **5.1 Conditions for receipt**

A supplement exists under the Social Welfare Allowance.

In order to qualify for a rent supplement a person:

- must be a bona fide tenant;
- must be habitually resident in the State (effective 1st May 2004);
- must normally be in receipt of a Social Welfare or Health Service Executive payment and satisfy the general conditions of entitlement to SWA but there are exceptions to this rule.
- must satisfy the Health Service Executive that he/she has a housing need which he/she cannot meet from his or her own resources;
- must apply to the local housing authority for an assessment of housing needs if requested to do so by the Health Service Executive;

At the time of application for a supplement the Health Service Executive must be satisfied that the claimant:

- could reasonably have afforded the rent at the commencement of the tenancy,
- in so far as was reasonable in all the circumstances, had at the commencement of the tenancy, an expectation that he or she would be able to afford the rent into the future, and
- has experienced a substantial change in his or her circumstances leading to an inability to afford the rent, such change in circumstances not having occurred by any design on the part of the claimant;

or· is regarded by a housing authority as being homeless in accordance with section 2 of the Housing Act, 1988 (No. 28 of 1988),

- is assessed by a housing authority as having a housing need,
- is a tenant of a body approved by the Minister for the Environment, Heritage and Local Government for the purposes of Section 6 of the Housing (Miscellaneous Provisions) Act 1992 (No. 18 of 1992),
- is aged 65 years or over,
- is in receipt of disability allowance, invalidity pension or blind pension from the Department of Social and Family Affairs or an equivalent payment from another country of the European Union with which Ireland has a reciprocal social security agreement,

or· is subject to any other circumstance in respect of which, in the opinion of the Health Service Executive, warrant the supplement being paid

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

In addition the Health Service Executive must be satisfied in all cases that:

- the accommodation is suited to the person's needs;
- the amount of rent being paid is reasonable;
- where the landlord is an approved body under the Capital Assistance scheme, that the rent is set in accordance with the terms of that scheme.

From June 2007, the rules governing entitlement to Rent Supplement with regard to persons returning to full time employment have changed.

Where an existing Rent Supplement tenant has been accepted by the local housing authority as being eligible for accommodation under the Rental Accommodation Scheme, a person may engage in full time employment and still be considered for Rent Supplement, subject to their satisfying all of the other conditions of the scheme.

The Rental Accommodation Scheme is administered by local housing authorities under the aegis of the Department of the Environment, Housing and Local Government. Its purpose is to provide accommodation from the private rented market or through other social housing measures to persons with a long term housing need. You should contact your local housing authority if you want to be considered as eligible for the scheme.

Rent supplement may continue where an eligible person:

- engages in remunerative full time employment and during the 12 month period immediately before his or her engagement in remunerative full time employment, the person was not regarded as being engaged in remunerative full time employment (30 hours rule), or
- is participating in:
  - (i) a scheme known as the Area Allowance Enterprise Scheme, approved by a company known as an Area Partnership, in consultation with the Minister,
  - (ii) a scheme administered by an Foras Áiseanna Saothair and known as Community Employment, or
  - (iii) a scheme administered by the Minister and known as the Back to Work Allowance Scheme,

This new measure allows existing Rent Supplement tenants, who have been accepted as being in need of accommodation under the Rental Accommodation Scheme and who have been out of full time employment for 12 months or more to return to full time employment and still be considered for Rent Supplement, subject to the other qualifying conditions of the scheme.

The existing retention measures which were subject to a household income limit of € 317.43 have been abolished for Rent Supplement customers returning to full time employment.

## **5.2 Calculation of benefit amount**

### **5.2.1 Calculation of gross benefit**

Under standard SWA rules rent or mortgage interest supplements are normally calculated to ensure that a person, after the payment of rent or mortgage interest, has an income equal to the rate of SWA

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

appropriate to their family circumstances less a minimum contribution, currently EUR 13, which recipients are required to pay from their own resources. Many recipients pay more than EUR 13 because recipients are also required, subject to income disregards, to contribute any additional assessable means that they have over and above the appropriate basic SWA rate towards their accommodation costs.

