# Revenue Job Assist

# Part 15-01-32

Document Reviewed March 2017

**NOTE: The Revenue Job Assist Scheme and the Employer Job (PRSI) Incentive Scheme ceased permanently in respect of all employments commencing on or after 1 July 2013.**

**The schemes were replaced by the "JobsPlus" scheme which is administered by the Department of Social Protection.**

**Tax relief under the Job Assist Scheme will continue to be available as respects qualifying employments commenced on or before 30 June 2013 until the end of their natural lifecycle.**



## 1. Summary of the scheme

Revenue Job Assist (introduced by way of Section 16 Finance Act 1998) comprises of both -

- a tax deduction to employees (Section 472A TCA 1997); and
- a double deduction for employers in respect of certain emoluments paid to employees (Section 88A TCA 1997)

to encourage long-term unemployed individuals to take up employment and to give employers an incentive to employ such individuals.

This is not a tax credit in the hands of the individual. It is an allowance which is taken from total income of a qualifying employment to arrive at taxable income before the tax rates are applied, effectively giving relief at the individual's marginal rate of tax.

### 1.1 Benefit to employees

Section 472A TCA 1997 contains provisions to allow a deduction to be made from the total income of a qualifying long term unemployed person in each of 3 tax years after he or she takes up employment (see Paragraph 2.4 below re claimant having the option of commencing the three year period with the tax year in which the employment commences or in the tax year following that in which the employment commences). An additional deduction is also available in respect of each qualifying child. The relief is called the Job Assist Allowance.

Part A below deals with the employee tax benefit arising from the Job Assist Allowance

## 1.2 Benefit to employers

Section 88A TCA 1997 contains provisions for a double deduction in computing the profits of a trade or profession in respect of earnings, and the employer's PRSI contribution on those earnings, paid to a qualifying employee in the first 36 months of a qualifying employment.

Part B below deals with the employer tax benefits arising from the Job Assist Allowance.2 Part A: Revenue Job Assist Allowance

## 2.1 Who can claim the Allowance?

The allowance is available to an individual who takes up a qualifying employment, who has been continuously unemployed for the immediate period of 12 months (but see Note 1 below) prior to taking up the job and who was in receipt of one of the following payments:

- Jobseeker's Benefit;
- Jobseeker's Assistance ;
- One-Parent Family Payment;
- Blind Person's Pension;
- Disability Allowance;
- Illness Benefit - where the person has been in receipt of the payments for a continuous period of at least 18 months (previously 3 years);
- Invalidity Pensions - where the person has been in receipt of the payments for a continuous period of at least one year

Time spent on:

- certain FÁS training courses;
- the Community Employment Scheme;
- the Job Initiative programme;
- the Back to Education Scheme administered by the Department of Social Protection.
- JobBridge, Tús - Work Placement Programme, and
- Rural Social Schemes,

also qualify as periods of unemployment for the purposes of the Revenue **Job Assist** provided the participant was in receipt of one of the payments listed above immediately prior to participating in the course or scheme.

With effect from the 1st of January 2006, the periods spent in prison are deemed equivalent to periods of unemployment**.**

Under Section 10 Finance Act 2012, with effect from 1st January 2012 (although administratively this applies from 1st November 2011), an individual who is "signing on" for credits but is not in receipt of a payment from the Department of Social Protection **OR** is "signing on" for credits and is in receipt of a payment from the Department of Social Protection for the required period will qualify for the Revenue Job Assist allowance. All the other governing conditions of the scheme must continue to be met.

**Note** With effect from 1st of January 2010, Revenue are prepared to disregard up to 15 days of incidental employment (which have been taken into account in calculating Social Protection benefits) provided that an individual has been unemployed and in receipt of payments mentioned above, or from 1/11/2011 has been 'signing on' for credits or a combination of both, for a period of at least *312 days out of 327 ** days immediately prior to taking up employment.

