THE OECD TAX-BENEFIT DATABASE

Description of policy rules for Ireland 2024

BETTER POLICIES FOR BETTER LIVES

THE OECD TAX-BENEFIT DATABASE FOR IRELAND

Description of policy rules for 2024

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OECD BETTER POLICIES FOR BETTER LIVES

Jobs and Income Division
Directorate for Employment, Labour and Social Affairs

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Preface

This report provides a detailed description of the tax and benefit rules in Ireland as they apply to working-age individuals and their dependent children. It also includes output from the OECD Tax-Benefit model (**TaxBEN**), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour market circumstances, .e.g. in employment versus unemployment.

The **main body** of the report describes the rules that are relevant for the family and labour market characteristics that are within the scope of the **TaxBEN** model (see below for the methodology and user guide). The **annex** provides information on other cash benefits and taxes on employment income that are relevant for other groups of the working-age population, but are outside the scope of the **TaxBEN** model.

TaxBEN is essentially a large cross-country calculator of tax liabilities and benefit entitlements for a broad set of *hypothetical* families ("vignettes"), e.g. a married couple of 40-years-old adults with two children aged 4 and 6 (click here for a quick overview of the **TaxBEN** model). **TaxBEN** incorporates rules on the main taxes on employment income, social contributions paid by employees and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family and childcare benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits, maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The main policy instruments that are currently not included in the **TaxBEN** model are taxes on wealth (e.g. taxes on immovable and unmovable properties), indirect taxes (e.g. VAT), early-retirement benefits, short-time work compensation schemes, sickness benefits, and in-kind benefits (e.g. subsidised transport and free health care).

Useful online resources for the OECD tax-benefit model (TaxBEN)

TaxBEN web calculator

Methodology and user guide

OECD tax-benefit data portal

Network of national experts

Guidelines for updating this report (for national experts)

General guidelines

Detailed **guidelines for updating Section 5** "Net costs for Early Childhood Education and Care"

Reading notes and further details on the content of this report

- **Reference date** for the policy rules described in this report: **January 1, 2024**.
- The symbol (i) in the text provides a link to the glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- **TaxBEN** variables are indicated in the text using the format `[variable name]`.

The OECD tax-benefit model for Ireland: Policy rules in 2024

1. Reference wages

Average wage **[AW]**: The OECD tax-benefit model uses Secretariat estimates of the average full-time wage (available here).[1] If Secretariat estimates are not available yet, the model uses wage projections obtained by applying forecasted wage growth[2] to the latest available wage estimate.

The minimum wage **[MIN]** on the 1st of January 2024 is EUR 12.70 per hour. The annual minimum wage is computed assuming a 40 hour work week (as of January 1, 2024), i.e. EUR 12.70 * 40 * 52 = EUR 26,416.

2. Unemployment benefits

There are two main unemployment benefits in Ireland, Jobseekers' Benefit and Jobseekers' Allowance. Jobseekers' Benefit is a contributory benefit and is not means tested, whereas Jobseekers' Allowance is not dependent on past social security contributions and is means tested. A third unemployment benefit, Jobseekers' Transition Payment, is available to lone parents whose youngest child is aged between 7 and 13. The fourth unemployment benefit, Jobseeker's Benefit for the self-employed is available to people who lose their self-employment income.

2.1. *Jobseeker's Benefit*

Variable names: **[UI_p; UI_s]**

This is an unemployment insurance benefit. It is contributory, not means-tested and is partly taxable.

2.1.1. *Eligibility conditions*

Age: The person must be over 18 and under pensionable age of 66, or being a person born on or after 1 January 1958, have attained pensionable age but have not attained the age of 70 years, and have never been awarded a State pension (contributory).

Contribution/employment history: The claimant must have paid 104 weekly social insurance contributions since starting work, and have 39 paid social insurance contributions in the last Governing Contribution Year (which is two years prior to the year in which the claim is made, so 2022 for a claim made in 2024), or have at least 26 reckonable contributions paid in both the Governing Contribution Year and the year immediately preceding the Governing Contribution Year. At least 13 of these contributions must have been paid contributions. If a person does not have 13 paid contributions in the Governing Contribution Year, they must have 13 paid contributions in either the 2 years before the relevant tax year or in the last complete tax year or the current tax year.

