



Claim a cash  
incentive and make  
a difference to youth  
unemployment

**jobcentreplus**

Department for  
Work and Pensions

# Claim a cash incentive and make a difference to youth unemployment

Wage incentives could be yours when you take on an unemployed 18 to 24 year old and are available through Jobcentre Plus across England, Scotland and Wales.

They are also available if you take on a young person from the Work Programme, delivered by the private, public and voluntary sector to help individuals at risk of becoming long-term unemployed find work.

In addition, wage incentives are available for taking on a young disabled person from the Work Choice programme.



## How it works

If you take on a young person for 16 hours or more each week in a job lasting more than 26 weeks then you could claim an incentive.

There are two rates:

- for part-time work between 16 and 29 hours a week – £1,137.50
- for full-time work of 30 hours or more a week – £2,275.

This will be paid 26 weeks after the employee starts work. Small businesses with fewer than 50 employees can claim a part payment eight weeks after the employee starts work.

## Who can claim?

Wage incentives are available to private, voluntary and community sectors and social enterprise employers. Central government departments, their executive agencies and Non-Departmental Public Bodies (NDPBs) will be excluded from claiming them, however the wider public sector such as NHS trusts, will not.



### How to claim

Talk to Jobcentre Plus who will give you further information, advice on the eligibility conditions and support to identify the right person for your vacancy.

If you have already identified someone you wish to recruit then you should contact the young person's local Jobcentre. Alternatively, you could request that the young person arranges for their Jobcentre adviser to contact you before they start the job.

When the young person starts work Jobcentre Plus will issue a claim form and tell you how and when to make the claim.

“Wage incentives are available to private, voluntary and community sectors and social enterprise employers.”

### Contact us

Phone Jobcentre Plus on: 0845 601 2001 (option 2)  
Textphone 0845 601 2002 for people with speech or hearing impairments.

For information about wage incentives available through the Work Programme, contact your local Work Programme provider. Find your local provider at: <http://www.dwp.gov.uk/youth-contract/key-initiatives/wage-incentives/local-work-programme-providers/>.

For information about wage incentives available through Work Choice, contact your local Work Choice provider. Find your local Work Choice provider at: <http://www.dwp.gov.uk/docs/work-choice-providers.pdf>.

### Further information

More details about the wage incentive scheme, including full terms and conditions can be found at: [www.dwp.gov.uk/youth-contract/key-initiatives/wage-incentives/](http://www.dwp.gov.uk/youth-contract/key-initiatives/wage-incentives/).

# Wage incentive scheme frequently asked questions

## **I've recently filled a vacancy with a young person who might qualify for a wage incentive. Can I claim an incentive for them?**

No. The aim of the wage incentive scheme is to encourage employers to give young jobless people a chance in a weaker market and fill vacancies with young people. If the young person is already in work the wage incentive should not be necessary.

## **I'm a small business and my cash flow means I can't wait 26 weeks. Can I claim the incentive earlier?**

Any business with fewer than 50 employees can choose to make a claim for the incentive after eight weeks of employment. A payment of £700 which equates to eight weeks of the wage incentive will be made to help cash flow (£350 for part-time work).

## **Will employers need to supply evidence to support their claims?**

Yes, but this will be minimal. Payment will be based on evidence that the 18-24 year old has been in employment with the employer shown on the original form issued at the beginning of the period by the Work Programme provider or Jobcentre Plus. The employer will only be asked to provide copies of the individual's pay statements/slips for the period being claimed.

## **Are wage incentives taxable?**

In the UK it is general tax policy (and law) that revenue received in a business capacity is taxable as a business receipt. This principle is applied to grants in the same way as other sources of income – hence the statement in the HMRC manual BIM40455 that the treatment for tax purposes of grants and subsidies from UK government departments, local authorities etc follow normal principles.

## **Can the young person attract more than one wage incentive?**

Not usually – generally if a wage incentive has been paid, that young person will not be eligible for further wage incentive support. However there are some exceptions, for example training funding may be available as well as a wage incentive. For more information contact Jobcentre Plus on: 0845 601 2001 (option 2). Textphone 0845 601 2002 for people with speech or hearing impairments.

## **England only**

### **What's the difference between wage incentives and Apprenticeship Grant for Employers? (AGE 16 to 24) Can I claim both for employing the same person?**

The incentives have different purposes and different target groups. The wage incentive is for unemployed 18-24 year olds.,

AGE 16 to 24 is expressly intended to enable small employers, who have not previously taken on apprentices, to benefit from the Apprenticeship programme and recruit any young person as long as they are aged 16 to 24 years old. In situations where it is possible both incentives could be claimed, employers must choose which funding they wish to access. For more information on AGE 16-24 see: <http://www.apprenticeships.org.uk/Employers/Steps-to-make-it-happen/Incentive.aspx>.

## **Wales only**

### **What's the difference between wage incentives and Jobs Growth Wales? Can I claim both for employing the same person?**

Wage incentives are designed to encourage recruitment into real, sustainable jobs. The scheme is administered by Jobcentre Plus and Work Programme providers. Most wage incentives are paid after the young person has been in work for 26 weeks, with small employers being able to claim a part payment after eight weeks.

Jobs Growth Wales caters for young people who are job ready but have had difficulty getting work. The Jobs Growth Wales programme provides unemployed young people aged 16 to 24, with a job opportunity for a six month period paid at national minimum wage for a minimum of 25 hours per week. It is not possible for these different types of funding to be combined when employing the same young person. For more information on Jobs Growth Wales see: <http://wales.gov.uk/topics/educationandskills/skillsandtraining/jobsgrowthwales/?lang=en>.