In other words, an individual must be in receipt of one of the payments mentioned above or, from 1/11/2011, has been 'signing on' for credits or a combination of both, for over 12 months (i.e. 12 months and up to 15 days to include any incidental employment days).

* Sunday is not treated as a day of unemployment and is disregarded in computing any period of consecutive days. For the purposes of eligibility for Revenue Job assist 12 months is equal to 312 days (52 weeks x 6 days = 312)

** 327 days is 12 months (as calculated above) plus 15 days incidental work.

***Example***
Mr. Smith was unemployed and claiming benefit from 1/12/2010 to 31/7/2011 when he commenced 10 days incidental employment. On 13/8/2011, he became unemployed again and continued to claim benefit until 30/12/2011 when he secured full-time employment and made a claim for the Revenue Job Assist Allowance

Despite the fact that Mr. Smith had been employed for 10 days in the previous 12 months, he will qualify for the job assist allowance as he had 312 days of unemployment in the previous 327 days prior to becoming employed.

If Mr. Smith secured full-time employment on or before 30/11/2011, he would have less than 312 days of unemployment (taking into account 10 days of incidental days employment) and therefore the allowance would not be due.

## 2.2 What is a Qualifying Employment?

As mentioned in Paragraph 1 above, the allowance is available to an individual who takes up a "qualifying employment". A qualifying employment is one

- where the emoluments from the employment are charged to tax under Schedule E;
- which is for a minimum period of 30 hours per week; and
- which is capable of lasting at least 12 months.

Specifically excluded from the terms of the scheme are the following:

- an employment from which the previous holder of the employment was unfairly dismissed,
- an employment with an employer who has reduced the workforce by redundancy in the 26 week period prior to employing a qualifying individual. However, the genuine replacement of an existing employee will qualify (e.g. replacing an employee who retires or voluntarily leaves the employment),
- an employment which is primarily commission based (i.e. over 75% of the earnings derive from commissions),
- an employment taken up by the proprietary director of the company or the spouse/civil partner of such a director.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

## 2.3 How is the Relief given?

The relief is personal to the qualifying individual and is an allowance from total income in arriving at taxable income. The allowance is only available against the earnings from the qualifying job. The allowance cannot exceed the earnings from the qualifying job and cannot be used to reduce other taxable income. It is allowed at the individual's marginal rate of tax (i.e. not standard rated).

### 2.4 Amount of the allowance and the period of claim

The allowance is due for a total of 3 tax years and consists of 2 parts:

(a) a personal allowance tapering from €3,810 in Year 1 to €1,270 in Year 3;

(b) an additional allowance for each qualifying child tapering from €1,270 in Year 1 to €425 in Year 3.

The table hereunder illustrates the amounts due in each year of the 3- year cycle:

| | Personal Allowance | Child Allowance for each qualifying child |
|---|---|---|
| Year 1 | €3810 | €1270 |
| Year 2 | €2540 | €850 |
| Year 3 | €1270 | €425 |

The qualifying individual can claim the allowance for 3 tax years. The claimant has the option of commencing with the tax year in which the employment commences or the tax year following that in which the employment commences. This is to ensure that the benefits of the allowances are not diluted owing to an employment commencing late in a tax year. Unused allowances from one tax year cannot be carried forward to a later year.

***Example***

If an individual takes up a job on 1 August 2010, he or she can first claim the tax allowance for either the 2010 tax year or for the 2011 tax year. If the income in the first year is low, then it may more advantageous for the individual to wait until the following tax year to start claiming the allowance so that the full benefit of the allowance is achieved.

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An individual can only have one 3-year period of claim in his or her lifetime.

## 2.5 Position regarding spouses / Civil Partners

The allowance is available to qualifying individuals irrespective of their marital status. It is available to both individuals in married /civil partnership cases, provided each is a qualifying individual for the purposes of the allowance.