[1] Average Wages are estimated by the Centre for Tax Policy and Administration at the OECD. For more information on methodology see the latest Taxing Wages publication.

[2] Wage growth projections are based on OECD Economic Outlook and EU economic forecasts (for non-OECD countries).

Behavioural requirements and related eligibility conditions: TaxBEN assumes that the following compulsory conditions are satisfied when simulating unemployment benefits.[3] The benefit claimant must be:

1. Unemployed for at least 4 days in any period of 7 consecutive days,
2. Capable of work,
3. Available for full time work,
4. Genuinely seeking work,
5. Prove unemployment in the prescribed manner,
6. And have suffered a substantial loss of employment and a resulting loss of earnings.

A person can be disqualified from Jobseekers Benefit for up to 9 weeks if they left work voluntarily without good cause[4].

OECD note: In the TaxBEN model, to be eligible to receive the Jobseeker's Benefit, a claimant must have previous earnings that are higher than 38 EUR per week. In fact, below such threshold, there is no entitlement to social insurance services, as explained in section 7.1.

2.1.2. Benefit amount

Benefit amount: Flat rate weekly payments are made for each week or day of unemployment. Increases are paid for dependent children and dependent adults.

If weekly earnings in employment were below certain amounts, reduced rates of payment are made. Jobseeker's Benefit rates are graduated according to earnings in the Governing Contribution Year as follows:

Average weekly earnings (in EUR)	Personal rate (in EUR/week)	Qualified adult increase (in EUR/week)
Less than 150.00	€104.10	€99.70
150.00 and less than 220.00	€149.60	€99.70
220.00 and less than 300.00	€181.70	€99.70
300.00 or more	€232.00	€154.00

Additional amounts are paid in respect of a dependent spouse or partner (called an 'Increase for a Qualified Adult' (IQA), paid where the spouse/partner's income is less than EUR 310 per week. The full IQA is paid when the spouse or partner's income is less than EUR 100 per week, and the amount gradually declines until it reaches zero when the partner's income is EUR 310 per week according to the table below.

An increase is paid for a Qualified Child (IQC) for any dependent child of EUR 46 per week per child under 12 and 54 for children aged 12 and over for those who receive an IQA or are parenting alone. Half the full IQC amount is paid to those who have a partner with income between EUR 310 and EUR 400 per week.

[3] Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see Immervoll and Knotz (2018), Langenbucher (2015) and Venn (2011).

[4] Good cause is not defined and it is up to the Deciding Officer to apply a common sense meaning. Factors taken into account could include any changes to working conditions,financial situation of the firm, or whether leaving the firm amounted to constructive dismissal such as if the employee suffered harassment before they left.

Spouse or partner's income (EUR/week)	IQA amount	
	Earnings of at least EUR 300 /week	Earnings of less than EUR 300/week
Up to 100	154.00	99.70
100.01-110	149.00	96.10
110.01-120	144.00	92.30
120.01-130	138.30	88.70
130.01-140	132.40	85.00
140.01-150	126.70	81.30
150.01-160	120.90	77.60
160.01-170	115.10	73.90
170.01-180	109.30	70.20
180.01-190	103.40	66.60
190.01-200	97.70	62.80
200.01-210	91.80	59.20
210.01-220	86.10	55.60
220.01-230	80.20	51.80
230.01-240	74.50	48.20
240.01-250	68.70	44.50
250.01-260	62.90	40.80
260.01-270	57.10	37.10
270.01-280	51.30	33.40
280.01-290	45.50	29.70
290.01-300	39.70	26.10
300.01-310	33.90	22.40
310 or above	Nil	Nil

2.1.3. Benefit duration

The benefit duration depends on the claimant's contribution record. If they have less than 260 paid weekly contributions, the benefit can be paid for a total of 6 months (156 days, the benefit is paid for only six days per week). If they have at least 260 paid weekly contributions, the benefit can be paid for a total of 9 months (234 days).

