

## CHAPTER 3

### Premium Payment Considerations

#### 3.1 Summary

Premiums are payable only in relation to plantations which qualify for an afforestation grant (or a planting grant under the Native Woodland Scheme). Applicants must be over 18 years of age. The premium is due for payment following the approval of the afforestation grant. The Scheme has two rates, the farmer rate and the non-farmer rate of premium. The farmer rate applies to applicants who fulfil the qualification conditions set out below and is payable for a period of twenty years. The non-farmer rate applies to applicants who do not meet all of these conditions and is payable for a period of 15 years. All conditions listed below must be met to qualify for the farmer rate of forest premium. Applicants must:

- a) Practice farming within the State
- b) Reside within 70 miles ( 112 kms) of the plantation;
- c) Own, lease or be in joint management of at least 3 hectares of an agricultural holding;
- d) Derive at least 25% of their income from farming in the State in one of the 3 years prior to completion of afforestation and provide documentary evidence of same.

#### 3.2 Income calculation considerations for Farmer Rate

- a) Only the income of the applicant is included in the 25% calculation. Spouse's income is not included in the calculation unless the application for premium is made in their joint names.
- b) Farming income includes agricultural aids, premiums, subsidies and forest premiums at the farmer rate.
- c) Land letting on the less than 11 month basis (conacre letting) is eligible as farming income provided the applicant has other farming income.
- d) All Social Welfare payments, pensions/disability benefits, are excluded from total gross income.
- e) An applicant who has already been assessed as a farmer under the existing scheme or the CAP Premium Scheme 1993 – 1999 or the Farmer Premium Scheme 1989-1992, i.e. has submitted documentary evidence confirming the farming income requirement, does not have to be re-assessed if he/she has further applications under the Premium Scheme for new plantations.

Particular conditions apply in the case of participation in the Farm Retirement Scheme, as detailed in Chapter 13

#### 3.3 Documentary Evidence of Farming Income

For 1 of the 3 years prior to the completion date of the plantation:

- a) A tax assessment showing that farming income amounted to at least 25% of total income
- or

- b) If farming income on the tax assessment was less than 25% of total income, a statement showing gross farming income in the form of a farm profile or farm accounts as stamped by the Revenue Commissioners is acceptable. In these circumstances if gross farming income was at least 25% of the total income the applicant qualifies

or

- c) An income assessment and declaration form, TF1, completed and stamped by the local Teagasc Land Use Advisor or TF2 from an agricultural consultant registered with the Department of Agriculture and Food, confirming that at least 25 % of total income is derived from farming.