

# Cumulative impact of successive budgets on families

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The expenditure and taxation changes in successive budgets have had a significant cumulative impact on households in Ireland, particularly those with children and on low incomes. *Outlined below are the major changes from successive budgets 2009 to 2015.*

## Expenditure

- Personal rate of Social welfare reduced by 8% (€16.30 per week).
- Personal rate of Jobseekers allowance for those under 21 reduced by 51% (€104.30) per week.
- The personal rate of Jobseekers allowance for those aged 22-24 was reduced by 51% (€104.30) per week. The rate for those aged 25 was reduced by 29.5%.
- Changed payment entitlement for part-time workers receiving Jobseekers Benefit from a six-day week to a five-day week.
- Fuel allowance payment reduced by 18.7% (€120) per annum.
- Increased the number of paid contributions to qualify for Jobseekers Benefit from 52 to 104 paid contributions.
- Cut the Christmas Bonus for all Social Welfare Recipients. A partial restoration of 25% of Christmas Bonus was introduced in Budget 2015.
- Maximum length of time for claiming Jobseekers Benefit has been cut to 9 months for those with 260 contributions and to 6 months for those with less than 260 contributions.
- Child Benefit reduced by 21% (€36) per month for the 1st and 2nd child, and by 36% (€73) per month for the 3rd child. This was offset slightly by a €5 increase in child benefit for each child in Budget 2015.
- Child Benefit is no longer payable to children aged 18 in full-time second level education.
- Rent supplement minimum contribution has increased by 53%

(€16 per week) for a single person and by 60% (€22 per week) for a couple.

- A €100 charge was introduced for Primary School Transport and the charge for Second Level School Transport was increased by €100.
- Back to School Clothing and footwear payment cut by 34% (€105) at second level and by 50% (€100) at primary level. The qualifying age for primary level was increased from 2 years to 4 years.
- Discontinued the Cost of Education Allowance.
- The Drug Payment Scheme threshold was increased by 37% (€54) per month.
- Increased prescription charge for medical cardholders five fold to €2.50 per item.
- Increased the monthly prescription cap threshold for families by 22% to €25.
- Cut 600,000 home help hours.
- Abolished telephone allowance and the Bereavement Grant.
- Reduced the weekly Disability Allowance and the weekly Carers Allowance by almost 8% (€16.30) each.
- Reduced the Respite Care Grant by 19% (from €1780 to €1375).
- Introduced a student contribution of €200 for PLC courses.
- Student contribution for 3rd Level increased by €1500 and a pro-rata student contribution was introduced for apprenticeships.
- Abolished the long-term unemployment bonus to Youthreach, FAS and VTOS participants.
- Non-adjacent student grant cut by €395 and adjacent student grant cut by €155. Income threshold for FE and HE grants reduced by 3%.
- Cut student grants for Postgraduate Students.

## Taxation

- Replaced the health levy and income levy introduced in Budget 2009 with the Universal Social Charge in Budget 2011. This applied to all income above €10,036 between 2011 and 2014 (for changes to USC introduced in Budget 2015 (see below).
- Introduced a Carbon Tax now set at €20 per tonne in 2012. Introduced a flat rate Household Charge of €100.
- Increased the top VAT rate from 21% to 23% .
- Made maternity benefit taxable.
- Introduced the Local Property Tax set at a 0.18% of the market value of a property worth up to €1m and 0.25% on any balance above that. The tax includes local authority and social housing properties.
- Abolished the PRSI allowance which increased PRSI by €64.16 for those working and eligible for PRSI contributions. The relative impact of this change is greatest for those earning least.
- Increased the standard rate tax band by €1,000 to €33,800 for single individuals and to €42,800 for one earner couples.
- Reduced the higher rate of income tax from 41% to 40%.
- Changed the USC rates: 1.5% on income up to €12,012; 3.5% on income between €12,013 and €17,576; 7% on income between €17,577 and €70,044; 8% on income between €70,045 and €100,000; incomes over €100,00 - PAYE rate 8%, self-employed rate 11%.
- Introduced Water Charges in Budget 2015 to be paid on a quarterly basis. This has been set at a flat rate €160 per annum for a household with 1 adult and €260 per annum for a household with 2+ adults. A €100 Water Conservation was introduced to be allocated to all primary residences that register and pay the Water Charge.