Claimants aged 65 can continue to receive benefits until their 66th birthday (at which point they may be entitled to a contributory state pension provided that they have at least 156 PRSI contribution weeks paid to allow continued payment of Jobseekers Benefit from age 65 years where benefit exhausts until reaching pension age). If a person decided not to draw down their State Pension (Contributory) at age 66 and meet the conditions of Jobseeker's Benefit, the person may receive/apply for Jobseeker's Benefit up until the age of 70.

2.1.4. Means test

The benefit is not means-tested, but if the claimant works for any part of a day, they do not receive payment for that day.

2.1.5. Tax treatment

The benefit is taxable, but the first EUR 13 per week and the dependent child element are disregarded for tax purposes.

2.1.6. Interactions with other components of the tax-benefit system

Jobseeker's Benefit cannot be received concurrently with Jobseeker's Allowance. In case the Jobseeker's Benefit amount is lower than the Jobseeker's Allowance, the recipient can choose to receive the latter (Optional Jobseeker's Allowance).

Jobseeker's Benefit is included in the means test for Supplementary Welfare Allowance and the income measure used to determine entitlement to Housing Assistance Payment and the contribution claimants have to make towards the rent (see Section 3.).

OECD note: In the model, once the eligibility to Jobseeker's Benefit (JB) is established, the claimant receives the highest between JB and the Jobseeker's Allowance (JA). In the model, the Optional JA is always available to an individual who is eligible to JB because wealth is always assumed to be zero. If the claimant's partner is a recipient of the Working Family Payment (WFP), the model considers the highest between JB and JA, taking into account the WFP amount received by the spouse. To simplify calculations, the benefits are compared without considering taxes.

2.1.7. Combining benefit receipt and employment/starting a new job

The benefit is not paid for any days when the claimant does any paid work. Payment is stopped if the claimant works for four days or more in a period of seven consecutive days.

In the case in which a recipient signs off JB and claims it again within 26 weeks and they have only used up to 100 days of their previous entitlement, their cumulative total of days from their previous claim will continue. They will not have to wait 3 days before receiving their payment and the rate will be the same as the previous claim unless there is a budget change

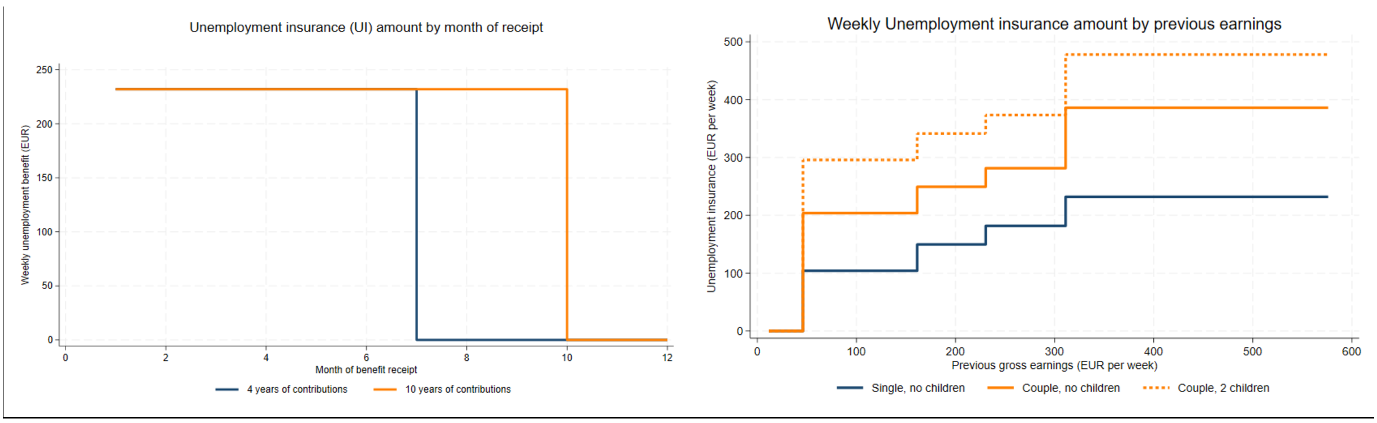
OECD note: TaxBEN does not allow to combine JB with part-time work, as the limit of 4 days of work per week is not met when considering part-time employment. In fact, the model assumes that individuals in employment work all the working days of the week (i.e. 5 days out of 7). For example, an individual working 40 hours a week is assumed to work 8 hours per day during 5 working days, while another individual working 20 hours a week is assumed to work 4 hours per day during 5 working days.

