

IRELAND

1. Overview of the system

Unemployment insurance and assistance are flat-rate benefits unrelated to previous earnings. Unemployment insurance is paid at lower rates if other income is available. Unemployment assistance is income-tested on net income exceeding a disregard depending on family composition. Housing benefits are available in principle, but the number of beneficiaries is very limited. Family benefits are universal, and additions to unemployment and assistance benefits are made for dependants. Two employment conditional benefits exist, targeted at part-time and full-time work respectively. A couple's income is jointly assessed for income tax. The 1995 APW level is IR£13 750.

2. Unemployment insurance

2.1 *Conditions for receipt*

- to be aged 16 or over, and under 66;
- 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;
- to have contributed for at least 39 weeks in the last calendar tax year.

2.2 *Calculation of benefit amount*

Payments are related to family situation, and are made for each day unemployed. The maximum amounts are reduced when there is gross income from other sources.

2.2.1 *Calculation of gross benefit*

Weekly rates:

Personal rate	62.50
Dependent adult supplement	37.50
Dependent child supplement	13.20

An increase of IR£13.20 is payable for each child dependant if the claimant qualifies for an adult dependant allowance. Otherwise, half the child dependant supplement (IR£6.60) is payable per child.

2.2.2 *Income and earnings disregards*

Both the personal payment and the adult dependant supplement are reduced in four steps when the insured person receives earnings from work.

Average weekly earnings	Reduction in personal rate	Reduction in adult dependant supplement
IR£10 and less than IR£35	28.10	24.20
IR£35 and less than IR£50	40.40	24.20
IR£50 and less than IR£70	49.00	24.20
IR£70 or more	62.50	37.50

Note: The dependent child supplement ceases when UI-payment ceases (*i.e.*, when earnings exceed IR£70, or when the recipient spends more than three days in work).

2.3 *Tax treatment of benefit*

Taxable, but not liable to social security contributions.

2.4 *Benefit duration*

Payable for 15 months (390 days -- 6 days per week), after a 3-day waiting period.

2.5 *Treatment of particular groups*

2.5.1 *Young persons*

None.

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 *Lone parents*

Those in receipt of lone parent allowance receive half of the personal rate, and no dependants' allowance (see Section 9).

3. Unemployment assistance

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 66;
- be fully unemployed for at least 3 days in any period of 6 consecutive days.

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.

Family situation	Rates (in IR£ per week)
Personal	
Short-term	60.40
Long-term*	62.50
Adult dependant	37.50
Child dependant	13.20

*The long-term applies after 15 months of unemployment (with or without UI-entitlements).

Note that if both partners claim unemployment assistance, the maximum amount payable to the couple is the personal rate plus the amount for an adult dependant and child dependants (if applicable). Each will receive half of this combined rate.

3.2.2 *Income and earnings disregards*

An amount equal to the maximum daily rate of unemployment assistance payable for each day worked plus an extra allowance of IR£15 per day is deducted from net income. The remainder (excluding family benefits) is assessed against the payment as means.

3.3 *Tax treatment of benefit*

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***

3.5.1 ***Young persons***

None.

3.5.2 ***Older workers***

None.

3.5.3 ***Lone parents***

Those in receipt of lone parent allowance receive half of the personal rate, and no dependants' allowance.

4. **Social assistance**

Supplementary Welfare Allowance is a financial assistance scheme. SWA is not common for regular job-seekers; its payment is discretionary.

4.1 ***Conditions for receipt***

Claimants must neither be working full-time (*i.e.*, more than 30 hours), nor be in full-time education. They must be available and registered for work. 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.

Family situation	Rates (in IR£ per week)
Personal	60.40
Adult dependant	37.50
Child dependant	13.20

Supplementary support for rent exists, ensuring that the recipient's income after paying rent is not less than the Supplementary Welfare Allowance rate less an amount of IR£5 per week.

4.2.2 Income and earnings disregards

There is a one-to-one income test using on gross family income (including unemployment insurance, assistance, Part-Time Job Incentive Scheme, lone parent benefits and Family Income Supplement). Family benefits (see Section 6) are excluded.

4.3 Tax treatment of benefit

Not taxable.

4.4 Benefit duration

As long as the conditions are fulfilled.

4.5 Treatment of particular groups

4.5.1 Young persons

None.

4.5.2 Older workers

None.

5. Housing benefits

A supplement exists under the Social Welfare Allowance (see Section 4.2.1).

6. Family benefits

6.1 Conditions for receipt

Each dependent child under the age of 16, or under 18 if in full-time education qualifies.