Each spouse / civil partner can have a different period of claim (e.g. in a tax year where one spouse/civil partner is in the first year of claim and the other spouse/civil partner is in the third year of claim, the couple, assuming no qualifying children, are entitled to the allowance of €5,080 for that tax year i.e. €3,810 for the first mentioned spouse/civil partner and €1,270 for the other spouse/civil partner). The allowance is due to each spouse/civil partner against his or her own emoluments from the qualifying job. The allowance or any unused portion of the allowance is not transferable between spouses/civil partners. This position is similar to the current rules for granting the PAYE Tax Credit.

## 2.6 Additional Child Allowance

An extra tax allowance can be claimed for each qualifying child resident with the claimant for the whole or part of a year of assessment. The definition of a qualifying child is the same definition as that used for One Parent Family Credit i.e. a child who is:

- under 18 years of age, or
- over 18 years of age and receiving full time instruction at a university, college, school etc., or
- physically or mentally incapacitated, having become so either while undergoing full time instruction or while under 21 years of age,

and who is a child of the claimant or if not a child of the claimant, is in the custody of and maintained by the claimant,

The following factors apply as regards the child allowance:

- only one allowance of €1,270, €850, or €425 can be granted in respect of each qualifying child;
- the amount of the allowance to be granted in respect of each qualifying child (€1270, €850, €425) depends on which year of the 3 year period the claim is made for (e.g. a child born in Year 2 of the 3 year period will qualify for an addition of €850 and **not** €1270);
- where 2 or more people are able to claim for the same qualifying child, there is provision for splitting the allowance;
- if the child is maintained by only one of the claimants, that individual will be entitled to the child allowance;
- where the child is maintained by one or more qualifying claimants, the allowance can be split in the proportion that they maintain the child or in such manner as they jointly notify in writing to their Revenue District.

Some examples are included in Appendix 1.

### 2.7 Can a qualifying individual change employment during the 3-year period?

As previously mentioned, the allowance is due for 3 tax years. The claimant has the option of beginning his or her claim with either the tax year in which the new employment commences or the following tax year.

An employee may change or re-commence employment once during this period and keep the allowance, provided the 2nd job is also a qualifying employment. The allowance will be the allowance appropriate to the relevant year in the 3-year period.

***Example***

John is single, takes up a job in February 2012 and qualifies for the allowance for years 2012, 2013 and 2014. He became unemployed again in January 2013 but took up a 2nd qualifying employment in March 2014. He is entitled to the following deductions against the emoluments from the qualifying employment:

| | |
|---|---|
| 2012 | €3,810 |
| 2013 | NIL |
| 2014 | €1,270 |

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

**2.8 How does the allowance interact with existing back to work initiatives?**

The allowance is not due if the qualifying individual or his or her employer, is benefiting or has benefited from other employment schemes in respect of the new employment. This will particularly rule out the allowance if the employee is in receipt of the Back to Work Enterprise Allowance administered by the Department of Social Protection in respect of the new employment.

*The Employer Job (PRSI) Incentive Scheme has no effect on the availability of the allowance. An employee can qualify for the Job Assist allowance notwithstanding the fact that the employer is benefiting from the Employer Job (PRSI) Incentive Scheme in respect of that employment.*

Queries as to whether an employee who is entitled to the Job Assist allowance can retain his or her medical card or retain benefits such as rent/mortgage subsidy, fuel allowance, etc. should be referred to the relevant State agency responsible for the provision of such benefits.

**2.9 Directors**

The job assist allowance is not available to a proprietary director or the spouse/civil partner of such a director. The position is, therefore, similar to the rules for granting the PAYE tax credit. The allowance is available to qualifying children of proprietary directors and children of the self-employed who are full-time employees in the businesses of their parents, provided the relevant conditions are met.