2.1.8. Benefit indexation

Social Welfare rates are decided upon by Government. The rate of payment is decided in the Budget every year and a Social Welfare Act gives effect to the changes agreed in the Budget. The increases usually take effect from 1st of January.

Figure 1. Jobseeker's Benefit entitlement by unemployment duration and previous earnings, 2024

EUR per week



Note: In the left figure, the results are for a single person without children with previous earnings at the average wage. In the right figure, the results are varied by household type. For couples, the other member of the couple is an adult dependent, and for the couple with children, the children are aged 6 and 4.
Source: Calculations using OECD tax-benefit model

2.2. *Jobseeker's Allowance*

Variable name: **[UA]**

This is a non-contributory, means-tested scheme and the jobseeker's allowance payment is not taxable.

2.2.1. *Eligibility conditions*

Age: The claimant must be between 18 and 66 years old.

Behavioural requirements and related eligibility conditions: TaxBEN assumes that the following compulsory conditions are satisfied when claiming unemployment assistance.[5] The claimant must be:

1. Habitually resident in Ireland,
2. Fully unemployed for at least 4 days in any period of 7 consecutive days,
3. Capable of work,
4. Available for full time work,
5. Genuinely seeking work,
6. And have proven unemployment in the prescribed manner.

A person can be disqualified from Jobseekers Benefit for up to 9 weeks if they left work voluntarily without good cause[6].

2.2.2. *Benefit Amount*

The payment is made up of a personal rate with extra amounts payable for a dependant spouse or partner and any dependent children. Payments are made on a weekly basis. Reduced rates are payable for those aged under 25 years of age. For those with child dependents, these reductions do not apply. A young person who is getting reduced age-related Jobseeker's Allowance and engages in Further Education & Training will have their current rate of payment suspended and get a Further Education and Training (FET) allowance of €232 (equivalent to full rate Jobseeker's Allowance). Any means that were deducted from their Jobseeker's Allowance payment will also be deducted from their FET training allowance. The weekly rates for Jobseeker's Allowance vary by age as follows:

Weekly rates of Jobseeker's Allowance (EUR, 2024)

Age	25 and over, or with children	18 to 24, no children
Maximum rate	232.00	141.70
Adult dependant	154.00	141.70
Each qualified child aged under 12	46.00	
Each qualified child aged 12 and over	54.00	

Additional amounts are paid in respect of a dependent spouse or partner (called an Increase for a Qualified Adult (IQA). An increase is paid for a Qualified Child (IQC) for any dependent child of EUR 46.00 per week per child if they are aged under 12 and €54.00 if they are 12 or over if a person qualifies for IQA or is parenting alone. A person may receive a half-rate qualified child increase (€23.00 for under 12's and €27.00 for 12 and over) if they do not qualify for IQA. This would occur if the claimant's spouse or partner was in receipt of their own social welfare payment, if they were in prison or living outside the State.

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[5] Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see Immervoll and Knotz (2018), Langenbucher (2015) and Venn (2011).

[6] Good cause is not defined and it is up to the Deciding Officer to apply a common sense meaning. Factors taken into account could include any changes to working conditions, financial situation of the firm, or whether leaving the firm amounted to constructive dismissal such as if the employee suffered harassment before they left.

A person who is aged between 18 and 24 is entitled to an exemption from the age related reduced rate of Jobseekers Allowance if they are living independently of the family home, and are in receipt of State housing support. They must be getting either Rent Supplement, Housing Assistance Payment (HAP), Rental Accommodation Scheme (RAS), or living permanently in local authority housing or accommodation provided by a local authority approved housing body to qualify for an exemption from the age related jobseeker's allowance rates. If that is the case, they are entitled to the maximum personal rate of jobseeker's Allowance (€232.00 per week instead of €141.70). The weekly rate of the Increase for a Qualified Adult is also €154.00 instead of €141.70. The reduced rates also do not apply for those who qualify for an increase for qualifying children or those who were in the care of the Health Service Executive (HSE) immediately before they turned 18.

