Review of Minimum Annual Remuneration (MAR) Thresholds for the Irish Employment Permit System

Setting the minimum remuneration level for an employment permit is a delicate balancing act. The goal is that, so far as possible, economic migration serves the skills need of the economy without disruptively depressing or inflating wage levels in the wider labour market.

The Minimum Annual Remuneration (MAR) thresholds were introduced in 2006 and were set and remain in line with the average industrial wage of that year €29,910 and multiples thereof. In the ancillary or non-economic employment permit types, the National Minimum Wage applies. In comparison to the existing MAR thresholds and the system by which they were previously applied, please note the Irish average annual earnings in 2015 were €36,519.

The Department of Jobs, Enterprise & Innovation is currently conducting a review of the Employment Permit MAR thresholds focusing primarily on the:

* Critical Skills Employment Permit, (€30,000 - for occupations included on a Highly Skilled Eligible Occupations List (HSEOL); €60,000 for all other eligible occupations);
* General Employment Permit (€30,000- for any occupation except those included on an Ineligible Categories of Employment List; €27,000 in respect of a non-EEA student who has graduated in the last 12 months, from an Irish third level institution, and has been offered a graduate position/ICT professional from the HSEOL)
* Intra Company Transfer Employment Permit (€40,000, or €30,000 for a trainee) and
* Contract for Services Employment Permit (€40,000)

As stakeholders in this system we would be very grateful if you could take the time to complete the following questionnaire.

The information you provide below is important to the review process. You are encouraged to be as specific and detailed as possible when providing information.

**Please note the closing date is Friday January 27th 2017 and email all complete questionnaires and any queries to** [**remuneration@djei.ie**](mailto:remuneration@djei.ie) **.**

### Who is this submission on behalf of?

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| 1. Provide name of individual, firm or organisation |
| 1. Provide contact details |
| 1. Briefly describe the main activity and characteristics of the organisation making the submission e.g. company size (Micro-company (1-9 employees), Small-Medium enterprise (10-249 employees), or Large company (over 250 employees). [Not required for Government Department/State Bodies] |
| 1. What is your use of the Employment Permit System? e.g. Never to date, Seldom, Occasional, Frequent. |
| 1. If you have used the employment permit system, please explain why you had to recruit from outside the State/EEA ? |

### As an employer, do the existing MAR thresholds support your attempts at recruiting the skills needed for your business without disruptively:

### depressing wage levels of comparable occupations in the sector, or

### inflating wage levels of comparable occupations in the sector?

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### What would be the impact of increasing the Critical Skills Employment Permit MAR thresholds by:

|  |  |
| --- | --- |
| + 10%: |  |
| +15%: |  |
| +20%: |  |

### At what level in your view would the Critical Skills Employment Permit MAR thresholds start to restrict the use of the employment permit regime to fill skills shortages?

|  |  |
| --- | --- |
| + 10%: |  |
| +15%: |  |
| +20%: |  |

### Changes in the labour market may require adjustments to the skilled trade occupations which are currently included on the Ineligible Categories of Employment List (ICEL).

### What impact would an increase in the General Employment Permit MAR threshold by the rates below have on your hiring of:

### (a) new entrant workers and/or

### (b) experienced workers?

|  |  |
| --- | --- |
| + 10%: |  |
| +15%: |  |
| +20%: |  |

### The MAR thresholds are used as a skills proxy, as well as guarantor of adequate resources on the part of the employment permit holder, without negatively impacting competitiveness.

### In your experience do the existing MAR thresholds have any negative effect on the employment opportunity prospects for Irish/EEA graduates?

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| Please make reference to the specific Employment Permit type; employment sector; occupation in your response. |

### The current MAR thresholds remain in line with the 2006 average industrial wage and multiples thereof (along with the National Minimum Wage for certain other permit types). They were set to assist simple application, ease of use for stakeholders and cater for different circumstances of the Employment Permits System.

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| 1. Do you think this system for determining the thresholds is suitable and appropriate? Please provide reasons for your answer. |
| 1. What other appropriate measures would you like to see for determining the MAR thresholds? E.g. specific sector thresholds, specific occupation thresholds, geographical thresholds, alignment to cost of living? |
| 1. Would a change in the system of determining the MAR thresholds impact your use of the Employment Permit System? If so, in what way? |

### What data sources should be considered in this review? Where can they be sourced?

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Thank you for participating in the review.

Please note that the information provided on this form will be shared with relevant Government Departments and State organisations. This is to promote an integrated approach to addressing skills shortages in the State.