

Job Assist

Employee Information

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HAVE YOU BEEN OUT OF WORK FOR SOME TIME, AND ARE NOW TAKING UP A JOB?

If the answer is **YES**, then you may be able to claim additional tax allowances. Revenue Job Assist is available to help people who have been unemployed for 12 months or more, or single parents who have been similarly unemployed, to take up a job.

A separate leaflet (IT 59) is available for employers which informs them how they can benefit.

HOW DOES REVENUE JOB ASSIST WORK?

- ◆ **IF YOU HAVE BEEN OUT OF WORK FOR 12 MONTHS OR MORE**
and now
- ◆ **TAKE UP A QUALIFYING JOB**
you may get
- ◆ **ADDITIONAL TAX ALLOWANCES OVER THREE TAX YEARS**
and subject to certain limits and conditions you may
- ◆ **RETAIN YOUR MEDICAL CARD & SECONDARY BENEFITS**
(see page 8).

HOW DO I QUALIFY FOR THIS SCHEME

To qualify for this scheme you must have been continuously unemployed for the 12 months immediately prior to the date you start the job. From 1 January 2010, up to 15 days of incidental employment, which has been taken into account in calculating Social Protection benefits will not be counted (i.e you must have been in receipt of Social Protection payments for 12 months plus up to 15 days to include incidental employment days). During those 12 months (and up to 15 days, if applicable) you must have been in receipt of one of the following payments from the Department of Social Protection:

- ◆ Jobseeker's Benefit
- ◆ Jobseeker's Assistance
- ◆ One-Parent Family Payment
- ◆ Disability Allowance
- ◆ Blind Person's Pension.

With effect from 1 January 2006, the following payments from the Department of Social Protection also qualify:

- ◆ Illness Benefit - where you have been in receipt of the payments for a continuous period of at least three years
- ◆ Invalidity Pensions - where you have been in receipt of the payments for a continuous period of at least one year.

What if I was on a FÁS course or a training scheme?

Time spent on:

- ◆ Certain FÁS training courses (non-apprenticeship)
- ◆ The Community Employment Scheme
- ◆ The Job Initiative programme
- ◆ The “Workplace” 5 week job experience programme
- ◆ The Back to Education scheme administered by the Department of Social Protection

will also count as periods of unemployment for Revenue Job Assist provided you were in receipt of one of the payments listed previously, immediately prior to commencing the course or scheme.

What if I was in prison?

With effect from 1 January 2006, if you have been released from prison then periods spent in prison are deemed equivalent to periods of unemployment.

TAKING UP A JOB

Revenue Job Assist only applies if you are taking up a job. It does not apply if you are becoming self-employed.

The job you are taking up must:

- ◆ Be for a minimum of 30 hours per week
- ◆ Be capable of lasting at least 12 months.

You cannot claim the additional tax allowances if you are benefiting from any other employment scheme such as the ‘Back to Work Allowance Scheme’, administered by the Department of Social Protection.

There are also certain conditions attaching to the job which you are taking up.

For example:

- ◆ The employment must not be primarily commission based (i.e. over 75% of earnings derived from commission)
- ◆ The previous holder of the job must not have been unfairly dismissed
- ◆ There must have been no redundancies in the company in the previous 26 weeks
- ◆ It must not be an employment where the employer requires no workforce.

If you are in doubt, your new employer will be able to inform you whether or not the job you are taking up qualifies in this regard.

ADDITIONAL TAX ALLOWANCES

The additional tax allowances are an extra personal tax allowance and a child tax allowance for each qualifying child. These allowances are marginally rated which means they are allowed at your highest rate of tax and appear as an increase to your tax credits and rate band on your tax credit certificate.

The Revenue Job Assist is added to your other tax credits and rate band and can be claimed for three years. Also, this tax allowance can be claimed irrespective of your marital or civil status.

	Extra Personal Tax Allowance	Child Tax Allowance for each qualifying Child
Year 1	€3,810	€1,270
Year 2	€2,540	€850
Year 3	€1,270	€425

What income can I claim the tax allowances against?

The tax allowances can only be set against income from the new job.

When can I claim the tax allowances?

You can start to claim the tax allowances either:

- ◆ in the tax year* in which you take the job
or
- ◆ in the following tax year

* The tax year runs from 1 January to 31 December.

For example, if you take up a job on 1 June 2011, you can start claiming the tax allowances in either the tax year 2011 or 2012. If your income from the new job in the first year is low, it may be more beneficial to wait until the following tax year to start claiming so that you will get the full benefit of the allowances.

For assistance in choosing which tax year it would be more beneficial for you to start claiming the allowances, please contact your Regional PAYE LoCall Service whose number is listed at the end of this leaflet.

Example

You, your spouse or civil partner have two children. You take up a Revenue Job Assist qualifying job on 1 June 2011 and expect to earn €18,000 to 31 December 2011. You have also received €4,000 in taxable Jobseeker's Benefit to that date. Your total taxable income for 2011 is €22,000 (€18,000 + €4,000) and your highest rate of tax is 20%. Therefore your 2011 income tax liability is €22,000 @ 20% = €4,400 less tax credits.

Tax credits for 2011 are €6,220 - made up as follows:

Married or Civil Partner's Tax Credit	€3,300
PAYE Tax Credit	€1,650
Total Ordinary Credits	<u>€4,950</u>

Plus:

Personal Job Assist Allowance (Year 1)	€3,810	
Child Job Assist Allowance (€1,270 x 2)	<u>€2,540</u>	
Revenue Job Assist Tax Credit	€6,350 @ 20%	<u>€1,270</u>
		Total €6,220

In this case it is more beneficial to wait until the tax year 2012 to start claiming the Revenue Job Assist Allowances as your ordinary tax credits of €4,950 cover your income tax liability of €4,400 arising from your taxable income of €22,000 for 2011.