OECD note: The elimination of reduced rates for young adults introduces a circular element in the model. In fact, in order to determine whether a young adult is eligible for the standard rate, it is necessary to know whether they receive a housing benefit, which in turn is computed taking into account information on the Jobseeker's allowance itself. To avoid this issue, the TaxBEN model assumes in its computations that all the young adults aged 18-24, who are eligible to receive the Jobseeker's Assistance, are also eligible for a state housing support (granted that housing benefits have been allowed). Hence, young adults receiving the JA will receive the reduced rate of EUR 141.70 only in the case in which they have no children and housing benefits have not been allowed. For all other cases, young beneficiaries receive the standard rates.

This assumption can be justified by the fact that, in general, people who are eligible for JA are also eligible to receive housing benefit (either the Rent Supplement or the Housing Assistance Payment), as they fall within the limits of the means-testing rules.

2.2.3. Benefit Duration

Jobseeker's Allowance is payable subject to satisfying a means test. It can be paid up to the age of 66.

2.2.4. Means test

Assessable income is defined as the gross earnings net of social security contributions payments (Pay Related Social Insurance (PRSI), as well as of the pension levy (not modelled) and union dues (not modelled). Deductions relative to income tax, private health insurance and travel expenses are not allowed.

An earnings disregard of €20 per day for a maximum of 3 days per week is allowed for each member of a couple. The balance after the earnings disregard is assessed at 60% to give the weekly means amount.

Asset testing: Property and capital are considered in the means-testing to determine the amount of the benefit.[7] Officers of the Department of Social Protection are in charge of assessing the capital of claimants.

The rule for the assessment is as follows:

- disregard first € 20,000 of capital value of property or savings,
- assess next € 10,000 at € 1 per € 1,000,
- assess next € 10,000 at € 2 per € 1,000,
- assess remaining capital over € 40,000 at € 4 per € 1,000.

[7] Property and capital may include houses, buildings, farms, stocks, shares and debentures, pension funds, money loaned out, money or funds on deposit, or such monies which are not invested or on deposit. The main residence and property personally used, such as a farm or business premises, is not taken into account in the means assessment. For second houses or property in general, the value used is the value of the property less the outstanding mortgages. Where these properties are rented, the rental income from them is not considered.

The first EUR 20,000 of the assets assessed are disregarded when determining the means-test for Jobseekers Allowance. Claimants are not obliged to sell, rent or resize their property, to sell assets or to change their lifestyle as a condition for receipt of support. However, depending on the level of means arising from their property/assets, the claimant may qualify for a reduced payment or not qualify for a payment. Savings and assets are included in the definition of the assessable income and hence affect the means-testing. Nevertheless, in TaxBEN they are assumed to always be equal to zero.

The weekly means amount from all sources is then deducted from the maximum Jobseekers Allowance applicable to the person's situation to calculate the appropriate Jobseekers Allowance payment.

2.2.5. *Tax treatment*

Not taxable.

2.2.6. *Interactions with other components of the tax-benefit system*

Jobseeker's Allowance cannot be paid concurrently with Jobseekers' Benefit.

It is possible for one member of a couple to claim Jobseeker's Allowance without an Increase for a Qualified Adult (IQA) and for the other to claim the Working Family Payment. In this case, half of the couple's income is taken into account in the Jobseeker's Allowance means test and only half of any Increase for a Qualified Child.

Jobseeker's Allowance enters into the means test for Supplementary Welfare Allowance and the income measure used to determine entitlement to Housing Assistance Payment and the contribution claimants have to make towards the rent (see Section 3).

2.2.7. *Combining benefit receipt and employment/starting a new job*

It is possible to work for up to 3 days a week and still claim Jobseeker's Allowance, but earnings are taken into account in the means test (see section 2.2.4 above). No payment can be received if the claimant works more than 3 days a week.