The amount of Rent Supplement will be calculated by the HSE's Community Welfare Officer (CWO) and will generally ensure that your income, after paying rent, does not fall below a minimum level. This level is the basic Supplementary Welfare Allowance rate for your circumstances minus €24. You must always pay at least €24 towards your rent.

The Minister for Social and Family Affairs has the power to set the maximum amount of rent payable under the scheme with reference to different costs of rented accommodation throughout the country. The maximum rent supplement payable shown is in respect of the Health Service Executive Eastern Regional Area.

- Single person in shared accommodation €92 per week
- Couple in shared accommodation €92 per week
- Single person €122 per week
- Couple with no children €186 per week
- Couple with 1 child or one-parent family €930 **per month**
- Couple with 2 children or one-parent family with 2 children €1,110 **per month**
- Couple with 3 children or one-parent family with 3 children €1,110 **per month**

#### 5.2.2 *Income and earnings disregards*

##### **Part time earnings income disregard**

The amount of additional income, over and above the appropriate SWA rate, that can be disregarded in the standard means test for rent or mortgage interest supplement in respect of earnings from part time employment (i.e. less than 30 hours per week) is EUR 60 per week with half of any additional income between EUR 60 and EUR 90 also disregarded i.e. subject to a maximum of EUR 75 per week.

Additional Household Income Disregard is a certain amount of your household income which is not taken into account. €75 of any *additional household income* is not taken into account. Also, 25% of your *additional household income* over €75 is not taken into account. There is no upper limit on the amount that can be disregarded.

The primary conditions for retaining rent or mortgage interest supplements are that:

- gross household income must not exceed EUR 317.43 per week

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

Note: Any amount of Back to Work Allowance (BTWA), Family Income Supplement (FIS), PRSI, reasonable travel expenses and any childcare allowance payable on certain training courses can be disregarded in the assessment of the EUR 317.43 weekly income limit.

- the supplement is retained on a tapered basis for up to 4 years. In year 1, the amount of supplement payable will be 75% of the supplement in payment prior to commencing the scheme. In year 2, it reduces to 50% and then to 25% in years 3 + 4

### **5.3 Tax treatment of benefit and interaction with other benefits**

Not taxable

### **5.4 Treatment of particular groups**

## **6. Family benefits**

Known as Child Benefit.

### **6.1 Conditions for receipt**

Each dependent child under the age of 16, or under 19, if in full-time education qualifies

### **6.2 Calculation of benefit amount**

#### **6.2.1 Calculation of gross benefit**

	Rate per month before April 2008 (in EUR)	Rate per month from April 2008 (in EUR)
1 <sup>st</sup> and 2 <sup>nd</sup> child	160.00	166.00
3 <sup>rd</sup> and subsequent children	195.00	203.00

Multiple births Special Grants Rate of Payment: Birth – 635.00 EUR, at age 4 – 635.00 EUR, at age 12 – 635.00 EUR.

Twins: Child Benefit is paid at 150% the normal monthly rate for each child. All other multiple births: 200% the normal monthly rate of Child Benefit is paid.

#### **6.2.2 Income and earnings disregards**

Not means-tested.

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

### **6.3 Tax treatment of benefit and interaction with other benefits**

Not taxable

### **6.4 Treatment of particular groups**

#### *6.4.1 Young persons*

None

#### *6.4.2 Older workers*

None

#### *6.4.3 Others if applicable*

## **Early Childcare Supplement**

Early Childcare Supplement is paid to assist with childcare costs of children under 6 years. Payment is made automatically if Child Benefit is being paid for a child under 6 years. Annual rate for each child: 41.5\*12 EUR.

**Maternity Benefit:** Max rate per week: 280.00 EUR, Min rate per week: 230 EUR.

Maternity Benefit is paid for 26 weeks. At least 2 weeks and not more than 16 weeks leave must be taken before the end of the week in which the baby is due.