For 2012, you have tax credits of €4,950 (Married or Civil Partner's Tax Credit €3,300 + PAYE Credit €1,650) plus the additional Revenue Job Assist tax credits of €1,270 making your total credits €6,220.

If you claimed the Revenue Job Assist tax credits in 2011, you would have lost the benefit of the Job Assist Allowances for 2011 as your income did not require them. Also as you are now in your second year of the Revenue Job Assist scheme, your total credits for 2012 would be only €5,798, i.e.

Married or Civil Partner's Tax Credit	€3,300
PAYE Tax Credit	€1,650
Total Ordinary Credits	<u>€4,950</u>

Plus:

Personal Job Assist Allowance (Year 2)	€2,540	
Child Tax Allowance (€850 x 2)	€1,700	
Revenue Job Assist Tax Credit	<u>€4,240 @ 20%</u>	<u>€848</u>
Total Tax Credits for 2012		<u>€5,798</u>

How do I qualify for the extra child tax allowance?

An extra tax allowance can be claimed for each qualifying child. A qualifying child is a child of yours, your spouse or your civil partner, who is:

- ◆ Under 18 years of age
or
- ◆ Over 18 years of age **and** in full-time education or full-time training as an apprentice where the training is for at least two years
or
- ◆ Permanently incapacitated either physically or mentally, having become so before reaching 21 years of age or after reaching the age of 21 but while still in full-time education or while training full-time for a trade or profession for a minimum of 2 years.

The child must be resident with you for the whole or part of the tax year.

Can two people claim for the same child?

Yes, but only one allowance can be claimed for each qualifying child in any year. If two people are entitled to claim for the same child then the allowance is split between them as follows:

- ◆ Where the child is maintained by one person only, then that person receives the allowance
- ◆ Where the child is maintained jointly, then the allowance is split either in the same proportion as they each maintain the child or in such manner as they jointly decide.

Example

You, your spouse or civil partner have both taken up jobs and you are each entitled to claim the additional child tax allowance. You have two qualifying children. You contribute €3,000 towards the children's upkeep and your spouse or civil partner contributes €1,000.

The tax allowance for your two children in Year 1 is €2,540 (€1,270 x 2)

Self:	€2,540 x $\frac{3}{4}$ * = €1,905	* €3,000/€4,000
Spouse or civil partner:	€2,540 x $\frac{1}{4}$ ** = €635	** €1,000/€4,000

You can also jointly decide to let one of you claim the child tax allowance in full or to have that allowance split between you in any other way.

You are both entitled to the €3,810 personal tax allowance for the first year of the claim.

What happens if I change jobs?

If you change jobs once during the three years you can still keep the allowance. If however, you move on to a third job you will lose the allowance.

Note: You can only claim this relief for one three year period. If you claim the relief, become unemployed and then return to work again in the **same** three year period, you can continue to claim. If you claim the relief, become unemployed and return to work **after** the three year period, you cannot claim the relief.

Can I claim tax relief for earlier years if I was entitled to this allowance?

A claim to tax relief must be made within 4 years after the end of the tax year to which the claim relates.

Refunds: Tax refunds can be paid directly by cheque to your address or by direct transfer to your Irish bank account. It is not possible to make a refund to a foreign bank account.

Can I retain my medical card and secondary benefits?

Under Revenue Job Assist you can retain your medical card for three years from the date you return to work.

You may also retain secondary benefits such as rent or mortgage subsidy, fuel allowance, etc. for three years, **subject to certain income limits and other conditions**. For queries in relation to entitlement, or otherwise, to secondary benefits, contact the Health Service Executive directly at 1850 24 1850 or visit **www.hse.ie**.

Can I claim the Family Income Supplement (FIS)?

Yes, you can claim FIS (a weekly tax-free payment) if your family income falls below a certain limit. For further details contact the FIS Section in the Department of Social Protection, Family Income Supplement Section, Government Buildings, Ballinalee Road, Longford, Telephone (043) 334 0000 or (01) 704 3000 or LoCall 1890 92 77 70

HOW DO I MAKE A CLAIM?

There is a claim form RJA1 attached to this leaflet.

There are two parts to this form:

- ◆ Part 1 must be completed by you
- ◆ Part 2 must be completed by your employer to certify that the job you are taking up qualifies for the scheme.

When both parts of the form have been completed you should forward it to your local Revenue Office.

Any Revenue correspondence that you receive will show the contact address of your local Revenue office or if you visit **www.revenue.ie** and enter your PPS number into our Contact Locator, the name, address and contact details of your local Revenue office will be displayed.

FURTHER INFORMATION

This leaflet is for general information only.

For further information visit www.revenue.ie or phone your Regional PAYE LoCall service, whose number 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

Please note that rates charged for the use of 1890 (LoCall) numbers may vary among different service providers.

If you are calling from outside the Republic of Ireland, please phone + 353 1 702 3011.

4 - Year Time Limit: A claim for tax relief must be made within 4 years after the end of the Tax year to which the claim relates.

Accessibility - If you are a person with a disability and require this leaflet in an alternative format the Revenue Access Officer can be contacted at accessofficer@revenue.ie.

This leaflet is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.