OECD note: TaxBEN does not allow combining JA with part-time work, as the limit of 3 days of work per week is not met when considering part-time employment. In fact, the model assumes that individuals in employment work all the working days of the week (i.e. 5 days out of 7). For example, an individual working 40 hours a week is assumed to work 8 hours per day during 5 working days, while another individual working 20 hours a week is assumed to work 4 hours per day during 5 working days.

2.2.8. *Benefit indexation*

Social Welfare rates are decided upon by Government. The rate of payment is decided in the Budget every year and a Social Welfare Act gives effect to the changes agreed in the Budget. The increases usually take effect from 1 January.

2.3. *Jobseeker's Transitional Payment*

Variable name: **[UA]**

This is a non-contributory benefit, means-tested and not taxable.

2.3.1. *Eligibility conditions*

Jobseeker's Transitional Payment is available to lone parents habitually resident in Ireland whose youngest child is aged between 7 and 13 (inclusive). They do not have to be actively looking for work, but must attend meetings with a case officer to identify and access supports (such as education, training and employment schemes) to help them towards employment. There is no specific requirement concerning being involuntarily unemployed or not.

2.3.2. Benefit amount

In 2024, the benefit amount is EUR 232 per week plus EUR 46 for each dependent child under 12 and EUR 54 for each dependent child over 12.

2.3.3. Benefit duration

The benefit can be received until the youngest child is aged 14, at which point the recipient can claim Jobseeker's Allowance.

2.3.4. Means test

Any earned income net of social security contributions payments is deducted from the benefit amount, but the first EUR 165 per week of earnings and 50% of earnings above this amount are disregarded.

2.3.5. Tax treatment

Not taxable.

2.3.6. Interactions with other components of the tax-benefit system

Jobseeker's Transitional Payment cannot be received at the same time as other unemployment benefits, basic Supplementary Welfare Allowance or Working Family Payment (formerly called Family Income Supplement). It is possible to receive Rent Supplement, Housing Assistance Payment and Child Benefit at the same time as Jobseeker's Transitional Payment, but it is included in the income measure used in the Rent Supplement means test and that used to determine entitlement to Housing Assistance Payment and the contribution claimants have to make towards the rent.

2.3.7. Combining benefit receipt and employment/starting a new job

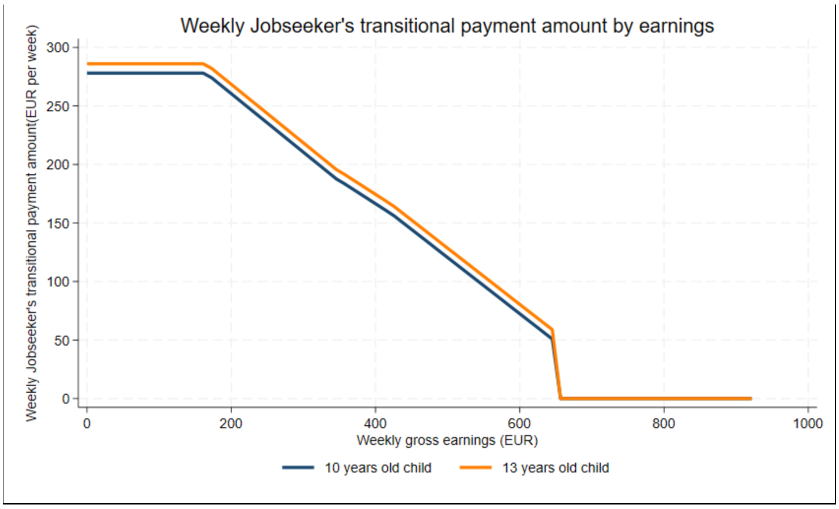
It is possible to work and receive Jobseeker's Transitional Payment, but earnings from work reduce benefit entitlement as set out in Section 2.3.4 above.

2.3.8. Benefit indexation

Social Welfare rates are decided upon by Government. The rate of payment is decided in the Budget every year and a Social Welfare Act gives effect to the changes agreed in the Budget. The increases usually take effect from 1 January.