Conditions for receipt:

If employed: At least 39 weeks PRSI paid in the 12-month period before. **Or** At least 39 weeks PRSI paid since first starting work **and** at least 39 weeks PRSI paid or credited in the relevant tax year or in the tax year immediately following the relevant tax year. **Or** At least 26 weeks PRSI paid in the relevant tax year **and** at least 26 weeks PRSI paid in the tax year immediately before the relevant tax year.

If self-employed: 52 weeks PRSI contributions paid at Class S in the relevant tax year. **Or** 52 weeks PRSI contributions paid at Class S in the tax year immediately before the relevant tax year. **Or** 52 weeks PRSI contributions paid at Class S in the tax year immediately following the relevant tax year. For example, if you are going on maternity leave in 2009, the tax year immediately following the relevant tax year is 2008.

If already getting a social welfare payment: Half-rate Maternity Benefit is payable if getting any one of the following payments:

- One-Parent Family Payment
- Widow's (Contributory) Pension
- Widow's (Non-Contributory) Pension
- Deserted Wife's Benefit

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

- Prisoner's Wife's Allowance
- Guardian's Payment (Contributory)
- Guardian's Payment (Non-Contributory)
- Death Benefit by way of Widow's/Widower's or Dependent Parents' Pension (under the Occupational Injuries Scheme)

### ***Disqualification from Maternity Benefit***

Payment will be stopped if you engage in insurable (paid) employment.

**Adoptive Benefit:** Max rate per week: 280.00 EUR, Min rate per week: 230 EUR.

-Payment to an adopting mother or a single male who adopts a child, paid for a continuous period of 24 weeks from the date of placement of the child

Conditions for receipt:

If employed: to qualify for Adoptive Benefit one must be in employment which is covered by the Adoptive Leave Act 1995 immediately before the first day of the adoptive leave and have at least:

- 39 weeks PRSI paid in the 12-month period before. **Or:** 39 weeks PRSI paid since first starting work **and** at least 39 weeks PRSI paid or credited in the relevant tax year or in the year immediately following the relevant tax year. **Or:** 26 weeks PRSI paid in the relevant tax year and at least 26 weeks PRSI paid in the tax year before the relevant tax year.

If self-employed:

- 52 PRSI contributions paid at Class S in the relevant tax year. **Or:** 52 PRSI contributions paid at Class S in the tax year immediately before the relevant tax year. **Or:** 52 qualifying PRSI contributions paid at Class S in the tax year immediately following relevant tax year.

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **7. Childcare for pre-school children**

Information is not available on the fraction of pre-school children in childcare. Children can enter school on their fourth birthday but must have started school by their sixth birthday.

### **7.1 *Out-of-pocket childcare fees paid by parents***

All centre based childcare providers and larger scale home based child minders are obliged to register with the Health Service Executive, and provide information on the number of places and the type of childcare involved (i.e. full day, sessional etc). However, a significant aspect in Irish childcare is that parents often choose that it be provided by home-based childminders, many of whom if they are low scale operations, do not have to register with the HSE, and operate in the informal economy. Therefore, these figures of registered and notified childcare places would under-state the true figure.

There is no official figure for the average fees paid by parents for childcare. The CSO survey<sup>2</sup> which provided such data is now some 3 years out of date, and anecdotal evidence would suggest that this makes it no longer reliable.

Rates are not regulated by Government, and may depend on a number of factors such as;

- The age of the child
- Location
- Type of provider (e.g. community or private sector)
- Type of service
- Quality of service (i.e. if there are extras included)
- Parents income (e.g. community providers may charge less to social security recipients)

Average of costs of paid childcare are available in *Quarterly National Household Survey, Childcare, Quarter 1, 2005* ([http://www.cso.ie/releasespublications/documents/labour\\_market/current/qnhschildcare.pdf](http://www.cso.ie/releasespublications/documents/labour_market/current/qnhschildcare.pdf) ).

There is no legislation covering the rates to be charged for child care. Fees paid for childcare are not tax deductible, and are not taken into account when determining entitlement to benefits such as social assistance.

