**Back to Work Enterprise Allowance**

**NOTE: This scheme supports: Sole traders, Partnerships and Limited Companies.**

**Introduction**

The Back to Work Enterprise Allowance (BTWEA) scheme encourages people getting certain social welfare payments [to become self-employed](http://www.citizensinformation.ie/en/employment/types_of_employment/self_employment/self_employment_as_an_individual.html). If you take part in the BTWEA scheme you can keep a percentage of your social welfare payment for up to 2 years. BTWEA is a payment made by the Department of Social Protection (DSP) to people aged under 66.

There is also a separate Back to Work Scheme called the [Short-Term Enterprise Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_and_work/short_term_enterprise_allowance.html), which supports people on Jobseeker's Benefit to start their own business.

**Rules**

You can qualify for a Back to Work Enterprise Allowance (BTWEA) if you are:

Setting up as self-employed in a business that has been approved in advance in writing by a DSP Case Officer or Local Development Company (LDC) (see 'How to apply' below)

**and**

Getting one of the qualifying payments listed below for at least 9 months (234 days)

* [Jobseeker's Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/jobseekers_allowance.html) (JA)
* [Jobseeker's Benefit](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/jobseekers_benefit.html) (with an underlying entitlement to Jobseeker's Allowance - see 'Jobseeker's Benefit and underlying entitlement to JA' below)\*
* [Jobseeker's Transitional payment](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/jobseekers_allowance_transition.html) (JST)
* [One-Parent Family Payment](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/one_parent_family_payment.html) (OFP)
* [Blind Pension](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/blind_persons_pension.html)
* [Disability Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/disability_allowance.html)
* [Carer's Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/carers/carers_allowance.html) (having stopped caring duties)
* [Deserted Wife's Benefit](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/deserted_wife_s_payments.html)/Allowance
* Prisoner's Wife's Allowance
* [Farm Assist](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/farming_and_fishing/farm_assist.html)
* [Invalidity Pension](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/invalidity_pension.html)
* [Incapacity Supplement](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/disablement_benefit.html)
* [Widow's/Widower's or Surviving Civil Partner's (Non-Contributory) Pension](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/death_related_benefits/widows_non_contrib_pen.html)

**or**

* Qualifying from Illness Benefit: 3 out of last 5 years in receipt of a qualifying social welfare payment

**or**

* Combination of OFP/JST/JA for 9 months (234 days)

**\*Jobseeker's Benefit and underlying entitlement to JA**

If you are on Jobseeker's Benefit, you need to have an underlying entitlement to Jobseeker's Allowance in order to qualify for BTWEA. Having an underlying entitlement to Jobseeker's Allowance means that you would pass the means test and other criteria for Jobseeker's Allowance. Signing on for [unemployment credits](http://www.citizensinformation.ie/en/social_welfare/irish_social_welfare_system/social_insurance_prsi/credited_social_insurance_contributions.html) following your Jobseeker's Benefit does not count towards the qualifying period for BTWEA.

**Other ways of qualifying for BTWEA**

You may also be considered for the BTWEA if you are a [qualified adult](http://www.citizensinformation.ie/en/social_welfare/irish_social_welfare_system/claiming_a_social_welfare_payment/claiming_an_increase_in_your_social_welfare_payment_for_an_adult_dependant.html) of a person who is already getting the BTWEA.

You may qualify if the person who is getting the BTWEA stops their self-employment before exhausting their entitlement due to certain circumstances. Valid circumstances would include a long-term illness or injury which prevents the original claimant from working, or the illness of an immediate family member which requires them to become a full-time carer. If you are the qualified adult of a BTWEA claimant who stops their self-employment to take up other employment, this is not a valid circumstance to qualify you for BTWEA.

If you qualify for BTWEA in this way, you may avail of the scheme for the time remaining on the original claim. This involves the original claimant transferring his or her entitlements to you as their spouse, civil partner or cohabitant. (In other words, you become self-employed and the original claimant becomes your 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.

If you have been recently released from prison, you may qualify for BTWEA. Time spent in prison can count towards the qualifying period for the BTWEA if you establish an entitlement to a relevant social welfare payment before becoming self-employed.

**Qualifying periods for BTWEA**

Periods of time spent on full-time FET, Fáilte Ireland and Teagasc training courses, Community Employment, Social Economy Programme, Rural Social Scheme, FIT, Job Initiative, JobBridge, Work Placement Programme, Tús, BTEA and VTOS 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 for asylum seekers can count towards the qualifying period for BTWEA, as long as you establish an entitlement to one of the qualifying payments listed above before starting the BTWEA.

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

Find out more about the [qualifying periods for Back to Work Enterprise Allowance](http://www.welfare.ie/EN/OperationalGuidelines/Pages/btw_eall.aspx).

**Help with starting a business**

In addition to income support (your weekly payment), you can also get financial support with the costs of setting up your business. These supports are provided under a scheme called the Enterprise Support Grant (ESG).

