

The Back to Work Enterprise Allowance is paid directly into your bank or building society account each week. The allowance cannot be paid into a mortgage account.

You must contact the Department of Social Protection immediately if your self-employment ends or you take up employment. **You do not have to pay tax, PRSI or Universal Social Charge** on the Back to Work Enterprise Allowance but you may have to pay tax, PRSI and Universal Social Charge on any income you get from self-employment.

You can claim [Start Your Own Business Relief](#) if you are getting the Back to Work Enterprise Allowance (BTWEA). This scheme provides a two-year exemption from income tax (up to a maximum of €40,000 per year) for people who have been unemployed for at least 12 months before starting their own business. It runs from 23 October 2013 to 31 December 2016.

How to apply

To apply for the schemes you must:

1. Submit an Information Sharing Authorization Form to LCRL, which has been completed and stamped by your Intreo centre or local social welfare office;
2. Complete minimum 15 hours Exploring and Planning for Self Employment training as approved by LCRL;
3. Complete application **form BTW 2** and a **Business Plan** for your proposed venture (template will be provided at training);
4. Complete form **TR1/TR2** for Revenue.
5. Contact LCRL to make appointment with Enterprise Officer.

Fiona Jannink
Enterprise Officer
Longford Community Resources Ltd
Longford Community Enterprise Centre
Ballinalee Road, Longford
Tel: 043 3345555 **E-mail: fjannink@lcrli.ie**

The Enterprise Officer will look at your business proposal and will meet with you to discuss it. You must **not** take up self-employment until you have received written approval from LCRL or the Department of Social Protection. If you are accepted on to the Back to Work Enterprise Allowance scheme, you must register as self-employed with Revenue.



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Department of Social Protection
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The Back to Work Enterprise Allowance Scheme

The Back to Work Enterprise Allowance (BTWEA) scheme encourages people getting certain social welfare payments to become self-employed. If you take part in the BTWEA scheme you can keep a percentage of your social welfare payment for up to 2 years.

If you have recently become unemployed or been made redundant you may qualify for the [Short-Term Enterprise Allowance](#) (STEA) Scheme. See more about the STEA in 'Rules' below.

Rules

You can avail of the Back to Work Enterprise Allowance if you are:

Setting up a self-employment business that has been approved in advance in writing by Longford Community Resources Limited (LCRL) or a DSP case officer;

- and -

Getting one of the qualifying payments for a least 12 months:

- Jobseeker's Allowance
- Jobseeker's Benefit (with an underlying entitlement to Jobseeker's Allowance)*
- One-Parent Family Payment
- Blind Pension
- Disability Allowance
- Carer's Allowance (having stopped caring duties)
- Farm Assist providing that the self-employment is not in relation to the holding and not the continuation of an existing operation.
- Invalidity Pension
- Incapacity Supplement
- Widow's/Widower's or Surviving Civil Partner's (Non-Contributory) Pension

*Having an underlying entitlement to Jobseeker's Allowance means that you would pass the means test and other criteria. Signing on for unemployment credits following your Jobseeker's Benefit does not count towards the qualifying period.

Or -

- Getting Illness Benefit for 3 or more years;

You may also be considered for the BTWEA if you are:

- A dependent adult of a person who is eligible to claim the BTWEA. You may qualify if the person taking part in the BTWEA scheme stops their self-employment before exhausting their entitlement. The spouse or partner may avail of the scheme for the time remaining on the original claim. This involves the person who is eligible for the BTWEA transferring his or her entitlements to their spouse, civil partner or cohabitant. (In other words, the spouse, civil partner or cohabitant becomes self-employed and the original claimant becomes the qualified adult on the BTWEA). If the original claimant is entitled to credits, he or she can continue to claim them. However BTWEA cannot be paid at the same time as another social welfare payment so if the original claimant (now a qualified adult) decides to claim another payment you must stop claiming BTWEA.
- A person released from prison who satisfies the eligibility criteria for the scheme.

Qualifying periods

Periods of time spent in FET and Failte Ireland training courses, Community Employment, Tús, Social Economy Programme, Job Initiative, Rural Social Scheme, VTOS, Teagasc, FIT and Back to Education Schemes are accepted as qualifying periods provided you were entitled to a qualifying payment before starting on the study or training. The Department of Social Protection also counts time spent on the Community Services Programme provided you were getting a qualifying social welfare payment for at least half of the qualifying period.

Time spent on Supplementary Welfare Allowance or in direct provision can count towards the qualifying period for BTWEA as long as you establish an entitlement to a relevant payment before starting the BTWEA.

If you have previously participated in the BTWEA scheme and exhausted your entitlement, you can participate a second time after at least 5 years.

More information on qualifying periods for BTWEA is available on the Department of Social Protection (DSP) website.

Short-term Enterprise Allowance

The Short-Term Enterprise Allowance (STEA) gives support to people who have lost their job and want to start their own business.

To qualify you must be getting or have an entitlement to Jobseeker's Benefit. There is no qualifying period, which means you do not need to have been getting Jobseeker's Benefit for a certain period of time. However, you will not qualify if you are getting Jobseeker's Benefit and working part-time. Seasonal, temporary or part time self-employment does not qualify for the STEA.

The STEA is paid instead of your Jobseeker's Benefit for a maximum of 9 months. It will end when your entitlement to Jobseeker's Benefit ends (that is at either 9 or 6 months).

Rates

If you qualify for the Back to Work Enterprise Allowance you can keep the following portion of your social welfare payment, including increases for a qualified adult and qualified children, for a maximum of 2 years:

- 100% for the 1st year
- 75% for the 2nd year

If your qualified adult finds employment this does not affect your BTWEA. However if your qualified adult claims another social welfare payment in their own right or takes up Community Employment your BTWEA payment will be reduced accordingly.

Extra benefits

You can keep your extra (secondary benefits) for as long as you are getting the BTWEA. However you must be deemed eligible for the Rental Accommodation Scheme to keep your Rent Supplement. Your Rent Supplement may be affected if your earnings go up while you are on the scheme. You should check with the Department of Social Protection's representative (formerly known as the Community Welfare Officer) in your local health centre to see how your Rent Supplement may be affected by your participation in the BTWEA.

Extra benefits include:

- Fuel Allowance
- Medical card
- Back to School Clothing and Footwear Allowance
- Differential rents (from your local authority)