### **7.2 *Child-care benefits***

There are no such cash benefits. Government policy is to support all child related costs incurred by parents, including childcare costs, through Child Benefit. See section 6.



Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

For parents who stay at home to care for children, the Home Carers Allowance may provide a tax credit of up to EUR 900. See section 10 for details.

7.2.1 *Conditions for receipt*

7.2.2 *Calculation of benefit amount*

7.2.2.1 Calculation of gross benefit

7.2.2.2 Income and earnings disregards

7.2.3 *Tax treatment of benefit and interaction with other benefits*

7.2.4 *Treatment of particular groups*

Reference date for all information is July 1<sup>st</sup> 2009

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## 8. Employment-conditional benefits

Several distinct employment-conditional benefits exist:

- a) Back to Work Allowance (BTWA).
- b) Family Income Supplement (FIS).
- c) Continued child dependant payment (CCDP).
- d) Part Time Job Incentive (PTJI).

### 8.1 *Conditions for receipt*

### 8.2 *Calculation of benefit amount*

#### 8.2.1 *Calculation of gross benefit*

##### a) BTWA

A weekly payment for unemployed people who set up their own business or get work. Recipients receive 75 per cent of social welfare payment for the first year, 50 per cent of the payment for the second year and 25 per cent of the payment for the third year. (Unemployed persons setting up their own business can qualify for a Back to Work Enterprise Allowance. Participants receive support for 4 years. Payment for the first year is 100 per cent of the weekly social welfare payment).

Only employers who can provide suitable jobs are eligible to participate. The work being offered must: be a minimum of 20 hours per week. You may also qualify, no matter what age you are, if you are getting one of the following payments for 15 months (or 12 months if you are aged 50 or over) ([http://www.citizensinformation.ie/categories/social-welfare/social-welfare-payments/social-welfare-payments-and-work/back\\_to\\_work\\_allow](http://www.citizensinformation.ie/categories/social-welfare/social-welfare-payments/social-welfare-payments-and-work/back_to_work_allow)) .

##### b) FIS

Pays 60 per cent of the difference between the net family income and an earnings limit. The earnings limit varies with family size. A minimum supplement of EUR 20 is payable.

Family size	Weekly net earnings limit (in EUR)
1 Child	500
2 Children	590
3 Children	685
4 Children	800
5 Children	920

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

6 Children	1030
7 Children	1160
8 Children	1250

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c) CCDP

Recipient will continue to be paid for their children for 13 weeks if they get work for at least 4 weeks.

d) PTJI

Instead of Unemployment Assistance, recipients receive a flat rate weekly payment.

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Single person	EUR
	129.40
Couple	EUR 210.9
	0

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**8.3** *Tax treatment of benefit and interaction with other benefits*

Once an entitlement to the relevant benefit is established, it is not affected by income

**8.4** *Benefit duration*

- a) BTWA: 3 years. BTWEA: 4 years.
- b) FIS: 52 weeks (renewable).
- c) CCDP: 13 weeks.
- d) PTJI: indefinitely.

**8.5** *Treatment of particular group*

**8.5.1** *Young persons*

None

**8.5.2** *Older workers*

None

**8.5.3** *Others if applicable*

None

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **9. Lone-parent benefits**

One-Parent Family Payment

### **9.1 Conditions for receipt**

To have at least one dependent child.

### **9.2 Calculation of benefit amount**

#### **9.2.1 Calculation of gross benefit**

The amount depends on the Lone Parent income: the weekly benefit rate is EUR 197.80 (maximum rate) if the weekly means are less than EUR 7.60.

#### **In EUR per week Age 65 or under**

Assessable Means	Benefit Rate
Up to 7.60	204.30
7.60 to 10.10	201.80
Each 2.50 increase	2.50 decrease
Dependent child increase	26.00

#### **9.2.2 Income and earnings disregards**

From January 2009:

For those who are working, there is a EUR 146.50 per week disregard. In addition, only half of any earned income (minus income and social security taxes) in excess of the disregard to a maximum of EUR 425 earnings are counted as means. Benefit income is disregarded. Where earnings exceed EUR 425, half rate payment continues for a further 6 months. (This payment was dropped for 2004 but re-instated in 2005) Those in work can only receive half of the personal rate of unemployment benefit can be obtained, and there are no increases for child dependants

### **9.3 Tax treatment of benefit and interaction with other benefits**

Taxable, but not liable to social security contributions.