You can only get the ESG if you have been approved for the BTWEA. The business plan you submit as part of your application for the scheme must set out the rationale and requirement for financial support. The ESG can pay a total of €2,500 in any 24-month period. You must be able to make a matching contribution of at least 20% to access grant support. You need to provide documentary evidence of the costs (quotations from at least 2 suppliers or, if a single supplier, the reasons for choosing a single supplier).

Eligible items for grant support include:

|  |  |  |
| --- | --- | --- |
| **Category** | **Annual limit, €** | **Minimum contribution from applicant** |
| Accountancy and related services including legal advice | Up to €500 | 20% |
| Advertising and marketing aids | Up to €500 | 20% |
| Business equipment | Up to €1,000 | 20% |
| Business mentoring (this can be offered free or at a reduced rate by Local Enterprise Officers (LEOs) or Local Development Companies) | Up to €250 | 20% |
| Business registration costs and fees | Up to €250 | 20% |
| Compliance, guidance and training | Up to €250 | 20% |
| Job-specific tools and equipment | Up to €1,000 | 20% |
| Office supplies and stationery | Up to €250 | 20% |
| Personal protective clothing and equipment | Up to €250 | 20% |
| Public liability insurance costs associated with setting up a business - no other insurance is eligible | Up to €1,000 | 20% |
| Short-term training on book-keeping, regulation, rollout of business plan, start-your-own-business and courses of training related to the start-up | Up to €250 | 20% |
| Signage | Up to €500 | 20% |
| Upgrading to premises where the premises is owned by the applicant | Up to €1,000 | 20% |
| Website registration, related services and production | Up to €500 | 20% |
| **Combination of above in any 24-month period** | **€2,500** |  |

Note that you do not have an automatic right to any of these amounts. The Department of Social Protection's Case Officer will assess your application and eligibility.

Some items are not eligible for grant support under the ESG. These include:

* Building/premises rental costs
* Cost of travel
* Insurance (except public liability)
* Personal clothing and uniforms (except protective clothing)
* Professional development programmes arranged by professional and regulatory bodies
* Purchase of any type of vehicle
* Stock-in-trade
* Training or education other than that specified
* Utility costs, connection or supply and local authority rates

**Employment grants**

Employment grants from a Local Enterprise Office (LEO) or a Local Development Company do not affect your entitlement to the BTWEA.

**Extra benefits**

You can keep your extra (or secondary) benefits for as long as you are getting the BTWEA. Extra benefits include:

* [Fuel Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/extra_social_welfare_benefits/fuel_allowance.html)
* [Medical card](http://www.citizensinformation.ie/en/health/entitlement_to_health_services/medical_card.html)
* [Back to School Clothing and Footwear Allowance](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/back_to_school_clothing_and_footwear_allowance.html)
* Differential rents (from your [local authority](http://www.citizensinformation.ie/en/government_in_ireland/local_and_regional_government/local_authorities.html))
* [Rent Supplement](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/rent_supplement.html)

However, if you are getting Rent Supplement, you can only keep it if you are deemed eligible for the [Rental Accommodation Scheme](http://www.citizensinformation.ie/en/housing/local_authority_and_social_housing/rental_accommodation_scheme.html). Your Rent Supplement may be affected if your earnings go up while you are on the BTWEA scheme. You should check with the [Department of Social Protection's representative (formerly known as the Community Welfare Officer)](http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/community_welfare_officers.html) to see how your Rent Supplement may be affected by your participation in the BTWEA scheme.

**When you are getting the BTWEA**

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 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](http://www.citizensinformation.ie/en/money_and_tax/tax/income_tax_credits_and_reliefs/start_your_own_business_scheme.html) if you are getting the Back to Work Enterprise Allowance (BTWEA). This provides a 2-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. To qualify, you must start the business by 31 December 2018. You must contact the Department of Social Protection immediately if your self-employment ends or you take up employment.

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

**Change of circumstances**

If your circumstances change, your rate of payment for a qualified adult or additional qualified children may be increased or decreased, depending on your situation. However, if your BTWEA claim is based on a previous entitlement to One-Parent Family Payment or Carer's Allowance, you cannot claim an increase for a qualified adult as this would not have been payable on your underlying entitlement.

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, your BTWEA payment will be reduced accordingly.

**How to apply**

To apply for the Back to Work Enterprise Allowance, complete application [form BTW 2](http://www.welfare.ie/en/pdf/btw2.pdf). If you live in an area covered by a Local Development Company (LDC) (sometimes known as local partnership companies) you should return form BTW 2 to the Enterprise Officer in the LDC. If you do **not** live in a LDC Area, you should return form BTW 2 to the Case Officer in your Intreo Centre or Social Welfare Branch Office.

The Enterprise Officer or Case Officer will look at your business proposal and may discuss certain aspects of it with you. You must **not**take up self-employment until you have received written approval from the LDC or the Department of Social Protection. If you are accepted on to the Back to Work Enterprise Allowance, you must [register as self-employed with the Revenue Commissioners](http://www.revenue.ie/en/business/running/registering-tax.html).

**Reviewing a decision**

The BTWEA is an administrative scheme. This means that you cannot appeal a decision to the Social Welfare Appeals Office. However, you can ask the Department of Social Protection to review your application if you feel that you have been wrongly refused the allowance.