Figure 2. Jobseeker's transitional payment entitlement by weekly earnings

Weekly entitlement in Euros – 2024 rules



Note: Lone parent with one child aged 10 and lone parent with one child aged 13 years old.
Source: OECD TaxBEN model.

2.4. Part Time Job Incentive Scheme

This administrative scheme allows a person who has been in receipt of long-term jobseekers allowance to take up part time employment of less than 24 hours a week and receive a special weekly allowance instead of Jobseekers Allowance. The allowance is intended as a stepping-stone to full time employment as recipients must be available for and seeking full time employment.

2.4.1. Eligibility conditions

The claimant/claimants must have been in receipt of jobseekers allowance for at least 390 days (15 months). They must also have been getting a jobseeker's allowance weekly payment of at least €147.00 or €239.00 if they are getting an increase for a qualified adult. Finally, they must be working for less than 24 hours a week.

OECD note: In the model, the Part Time Job Incentive scheme (PTJI) is included in the unemployment benefits as it is under the Jobseekers Allowance scheme, and as one of the main eligibility conditions is that the claimant must be available for and seeking full-time employment (which in the model is always assumed to be the case).

2.4.2. Benefit amount

In 2024, the rate of payment is €147.00 or €239.70 if a person is getting an increase for a qualified adult. Payments are made on a weekly basis.

2.4.3. Benefit duration

The scheme duration is 1 year but it may be extended on a case-by-case basis. A person must continue to look for full time work.

OECD note: The model assumes that after 1 year the benefit is exhausted and **not** renewed, as the extension on a case-by-case basis cannot be modelled. Hence, the benefit amount goes to 0 starting from the 13th month of having a part-time job.

2.4.4. Means Test

There is no means-testing, however, to be eligible to receive the benefit, the claimant must have been getting a jobseeker's allowance weekly payment of at least €147.00 or €239.70 if they are getting an increase for a qualified adult (see section 2.4.1.). There is no income limit applied to their part time job.

2.4.5. Tax treatment

The benefit is not taxable.

2.4.6. Interactions with other components of the tax-benefit system

No secondary benefits are paid while the beneficiary is on the Part-Time Job Incentive scheme. They can keep the medical card while being on the PTJI scheme regardless of the earnings for a maximum of 3 years. It is possible to continue to qualify for Rent Supplement but the earnings are assessed against the supplement amount.

2.4.7. Combining benefit receipt and employment/starting a new job

The benefit can be claimed until part-time employment remains below 24 hours a week. If employment exceeds this threshold, the benefit cannot be received any longer.

2.4.8. Benefit indexation

Social Welfare rates are decided upon by Government. The rate of payment is decided in the Budget every year and a Social Welfare Act gives effect to the changes agreed in the Budget. The increases usually take effect from 1 January.

3. Social assistance and housing benefits

Basic Supplementary Welfare Allowance (SWA) provides financial support to those whose means are insufficient to meet their needs and those of their dependants.

SWA can consist of a basic weekly payment and/or a supplement in respect of certain expenses a person may not be able to meet, this includes Rent Supplement which can provide support to enable the customer to meet their rental commitments whilst seeking other employment opportunities.

3.1. Basic Supplementary Welfare Allowance (SWA)

Variable name: **[SA]**

This is a non-contributory benefit, means-tested and not taxable.

3.1.1. Eligibility conditions

Subject to the legislation governing the scheme, every habitually resident person in the State whose means are insufficient to meet his/her needs and the needs of his/her qualified adult or child(ren) shall be entitled to Supplementary Welfare Allowance.

However, a number of categories are specifically excluded from receiving assistance. These are people in full-time work (working more than 30 hours per week), people in full-time education and people involved in trade disputes. The qualified spouse and qualified child(ren) of a person involved in trade dispute are not excluded from SWA for the period of the strike.

In practice, most people with low incomes are covered by another social welfare benefit. Those claiming basic SWA generally fall into two categories:

1. People who fail to meet the conditions for entitlement to a weekly social welfare payment (including people with short-term incapacities who do not qualify for contributory Illness Benefit).
2. People who have applied for a social welfare payment and are getting a Basic SWA payment pending a decision on their claim.

3.1.2. Benefit amount

The payment is made up of a personal rate and extra amounts for dependants. Payments are made on a weekly basis.