6.2 *Calculation of benefit amount*

6.2.1 *Calculation of gross benefit*

IR£27 per month for each of the first two children, and IR£32 per month for each subsequent child.

6.2.2 *Income and earnings disregards*

Not means-tested.

6.3 *Tax treatment of benefit*

Not taxable.

6.4 *Treatment of particular groups*

None.

7. **Child-care benefits**

None.

8. **Employment-conditional benefits**

Two distinct employment-conditional benefits exist:

- a) Part-time Job Incentive Scheme (PTJI) and
- b) Family Income Supplement (FIS).

8.1 *Conditions for receipt*

a) PTJI:

- to have been receiving long-term unemployment assistance benefits;
- to work for 24 hours or less.

b) FIS:

- the claimant must be working at least 20 hours per week. Married or cohabiting couples can add their hours of work;

- the claimant must have at least one dependent child under 18 (or 21 if in full-time education).

8.2 *Calculation of benefit amount*

8.2.1 *Calculation of gross benefit*

- a) PTJI: instead of unemployment assistance benefit, he/she will receive a flat-rate benefit:

Single person	IR£39.90 per week
Couple	IR£65.60 per week

- b) FIS: it pays 60 per cent of the difference between the gross family income and an earnings limit. The earnings limit varies with family size:

Family size	Weekly gross earnings limit (IR£)
1 child	185
2 children	205
3 children	225
4 children	245
5 children	270
6 children	290
7 children	307
8 children	324

If the formula gives a payment less than IR£5 per week, no payment is made.

8.2.2 *Income and earnings disregards*

- a) PTJI: No reduction of the benefit; benefit ceases if more than 3 days (24 hours) are spent in paid employment.
- b) FIS: The calculation of the benefit implies that it is reduced with 60 per cent of gross family earnings (see Section 8.2.1), including lone parent benefits.

8.3 *Tax treatment of benefit*

Neither of the benefits is taxable.

8.4 *Benefit duration*

- a) PTJI: indefinitely.

b) FIS: 52 weeks.

8.5 *Treatment of particular groups*

None.

9. **Lone-parent benefits**

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*

1. The payment is made up of a personal rate and extra amounts for the dependent children.
2. The amount depends on the lone parent income: the weekly benefit rate is IR£62.50 if the weekly gross earnings are less than IR£6.00.

Assessable means (in IR£ per week)	Benefit rate (in IR£ per week)
0.00 - 6.00	62.50
6.00 - 8.00	60.50
...	...
each IR£2 increase	IR£2 decrease
...	...
64.00 - 66.00	2.50
66.00 +	0
Dependent child increase	15.20

9.2.2 *Income and earnings disregards*

There is a IR£24 per week disregard. In addition, only half of any earned income minus income and social security taxes in excess of the disregard are counted as means. Benefit income is disregarded. Only half of the personal rate of unemployment insurance/assistance can be obtained, without increases for child dependants.

9.3 *Tax treatment of benefit*

Taxable, but not liable to social security contributions.

9.4 Treatment of particular groups

9.4.1 Young persons

None.

9.4.2 Older workers

None.

10. Tax system

10.1 Income tax rate schedule

10.1.1 Tax allowances and credits

- basic allowance of IR£2 500 per year for a single person, of IR£5 000 per year for a married person;
- additional allowance of IR£2 500 for one-parent families;
- employee allowance of IR£800 per year per earner;
- social security allowance of IR£140 per year per earner.

10.1.2 The definition of taxable income

Gross earnings minus the above tax allowances.

10.1.3 The 1995 tax schedule

Taxable income		Marginal tax rate
Single	Couple	
Under 8 900	Under 17 800	27%
8 900 and over	17 800 and over	48%

Exemption/marginal relief: if gross earnings are less than or equal to an exemption limit (that varies with family size) then the earnings are exempt from tax. If gross earnings are over the exemption limit and under a marginal relief limit (that also varies with family size), tax can be 40 per cent of gross earnings exceeding the exemption limit (but only if the tax thus calculated is lower than the normal tax).

Family type	Marginal relief limit (IR£ per year)	Exemption limit (IR£ per year)
Single	7 400	3 700
Couple	14 800	7 400
Supplement per child (from the third one)	900 1 300	450 650

10.2 *Treatment of family income*

Tax is levied on the combined income of both spouses.