**2.10 The Claim Form**

A leaflet (IT 58) which is available on Revenue's website www.revenue.ie incorporates the claim form (RJA1) for the allowance. The claim form is in 2 parts:

- Part 1 is to be completed and signed by the new employee.
- Part 2 is to be completed and signed by the new employer

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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## 3. Part B – Employer's Double Tax Deduction

### 3.1 Double Tax Deduction for Wages

An employer who takes on an employee under Revenue Job Assist is entitled to a double deduction in computing the profits or gains of the trade or profession for:

- emoluments paid to a qualifying individual in respect of a qualifying employment, and
- the employer's PRSI contribution in respect of those emoluments

for the period of 36 months beginning on the date the qualifying employment commenced. There is no option for the employer as to when the double deduction starts.

There is no limit on the number of "qualifying employees" an employer can take on, provided the jobs are "qualifying jobs".

The double deduction is not due if the employer is benefiting, or has benefited, from other employment schemes in respect of the new employment. However, provided the employers tax affairs are in order, an employer who takes on employees under the Scheme may also qualify for the existing Employer PRSI Incentive Scheme for the first 18 months of employment. In this situation, the double deduction for the first 18 months will refer solely to the emoluments, the employer's PRSI contribution for these 18 months being NIL. Employers requiring details of the Employer Job (PRSI) Incentive Scheme should be referred to the Department of Social Protection.

The double wage deduction ceases when the qualifying employee ceases to be employed. If he or she is replaced by a further qualifying employee and if the terms of the scheme have not been breached, a separate double wage deduction for that second individual is due for a 3-year period. If he or she is replaced by a non-qualifying individual, or if other conditions of the scheme are not met, a double wage deduction is not due. (e.g. if an employee is dismissed in Year 3 solely for the purpose of the employer claiming a double deduction for a further 3 years for a different qualifying individual, the double deduction is not due.)

### 3.2 Procedures for employers

A separate leaflet (IT 59) has been prepared on the scheme for employers and is available on Revenue's website www.revenue.ie. The qualifying conditions for the scheme are set out in the leaflet and on the claim form. Part 2 of the claim form must be completed and certified by the employer.

Part 2 of the claim form draws the attention of the employer to the conditions which the qualifying employment must satisfy to qualify under the scheme. The employer is informed that unless notified to the contrary by Revenue that the individual is not a qualifying individual, the double wages deduction is due.

The employer is also informed to keep a copy of Part 2 of the claim form to assist in preparing his/her accounts

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

**Appendix 1**

**Example 1**

John Brown, a married man with two qualifying children, claims the Job Assist allowance in 2010. In 2011, a third child is born and in 2012, a fourth child is born. The additional allowances arising from Revenue Job Assist are -

| | **Year 1** ***2010*** | **Year 2** ***2011*** | **Year 3** ***2012*** |
|---|---|---|---|
| Personal Allowance | €3,810 | €2,540 | €1,270 |
| Child Allowance | €2,540 [€1,270 x 2] | €2,550 [€850 x 3] | €1,700 [€425 x 4] |
| | €6,350 | €5,090 | €2,970 |

**Example 2**

John Murphy, a married man with two qualifying children, claims the Job Assist allowance in 2010. In 2011, a third child is born and, in 2012, a fourth child is born. In the year 2011, his spouse/civil partner, qualifies for the allowance. In this instance, it may be more advantageous for his spouse/civil partner to claim for the latter two children. The additional Job Assist allowance due would be:

| | **John** | | | **Spouse/Civil partner** | | |
|---|---|---|---|---|---|---|
| | **Year 1** | **Year 2** | **Year 3** | **Year 1** | **Year 2** | **Year 3** |
| | ***2010*** | ***2011*** | ***2012*** | ***2011*** | ***2012*** | ***2013*** |
| Personal Allowance | €3,810 | €2540 | €1,270 | €,3810 | €2,540 | €1,270 |
| Child Allowance | €2,540 | €1,700 | €850 | €1,270 | €1,700 | €850 |
| | €1,270 x 2 | €850 x 2 | €425 x 2 | €1,270 x 1 | €850 x 2 | €425 x 2 |
| | | | | | | |
| **Total** | €6,350 | €4,240 | €2,120 | €5,080 | €4,240 | €2,120 |

**Example 3**

Michael Smith is separated and has two children. The children do not reside with him nor does he maintain them. He claims the allowance in 2010 and the amounts due are –

| | ***2010*** | ***2011*** | ***2012*** |
|---|---|---|---|
| Personal Allowance | €3,810 | €2,540 | €1,270 |
| Child Allowance | €Nil | €Nil | €Nil |

*Appendix 11*

The following examples highlight the benefits to employers in employing a qualified employee under the Revenue Job Assist and Employer Job (PRSI) Incentive Scheme.

