



NEWS RELEASE

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## **Exempting employers from PRSI will get people back to work – Hanafin**

**'The Employer Job (PRSI) Incentive Scheme will make it significantly easier for employers to create jobs and help get Ireland back to work'** said Mary Hanafin T.D., Minister for Social and Family Affairs today (30<sup>th</sup> December 2009).

**Under the new scheme where an employer creates a new job and employs a person who has been on the Live Register for six months or more, they will be exempt from the employers PRSI contributions for the first 12 months of that employment.**

Outlining further details of the scheme that was announced on Budget day, Minister Hanafin said **'the Incentive Scheme will typically result in a reduction of €3,000 per annum in the cost of an employment. In these challenging times, we are very conscious that decisions to take on staff are difficult, even where sound business opportunities exist. I hope that these savings to employers will tip the balance in favour of job creation and play a significant role in re-establishing people in the workforce.'**

Minister Hanafin also outlined that the measure, which will be rolled out in the new-year, was being deliberately targeted at those who have been unemployed for six months or more. **'The proportion of people who return to employment after a short period out of work remains relatively high. However, after 6 months on the Live-Register there is a danger that people will drift into long-term unemployment and welfare dependency. For this reason the scheme will only be available to those who have been unemployed, or on certain linked training courses, for 6 months or more.'**

It was also clarified that the scheme will be open to applications in relation to any job created in 2010. Minister Hanafin said **'eligible jobs created in 2010 but before the scheme is launched will benefit from 1 years employer's PRSI exemption from the launch date. Jobs created after the scheme launch will be able to avail of the exemption straight away.'**

Full details of the **Employer Job (PRSI) Incentive Scheme** will be announced in the new-year. The provisional scheme criteria are as follows:

- The employee concerned must have been on the Live-Register (Unemployed) for at least 6 months;



## **Department of Social and Family Affairs**

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- The job must be full-time and must be new and additional – employers will not be allowed to substitute existing employees to avail of the scheme;
- The employer will be required to furnish an up-to-date Tax Clearance Certificate;
- Employers will be limited to a maximum participation rate of 5% of their existing workforce or, for smaller companies, a maximum of 5 new jobs;
- The job must last for 6 months or more. If it does not, the PRSI exempt amounts will have to be repaid by the employer.

**ENDS**