### **9.4 Benefit duration**

As long as conditions are fulfilled.

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

**9.5**      ***Treatment of particular group***

9.5.1      *Young persons*

None

9.5.2      *Older workers*

See 9.2.1 above

9.5.3      *Others if applicable*

None

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## 10. Tax system

Tax is levied on the combined income of both spouses. Either spouse may, however, opt for separate assessment, in which case the tax payable by both spouses must be the same as would be payable under joint taxation. A further option allows either spouse to opt for assessment as single persons in which case they are treated as separate units. The calculations presented in this Report are based on family taxation.

### 10.1 Income tax

#### 10.1.1 Tax allowances and credits

##### 10.1.1.1 Standard allowances

##### 10.1.1.2 Standard tax credits

- **Basic reliefs:** The single person's credit is € 1830 per year.
- **Standard marital status reliefs:** The married person's credit is €3660 per year (i.e. twice the basic credit of €1830).
- **Employee credit:** With the exception of certain company directors and their spouses and the spouses of partners in partnership cases, all employees, including (subject to certain conditions) children who are full-time employees in the business of their parents, are entitled to an employee credit of € 1830.
- **Single-Parent Family Relief:** The single parent family credit is € 1830
- **Home Carers Allowance:** This is a tax credit of €900 for families where one spouse works at home to care for children, the aged or incapacitated persons, where the carer spouse's income does not exceed €5079. A reduced measure of relief is granted for income between €5080 and €6620. This credit and the increased standard rate tax band for two income couples (see tax schedule below) are mutually exclusive but the person may opt for whichever is the more beneficial. The calculations within this Report take into consideration the New Carers Allowance.

#### 10.1.2 Income tax schedule

	Band of taxable Income (€)			Rate (%)
	Single/ Widow(er)	Married Couple (One Income)	Married Couple (Two Incomes)	
Up to 36 400	Up to 45 400	Up to minimum of 45 400 to a maximum of 72 800 (threshold is increased by the amount of the lowest income to a maximum of 27 400)	40 400	20
Balance	Balance	Balance	Balance	41

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

### ***Low income exemption and marginal relief tax***

Where total income is less than or equal to the income exemption limit that income is exempt from tax.

#### Exemption limits:

Single/Widowed	EUR
Under 65	5 210
65 and over	17 000
Married	
Under 65	10 420
65 and over	34 000
Children	
One or two children (each)	575
Subsequent children	830

The marginal relief rate of tax applies where liability to tax at the marginal relief rate is less than that which would be chargeable under the normal tax schedule and where total income is less than twice the relevant exemption limit, otherwise tax is charged under the normal tax schedule.

– Marginal relief tax is charged, where applicable, at a rate of 40% on the difference between total income and the relevant exemption limit.

#### ***10.1.2. Income levy***

An income levy (on gross family income) was introduced on 1 January 2009. The rates, thresholds and exemption limit applicable for 2009 were then amended on 1 May 2009. The following schedule applies from 1 January to 30 April 2009, subject to an exemption of EUR 18 304:

Income band (EUR)	Rate (%)
Up to 100 100	1
100 100 to 250 120	2
Balance	3

The following schedule applies from 1 May 2009 to 31 December 2009, subject to an exemption of EUR 15 028:

Income band (EUR)	Rate (%)
Up to 75 036	2
75 036 to 174 980	4
Balance	6

Reference date for all information is July 1<sup>st</sup> 2009

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

### 10.1.3 State and local income taxes

No State or local income taxes exist in Ireland

### 10.2 Treatment of family income

Tax is levied on the combined income of both spouses. Either spouse may, however, opt for separate assessment, in which case the tax payable by both spouses must be the same as would be payable under joint taxation. A further option allows either spouse to opt for assessment as single persons in which case they are treated as separate units. The calculations presented in this Report are based on family taxation