***Example 1.***
The saving to a sole trader under the Revenue Job Assist scheme, liable to income tax at 41%, employing a qualifying employee in a qualifying employment on a salary of €30,000 is as follows:

| Year | Salary | Employer PRSI contribution 10.75% | Total | Double deduction allowable in accounts | Potential tax saving @ 41% |
|---|---|---|---|---|---|
| 1 | €30,000 | €3,225 | €33,225 | €66,450 | €27,244.50 |
| 2 | €30,000 | €3,225 | €33,225 | €66,450 | €27,244.50 |
| 3 | €30,000 | €3,225 | €33,225 | €66,450 | €27,244.50 |
| **TOTAL** | | | | | **€81,733.50** |

An employer may also qualify for the Employer Job (PRSI) Incentive Scheme, which can offer further savings provided the conditions of the scheme are satisfied. Under this scheme, employers will not have to pay employer's PRSI in respect of the employment for eighteen months from the date the employer is approved for the scheme. For full details see leaflet SW 128 on www.welfare.ie

The following tables set out, for the example above, the total potential savings of €82,604.25 where the employment qualifies for both the Revenue Job Assist and the Employer Job (PRSI) Incentive Schemes.

| **Revenue Job Assist Scheme** | | | | | |
|---|---|---|---|---|---|
| **Year** | **Salary** | **Employer PRSI contribution 10.75%** | **Total** | **Double deduction allowable in accounts** | **Potential tax saving @ 41%** |
| **1** | €30,000 | Nil | €30,000.00 | €60,000 | €24,600.00 |
| **2** (six months) | €30,000 | €1,612.50 | €31,612.50 | €63,225 | €25,922.25 |

| | | | | | |
|---|---|---|---|---|---|
| **3** | €30,000 | €3,225.00 | €33,225.00 | €66,450 | €27,244.50 |
| **TOTAL** | | | | | **€77,766.75** |

| **Employer Job (PRSI) Incentive Scheme**<br>(18 months employer PRSI saving) | | | |
|---|---|---|---|
| **Year** | **Salary** | **PRSI @ 10.75%** | **Potential PRSI Savings** |
| **1** | €30,000 | €3,225.00 | €3,225.00 |
| **2** (six months) | €15,000 | €1,612.50 | €1,612.50 |
| **Total** | | | **€4,837.50** |

***Example 2.***
The saving to a sole trader, liable to income tax at 41%, employing a qualifying employee in a qualifying employment on a salary of €15,000 is as follows:

| **Year** | **Salary** | **Employer PRSI contribution*<br>4.25%** | **Total** | **Double deduction allowable in accounts** | **Saving tax @ 41%** |
|---|---|---|---|---|---|
| 1 | €15,000 | €637.50 | €15,637.50 | €31,275 | €12,822.75 |
| 2 | €15,000 | €637.50 | €15,637.50 | €31,275 | €12,822.75 |
| 3 | €15,000 | €637.50 | €15,637.50 | €31,275 | €12,822.75 |
| **TOTAL** | | | | | **€38,468.25** |

*4.25% PRSI rate applicable as weekly income less than €356.