10.3 *Social security contribution schedule*

Contribution	Rate (% of gross earnings)	Ceiling (IR£ per year)
Employment and training levy ^a	1.00	-
Health contribution ^a	1.25	-
Pension and social insurance ^b	5.50	21 500

a) Employees with weekly earnings of less than IR£178 per week (IR£9 256 per year) are exempt from the employment and training levy (from which unemployment insurance is financed) and the health levy.

b) Employees with weekly earnings of less than IR£60 per week (IR£3 120 per year) are exempt from the pension and social insurance contributions. The accumulated first £50 of weekly earnings are in any year (*i.e.*, IR£2 600) not liable to pension and social security contributions.

11. **Part-time work**

11.1 *Special benefit rules for part-time work*

Part-time workers are entitled to UI benefits under the same scheme as full-time workers. They have to fulfil the same qualifying conditions. Part-time workers cannot insure if weekly earnings fall below the lower earnings level for unemployment insurance (IR£178/week); they cannot build up pension rights if earnings fall below IR£60/week.

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

Employees with weekly earnings of less than the lower earnings levels do not contribute.

12. **Policy developments**

12.1 *Policy changes introduced in the last year*

None.

12.2 Policy changes announced

The 1996 income tax system has been revised (6 April, 1996 to 5 April, 1997):

- increase of the basic allowance from IR£2 500 to IR£2 650;
- increase of the married person's allowance from IR£5 000 to IR£5 300;
- increase of one-parent family's allowance from IR£2 500 to IR£2 650;
- abolishment of the employee's allowance.

Revised tax schedule:

Taxable income		Marginal tax rate
Single	Couple	
Under 9 400	Under 18 800	27%
9 400 and over	18 800 and over	48%

with revised exemption/marginal relief:

Family type	Marginal relief limit (IR£ per year)	Exemption limit (IR£ per year)
Single	7 800	3 900
Couple	15 600	7 800
Supplement per child	900	450
(from the third one)	1 300	650

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**The annual tax/benefit position of an unemployed single person, 1995
(Pounds)**

	Unemployment insurance (15 months)	Unemployment assistance (unlimited)
A. Taxable benefits		
Means-tested benefits		
Non-means tested benefits		
Unemployment insurance	3 250	
Lone parent benefits		
Total taxable benefits	3 250	0
B. Income tax and social security contributions		
Income tax allowances		
Taxable income	0	
Income tax		
Income tax credit		
Total income tax	0	
Social security contributions	0	
Total income tax and social security contributions	0	0
C. Non-taxable benefits		
Means-tested benefits		
Unemployment assistance		3 250
Social assistance		
Non-means tested benefits		
Family benefits		
Total non-taxable benefits	0	3 250
D. Net income out of work (A-B+C)	3 250	3 250
E. Net income in work	9 748	9 748
F. Net replacement rate (D/E) (per cent)	33	33

Note: The housing supplement is not included due to a very small number of recipients.

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The annual tax/benefit position of an unemployed married couple with two children, 1995 (Pounds)

	Unemployment insurance (15 months)	Unemployment assistance (unlimited)
A. Taxable benefits		
Means-tested benefits		
Non-means tested benefits		
Unemployment insurance	6 573	
Lone parent benefits		
Total taxable benefits	6 573	0
B. Income tax and social security contributions		
Income tax allowances		
Taxable income	0	
Income tax		
Income tax credit		
Total income tax	0	
Social security contributions	0	
Total income tax and social security contributions	0	0
C. Non-taxable benefits		
Means-tested benefits		
Unemployment assistance		6 573
Social assistance		
Non-means tested benefits		
Family benefits	648	648
Total non-taxable benefits	648	7 221
D. Net income out of work (A-B+C)	7 221	7 221
E. Net income in work	11 367	11 367
F. Net replacement rate (D/E) (per cent)	64	64

Note: The housing supplement is not included due to a very small number of recipients.

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The annual tax/benefit position of a lone parent with two children, 1995 (Pounds)

	Unemployment insurance (15 months)	Unemployment assistance (unlimited)
A. Taxable benefits		
Means-tested benefits		
Non-means tested benefits		
Unemployment insurance	1 625	
Lone parent benefits	4 831	4 831
Total taxable benefits	6 456	4 831
B. Income tax and social security contributions		
Income tax allowances	5 000	5 000
Taxable income	1 456	0
Income tax	393	0
Income tax credit		
Total income tax	393	0
Social security contributions	0	0
Total income tax and social security contributions	393	0
C. Non-taxable benefits		
Means-tested benefits		
Unemployment assistance		1 625
Social assistance		
Non-means tested benefits		
Family benefits	648	648
Total non-taxable benefits	648	2 273
D. Net income out of work (A-B+C)	6 711	7 104
E. Net income in work	11 367	11 367
F. Net replacement rate (D/E) (per cent)	59	62

Note: The housing supplement is not included due to a very small number of recipients.