

Introduction

Jobseekers Benefit (formerly known as Unemployment Benefit) is a taxable source of income. However the child dependant element and the first €13 per week of benefit are exempt from tax.

Jobseekers Assistance is not a taxable source of income.

I am unemployed and in receipt of Jobseekers Benefit. How will this affect my claim for a tax refund?

When you make a claim for a tax refund the taxable portion of the Jobseekers Benefit, since you became unemployed, will be added to your pay and the appropriate refund, if any, will be made.

What happens when I resume work?

When you resume employment advise your local Revenue Office of the name and address of your new employer. Revenue will then notify your new employer of your earnings and net tax deducted up to the date you resume employment. Your tax credits and standard rate cut-off point will be reduced by the amount of your taxable Jobseekers Benefit. Both yourself and your employer will be notified of your reduced tax credits and standard rate cut-off point.

Where the tax due on your Jobseekers Benefit is less than your tax credits, a cumulative certificate of tax credits will be issued.

Where the tax due on your Jobseekers Benefit is greater than your tax credits, a non-cumulative basis certificate of tax credits will be issued.

What happens if I don't claim a refund of tax and I recommence employment?

When you resume employment give your new employer your Form P45 Parts 2 and 3. Your Tax Credit Certificate and standard rate band will be reduced by the amount of your taxable Jobseekers Benefit. Both yourself and your employer will be notified of your reduced tax credits and standard rate cut-off point.

I am in "short-time employment" and receive Jobseekers Benefit for the days I am not working. How am I affected ?

If you are participating in a short-time working arrangement Jobseekers Benefit payable is not taxable.

Short-time employment means employment in which the employees have been transferred from a normal working week to a short-time working arrangement each week (e.g. 3 days on / 2 days off) or within a period of four consecutive weeks (e.g. 1 week on /1 week off; 2 weeks on /2 weeks off; 3 weeks on /1 week off).

I am unemployed. Can I transfer my Tax Credits to my spouse ?

You may transfer your tax credits to your spouse only to the extent that your tax credits exceed the tax due on your Jobseekers Benefit.

Am I entitled to the PAYE tax credit?

If you are in receipt of Jobseekers Benefit you will be entitled to the PAYE tax credit unless it has been allowed already against other PAYE income you may have.

Taxation of Jobseekers Benefit

Remember

Jobseekers Benefit is a taxable source of income and must be declared in addition to other sources of income of yourself and/or your spouse on any form from Revenue (including the annual return) which requires details of income to be stated.

Further Information

This leaflet is for general information only. You can get further information by logging on to our website www.revenue.ie or by calling your Regional PAYE LoCall Service whose number for is listed below.

- ◆ **Border Midlands West Region 1890 777 425**
Cavan, Monaghan, Donegal,
Mayo, Galway, Leitrim, Longford,
Louth, Offaly, Roscommon,
Sligo, Westmeath
- ◆ **Dublin Region 1890 333 425**
Dublin (City and County)
- ◆ **East & South East Region 1890 444 425**
Carlow, Kildare, Kilkenny, Laois,
Meath, Tipperary, Waterford,
Wexford, Wicklow
- ◆ **South West Region 1890 222 425**
Clare, Cork, Kerry, Limerick

If you are calling from outside the Republic of Ireland, please phone 00 353 (1) 647 4444.

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