An employer may also qualify for the Employer Job (PRSI) Incentive Scheme, which can offer further savings provided the conditions of the scheme are satisfied. Under this scheme employers will not have to pay employer's PRSI in respect of the employment for eighteen months from the date the employer is approved for the scheme. For full details see leaflet SW 128 on [www.welfare.ie](www.welfare.ie)

The following tables set out, for the example above, the total potential savings of €38,640.38 where the employment qualifies for both the Revenue Job Assist and the Employer Job (PRSI) Incentive Schemes.

| **Revenue Job Assist Scheme** | | | | | |
|---|---|---|---|---|---|
| **Year** | **Salary** | **PRSI*<br>4.25%** | **Total** | **Double deduction allowable in** | **Potential Saving** |

| | | | | accounts | @ 41% |
|---|---|---|---|---|---|
| 1 | €15,000 | Nil | €15,000.00 | €30,000.00 | €12,300.00 |
| 2 (six months) | €15,000 | €318.75 | €15,318.75 | €30,637.50 | €12,561.38 |
| 3 | €15,000 | €637.50 | €15,637.50 | €31,275.00 | €12,822.75 |
| **TOTAL** | | | | | **€37,684.13** |

| **Employer Job (PRSI) Incentive Scheme**<br>(18 months employer PRSI saving) | | | |
|---|---|---|---|
| **Year** | **Salary** | **PRSI @ 4.25%** | **Potential PRSI Savings** |
| **1** | €15,000 | €637.50 | €637.50 |
| **2** (six months) | € 7,500 | €318.75 | €318.75 |
| **Total** | | | **€956.25** |

***Example 3***

The saving to a company, liable to corporation tax at 12.5%, employing a qualifying employee in a qualifying employment on a salary of €30,000 is as follows:

| **Year** | **Salary** | **Employer PRSI contribution 10.75%** | **Total** | **Double deduction allowable in accounts** | **Potential tax Saving @ 12.5%** |
|---|---|---|---|---|---|
| **1** | €30,000 | €3,225 | €33,225 | €66,450 | €8,306.25 |
| **2** | €30,000 | €3,225 | €33,225 | €66,450 | €8,306.25 |
| **3** | €30,000 | €3,225 | €33,225 | €66,450 | €8,306.25 |
| **TOTAL** | | | | | **€24,918.75** |

The employer may also qualify for the Employer Job (PRSI) Incentive Scheme, which can offer further savings provided the conditions of the scheme are satisfied. Under this scheme, employers will not have to pay employer's PRSI in respect of the employment for eighteen months from the date the employer is approved for the scheme. For full details see leaflet SW 128 on [www.welfare.ie](http://www.welfare.ie)

The following tables set out, for the example above, the total potential savings of €28,546.87 where the employment qualifies for both the Revenue Job Assist and the Employer Job (PRSI) Incentive Schemes.

**15.1.32**

| Revenue Job Assist Scheme | | | | | |
|---|---|---|---|---|---|
| **Year** | **Salary** | **PRSI 10.75%** | **Total** | **Double deduction allowable in accounts** | **Potential tax saving @ 12.5%** |
| **1** | €30,000 | Nil | €30,000.00 | €60,000 | €7,500.00 |
| **2** (six months) | €30,000 | €1,612,50 | €31,612.50 | €63,225 | €7,903.12 |
| **3** | €30,000 | €3,225.00 | €33,225.00 | €66,450 | €8,306.25 |
| **TOTAL** | | | | | **€23,709.37** |

| Employer Job (PRSI) Incentive Scheme (18 months employer PRSI saving) | | | |
|---|---|---|---|
| **Year** | **Salary** | **PRSI @ 10.75%** | **Potential PRSI savings** |
| **1** | €30,000 | €3,225.00 | €3,225.00 |
| **2** (six months) | €15,000 | €1,612.50 | €1,612.50 |
| **Total** | | | **€4,837.50** |

Significant tax savings to the employee may also accrue, depending on their taxable status. Full details of the employee benefits are available on Leaflet IT 58 on www.revenue.ie

**Appendix 111**

The contact point for enquiries to the Department of Social Protection is:

Employment Support Services,
Shannon Lodge,
Carrick on Shannon,
Co Leitrim
Tel:071 9672698