### 10.3 Social security contribution schedule

Contributions are payable as a percentage of an employee's gross earnings less allowable superannuation contributions. No distinction is made by marital status or sex. Individuals earning less than EUR 500 per week are exempt from the health levy, while individuals earning less than EUR 352 per week are exempt from social insurance. If the employee is not exempt, then an allowance of EUR 127 per week is applicable for social insurance contribution purposes. This weekly exemption is non-cumulative in that the earner is no longer entitled to the weekly exemption when their cumulative annual earnings exceed the social insurance ceiling.

The rates, thresholds and ceilings applicable for 2009 were amended on 1 May 2009. The following is a breakdown of the rates of contribution together with thresholds and ceilings (where applicable) for 1 January 2009 to 30 April 2009:

Description	Rate	Threshold (EUR)	Ceiling (EUR)
Health Levy	2.00	26 000	100 100
	2.50	100 100	
Pension and social insurance	4.00	18 304	52 000

The following is a breakdown of the rates of contribution together with thresholds and ceilings (where applicable) for 1 May 2009 to 31 December 2009:

Description	Rate	Threshold (EUR)	Ceiling (EUR)
Health Levy	4.00	26 000	75 036
	5.00	75 036	
Pension and social insurance	4.00	18 304	75 036

Like employees' contributions, employers' contributions are payable as a percentage of gross employee earnings less allowable superannuation contributions. The following is a breakdown of the 2008 rate of contribution:

Description	Rate %	Ceiling
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Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

		(EUR)
Occupational injuries	0.50	
Redundancy contribution	0.40	
Pension and social insurance	9.85	
<b>TOTAL</b>	<b>10.75</b>	<b>No ceiling</b>

The employers' contribution is reduced from 10.75 per cent to 8.5 per cent in respect of employees earning less than EUR 356 per week.

#### **10.4**     *Treatment of particular group*

##### *10.4.1*     *Young persons*

None

##### *10.4.2*     *Older workers*

None

##### *10.4.3*     *Others if applicable*

None

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **11. Part-time work**

### ***11.1 Benefit rules for part-time work***

Part-time workers are entitled to UI benefits under the same scheme as full-time workers, ie provided they are available for full-time work. They have to fulfil the same qualifying conditions. Part-time workers can receive Unemployment Insurance/Assistance for days not worked. Part-time workers are covered by Social Insurance where earnings are in excess of EUR 38.

### ***11.2 Special tax and social security contribution rules for part-time work***

There are no special rules relating to part-time work.

Reference date for all information is **July 1<sup>st</sup> 2009**

Country chapter for OECD series *Benefits and Wages* ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

## **12. Policy developments**

### ***12.1 Policy changes introduced during the previous year since 2009***

Duration of Jobseeker's Benefit reduced to 12 months.

The Minister for Finance announced in the Supplementary Budget 2009 that the Health Levy rates will increase to 4% and 5% from 1 May 2009. The entry point to the higher rate will be EUR 75,036.

As a result of 2009 Budget Measures the Early Childcare Supplement will be paid monthly instead of quarterly and eligibility is being changed to reduce the period for which children qualify for the payment from 0-6 years to 0-5 years and 6 months. Furthermore as a result of the 2009 Supplementary Budget (April 2009) the Early Childcare Supplement monthly payment is to be halved to EUR 41.50 per child with effect from 1 May 2009 and abolished at end-2009. It will be replaced in January 2010 with a pre-school Early Childhood and Education Scheme (ECCE) for all children between the ages of 3 years 3 months and 4 years 6 months. A capitation grant will be payable to service providers who provide free pre-school services.

A new income levy was introduced in Budget 2009 and came into effect 1 January 2009. In the Supplementary Budget 2009 the income levy rates, thresholds and exemption limit were amended with effect from 1 May 2009.

### ***12.2 Future policy changes announced in 2009***