



An Roinn Coimirce Sóisialaí Department of Social Protection

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Minister Burton highlights that PRSI Incentive Scheme also applies to JobBridge interns

Substantial savings in PRSI for employers who create jobs and take on eligible employees, including JobBridge interns, after 1 January 2012.

The Minister for Social Protection, Joan Burton T.D. today (Wednesday, 23rd May) reminded employers that they may avail of the Employer Job PRSI Incentive Scheme until the end of 2012.

Minister Burton said: ***"Under the scheme, if an employer takes on an eligible worker who has been unemployed for 6 months or more, they are exempt from paying employers PRSI for 18 months. The job must be new and additional, be for at least 30 hours a week and last for at least six months.***

"It is a great incentive for businesses who currently host JobBridge interns to employ them on completion of their internship and given that many of the JobBridge internships are now close to completion, it is an opportune time for employers to consider this option. Almost 900 interns have progressed directly into employment and, in many cases, the companies employing these people are availing of the PRSI Incentive Scheme.

"I would really like host organisations to benefit from this opportunity and the Department will be reminding them of the support and savings available when they are closing off the internship. We have provided a new link on the JobBridge website www.jobbridge.ie which provides full details of the scheme."

Minister Burton continued: ***"The amount of PRSI savings to an employer depends on the PRSI band which applies to the specific employee but, for someone being paid €350 per week, an employer would save €1,160 per year.***

"While the scheme does involve a cost in terms of social insurance forgone, it should be borne in mind that by supporting the creation of employment the scheme benefits the Exchequer in terms of reduced social welfare and increased tax revenues (paid by employees) while providing employers with an incentive to employ people which in turn provides stimulus to the economy. I would be very happy to see even more businesses availing of the scheme."

In conclusion Minister Burton noted: ***"Department of Social Protection customers supported in self-employment via the Back to Work Enterprise Allowance or***



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the Short Term Enterprise Allowance schemes can also avail of this incentive where they find themselves in a position to expand their businesses.

"Also, 3,500 people are graduating this month from the first phase of Springboard 2011. Many of these graduates have been supported under the Part Time Education Option (PTEO) in my Department which allows them to engage in part-time studies and retain their Social Welfare payments while an entitlement exists. Not only do they have up to date qualifications relevant to sectors such as ICT, pharmaceuticals, medical devices and financial services, but also a wealth of experience and workforce skills. As many of these graduates will qualify as eligible employees under the PRSI exemption scheme, employers will be able to avail of the PRSI exemption scheme if they take on an eligible Springboard graduate."

PRESS RELEASE ENDS



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Note for Editors

The Employer Job PRSI Incentive Scheme

The Employer Job PRSI Incentive Scheme was launched on the 20th June 2010 and whilst it was originally intended that it should cease at the end of 2010 it was extended to the end 2011 in the context of the Budget and National recovery plan.

Subsequently in February 2012 under the Action Plan for Jobs, the Government agreed to further broaden and extend the scheme to the end of 2012. The exemption, which previously applied for 12 months, was increased to 18 months for employers who create jobs and employ eligible employees after 1 January 2012.

Under the scheme, if an employer employs an eligible employee who has been unemployed for 6 months or more, they are exempt from paying employers' PRSI for 18 months. The job must be new and additional, be for at least 30 hours a week and last for at least six months.

Eligibility criteria for the scheme has been further broadened and amended to;

- Allow time spent on the JobBridge and the Work Placement Programme count towards the qualifying period for the scheme
- Allow persons on eligible payments undertake short FÁS courses without impacting on their eligibility
- Allow linking periods for illness payments provided the person returns to a qualifying payment immediately prior to commencement of employment.
- Allow time spent in casual employment count towards the qualifying period for the scheme where a person is progressing to a new full time job offered by a different employer

Examples of savings to Employers

The amount of PRSI savings an employer realises will vary depending on the PRSI band appropriate to a specific employee, ranging from 4.25% for those who earn €356 or under per week to 10.75% for those who earn over €356 per week of gross pay. [In 2011, the Government halved the lower rate of PRSI (from 8.5% to 4.25%) until the end of 2013, on jobs that pay up to €356 per week].

Below are some worked examples of the possible savings to employers who employ eligible employees from 1 January 2012 and assume the employee remains in employment for 18 months;

- I. If an employer employs an eligible employee who is paid €350 per week- a saving of circa €1,160 per annum will be realised.
- II. If an employer employs an eligible employee who is paid €500 per week- a saving of circa €4,192 per annum will be realised.
- III. If an employer employs an eligible employee who is paid €690 per week which according to the CSO is the approximate average industrial wage in 2011- a saving of circa €5,785 per annum will be realised.