

Summary of Measures

General

- Halving of the lower rate of PRSI until end-2013 on jobs that pay up to €356 per week.
- Restoration of the Minimum wage.
- Reversal of decision to introduce employer PRSI on share based remuneration
- The R&D tax credit legislation will be amended to enhance its accounting treatment flexibility.

Tourism

- To support the tourism industry, a new **temporary second reduced rate of VAT of 9%** will be introduced with effect from 1 July 2011 until end December 2013. It will mainly apply to restaurant and catering services, hotel and holiday accommodation and various entertainment services such as admissions to cinemas, theatres, museums, fairgrounds, amusement park and the use of sporting facilities. In addition, hairdressing and printed matter such as brochures, maps programmes and newspapers will also apply at the new rate.
- The **Air Travel Tax** rate will be abolished.
- **Short-term Visa Waiver Programme** will apply to short stay visitors of 14 nationalities who ordinarily require a Visa to enter the State and will apply over a period from July 2011 to October 2012.

Transport

- In the region of 1,000 jobs will be created by both the **rehabilitation of local and national roads** along with the implementation of smarter travel and management schemes.

Energy

- The retrofitting scheme is more labour intensive than other capital projects and the additional €19m Exchequer funding will **create approx 2,000 positions**.

Education

- The Government will provide an additional €30m for school works in addition to the €41m already provided for under the summer works schemes. It will support approximately 2,400 direct and 480 indirect jobs for the period of the works.
- Relaxation of the Employment Control Framework for the Higher Education Sector by the **removal of the numbers ceiling on non-Exchequer funded specialist posts funded on a full cost recovery basis**, including the deferred pension cost.

Access to Credit (Temporary Partial Loan Guarantee Scheme)

- Lending targets for the two pillar banks will be fleshed out in the coming weeks. The role of the Credit Review Office will be looked at.
- Also as part of a package of initiatives we will be initiating a tendering process for the development of a temporary, partial credit guarantee scheme. The Government's commitment will be for an initial period of one year. Further details of the scheme will be announced in June with a view to having a **targeted scheme in place by the autumn**.

Public Procurement

- The Government will build on existing initiatives to promote greater access to procurement opportunities for SMEs, including through identifying and overcoming barriers to their participation in the procurement process. **Every 1% increase in public procurement contracts won by small and medium sized firms would deliver €150 million extra in business for this crucial sector.**

Diaspora Scheme

- This initiative will be piloted by IDA Ireland and is intended to complement IDA's initiative to attract more fast-growth Emerging Companies to Ireland. Any "finder's fee" would only be paid when IDA Ireland is satisfied that a sustainable job was in place. Any payment would have to take account of both the number and nature of the jobs and the overall cost to the State.

Microfinance Start-Up Fund

- The Government is committed to developing a suitable Microfinance Fund for the micro enterprise sector, drawing on funding from the National Pensions Reserve Fund and other sources. Arrangements for the establishment and operation of such a fund will be developed in consultation with the relevant stakeholders, with a view to formalising proposals in the context of Budget 2012.

Levy on Pension Funds

- A levy of 0.6% will be applied to the market value of assets under management in pension funds and pension plans approved under Irish tax legislation (occupational pension schemes, Retirement Annuity Contracts and Personal Retirement Savings Accounts).
- The value of the assets would be determined as at 1 January 2011, or on the last date of the accounting period ending in the twelve months preceding that date.
- The scheme will operate for a period of 4 years (2011 to 2014) with a view to raising yields of c. €470 million each year.
- The levy will not apply to the assets of pension funds in respect of the provision of retirement benefits to non-resident members.
- The levy will not apply to pension funds where the trustees have already passed a resolution (before 10 May 2011) to wind-up the fund and where the employer sponsors are insolvent and no longer in business.
- Legislative provision will have to be made to allow pension scheme trustees or administrators the option to adjust the benefits payable under pension schemes or plans.
- The chargeable persons for the levy will be the trustees or other persons (including insurance companies) having the management of the assets of the pension schemes or plans.
- The levy will be administered by the Revenue Commissioners. The levy will be payable in two tranches for each of the four years of its operation, including 2011.

Labour Activation Measures

There are four pillars to an enhanced labour activation strategy:

- (i) Increased incentives for the unemployed to progress into employment, training or education
- (ii) Increased levels of engagement with the unemployed
- (iii) Increased and better targeted Training, Education and Work Experience places
- (iv) Increased incentives for employers to create jobs

An additional **20,900 places** will be made available for training, education and upskilling under the measures outlined below.

National Internship Scheme

This is a time limited scheme operating for two years only with 5,000 places. Internship placements will operate for a 6 to 9 month period with the payment of €50 per week additional to social welfare entitlements. It will operate in the private, public and voluntary sectors.

3rd level/Springboard

This provides 5,900 places for 3rd level places/spring board at level 6 and over of the National Framework of Qualifications. It will be targeted at those exiting sectors with structural unemployment.

Back to Education Initiative

This provides 3,000 places in back to education part time modules mainly at levels 1-4 and some at 5-6 on the National Framework of Qualifications. These places will be targeted at adults with less than upper second level education.

Specific skills training (long-term)

This provides 1,000 places in specific skills long term training at levels 4-6 on the National Framework of Qualifications to be delivered by FAS. These places will be targeted at adults existing sectors with structural unemployment.

Specific skills training (short-term)

This provides 5,000 places in specific skills short term training at levels 4-6 on the National Framework of Qualifications to be delivered by FAS. These places will be targeted at adults existing sectors with structural unemployment.

Post Leaving Certificate (PLC)

This provides 1,000 places in PLC courses which are generally one year, full-time courses at NFQ Levels 5 and 6. PLC courses are aimed at school leavers and adults returning to education who wish enhance their employability and re-enter the labour market.