



**An Roinn Coimirce Sóisialaí
Department of Social Protection**

www.welfare.ie

**Are you thinking of starting a new business or
becoming self employed?**

***Check the facts about self-employed PRSI and other issues
relating to self-employment and social welfare on
www.welfare.ie***

Did you know that if you start your own business or become self-employed, you pay PRSI at the Class S rate of 4%, which, if you satisfy the qualifying conditions, entitles you to:

- State Pension (Contributory)
- Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension,
- Guardian's Payment (Contributory)
- Maternity Benefit
- Adoptive Benefit and
- Bereavement Brant

People who are self-employed, over the age of 16 and under pensionable age with reckonable income of €5,000 per year or more, are liable for compulsory social insurance at class S.

Speaking today, the Minister for Social Protection, Joan Burton T.D. pointed out that while self-employed workers are not insured against short-term benefits such as Illness and Jobseeker's payments, they may build an entitlement to the State Pension (Contributory).



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“The State Pension (Contributory), in particular, is a very valuable benefit. The current maximum rate of State Pension (Contributory) is €230.30 per week or almost €12,000 per year; this does not include the value of (means-tested) increases for qualified adults, or other additional benefits which recipients might also receive. The market cost of an inflation-linked annuity with €12,000 a year in initial benefits is in excess of €300,000. This value is without any associated survivors’ benefits, which are available with the State Pension,” said the Minister.

Details about the self-employment rate of PRSI, voluntary PRSI contributions and the benefits that a self-employed person may get from the Department of Social Protection are available at www.welfare.ie.

Minister Burton also commented on the range of supports and initiatives available from the Department of Social Protection to encourage jobseekers into self-employment. **“The Back to Work Enterprise Allowance supports over 11,000 people in self-employment, while allowing them to retain a reducing proportion of their qualifying social welfare payment over two years.”**

The Department of Social Protection also administers the Short Term Enterprise Allowance which replaces Jobseekers Benefit with a weekly payment of a similar amount for a maximum of either 9 or 12 months. There are currently over 1,100 people supported under this Scheme. People may also be able to retain certain secondary benefits such as the medical card and, in certain circumstances, grants can be made from the Technical Assistance and Training Fund to claimants who are establishing an enterprise.



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Minister Burton concluded by saying: **“The Department expects to spend over €141 million on these Schemes in 2012 and I would encourage jobseekers who are interested in pursuing the enterprise and self-employment option to contact one of the Department of Social Protection Facilitators at any Social Welfare Local Office. Information about supports and PRSI for self-employed people is also available at www.welfare.ie.”**

ENDS

Back to Work Enterprise Allowance

The Back to Work Enterprise allowance (BTWEA) is designed to encourage people who are long-term dependent on social welfare payments to engage in self-employment, while allowing them to retain a reducing proportion of their qualifying social welfare payment over two years (100% in year 1 and 75% in year 2). The business, which must be viable and sustainable, must be approved in advance by a Facilitator based in a Social Welfare Local Office or your Integrated Local Development Company (ILDC)/Partnership Company if you reside in a Partnership or ILDC area.

Short Term Enterprise allowance

If you are getting Jobseeker’s Benefit (JB) and you wish to set up an enterprise, you may qualify immediately for the Short Term Enterprise Allowance (STEA.) This would replace your JB with a weekly payment of a similar amount for a maximum of either 9 or 12 months, depending on your JB entitlement. Certain secondary benefits such as your medical card may be retained. The business, which must be viable and sustainable, must be



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approved in advance by a Facilitator based in a Social Welfare Local Office or your Integrated Local Development Company (ILDC)/Partnership Company if you reside in a Partnership or ILDC area.

Technical Assistance & Training Fund

In certain circumstances, grants can be made from the Technical Assistance and Training Fund to BTWEA and STEA claimants who are establishing an enterprise. Examples include training (in areas such as bookkeeping and accounts, marketing and computer training). A contribution towards the cost of Public liability Insurance and small items of essential equipment may also be made. This scheme is operated by Department of Social Protection Facilitators. You do not have an automatic entitlement to access the Technical Assistance and Training Fund.

ENDS