Weekly Rates (EUR) of Basic Social Welfare Allowance as of 1st of January 2024

Family situation	25 or over	18-24, living independently or with children	18-24, not living independently and without children
Maximum personal rate	230.00	230.00	141.70
Increase Qualified Adult	154.00	154.00	141.70
Each Qualified Child -			
Under 12 years	46.00	46.00	-
12 years and over	54.00	54.00	-

The reduced personal and qualified adult rates of Supplementary Welfare Allowance for claimants under 25 years of age do not apply in the following cases:

1. Those aged 18 - 24 years inclusive with a qualified child(ren).

2. Persons aged 18 - 24 who were in the care of the Child and Family Agency (TUSLA) during the period of 12 months before they reached the age of 18 (not modelled in TaxBEN).
3. 18 to 24 year olds who are living independently of the family home and are in receipt of certain housing supports (Rent Supplement, Housing Assistance Payment (HAP) and social housing support).

OECD note: The change in the rule for reduced rates for young adults introduces a similar issue to the one regarding the Jobseeker's Allowance in section 2.2. . In fact, in order to determine whether a young adult is eligible for the standard rate, it is necessary to know whether they receive a housing benefit, which in turn is computed taking into account information on the maximum relevant Basic Social Welfare Allowance (SWA) amount. To avoid this issue, and in line with what done for the JA in section 2.2.2. , the TaxBEN model assumes in its computations that all the young adults aged 18-24, who are eligible to receive the SWA, are also eligible for a state housing support (granted that housing benefits have been allowed). Hence, young adults receiving the SWA will receive the reduced rate of EUR 141.70 only in the case in which they have no children and housing benefits **have not been allowed**. For all other cases, young beneficiaries receive the standard personal rates. This assumption can be justified by the fact that, in general, people who are eligible for the SWA are also eligible to receive housing benefit (either the Rent Supplement or the Housing Assistance Payment), as they fall within the limits of the means-testing rules.

3.1.3. Benefit duration

No limit.

3.1.4. Means test

Asset testing:[8]

Property and capital are considered in the means-testing to determine the amount of the benefit.[9] Officers of the Department of Social Protection are in charge of assessing the capital of claimants.

The rule for the assessment is as follows:

- disregard first € 5,000 of capital value of property or savings,
- assess next € 10,000 at € 1 per € 1,000,
- assess next € 25,000 at € 2 per € 1,000,
- assess remaining capital over € 40,000 at € 4 per € 1,000.

The first EUR 5,000 of the assets assessed are disregarded when determining the means-test for the SWA. Claimants are not obliged to sell, rent or resize their property, to sell assets or to change their lifestyle as a condition for receipt of support. However, depending on the level of means arising from their property/assets, the claimant may qualify for a reduced payment or not qualify for a payment.

Income testing:

There is a one-to-one income test that reduces the benefit by the entirety of net family income. It includes:

- The Jobseeker's Benefit,

[8] Section 35 of Social Welfare and Pensions Act 2007 provides for an amendment in the manner that capital is assessed for the Supplementary Welfare Allowance Scheme. gov.ie - Means Assessment (SWA) (www.gov.ie)

[9] Property and capital may include houses, buildings, farms, stocks, shares and debentures, money loaned out, money or funds on deposit, or such monies which are not invested or on deposit. The main residence and property personally used, such as a farm or business premises, is not taken into account in the means assessment. For second houses or property in general, the value used is the value of the property less the outstanding mortgages. Where these properties are rented, the rental income from them is not considered. Vehicles and household appliances are also not considered.

- The Jobseeker's Allowance,
- The Jobseeker's Transitional Payment,
- The One-Parent Family Payment,
- and the Working Family Payment.

However, Child Benefit is excluded from the means test.

3.1.5. Tax treatment and compulsory social contributions

The benefit is not taxable.

3.1.6. Interaction with other components of the tax-benefit system

Other benefits are included in the means test for SWA as defined in Section 3.1.4 above. SWA is included in the income measure used to determine entitlement to Housing Assistance Payment and the contribution claimants have to make towards the rent.

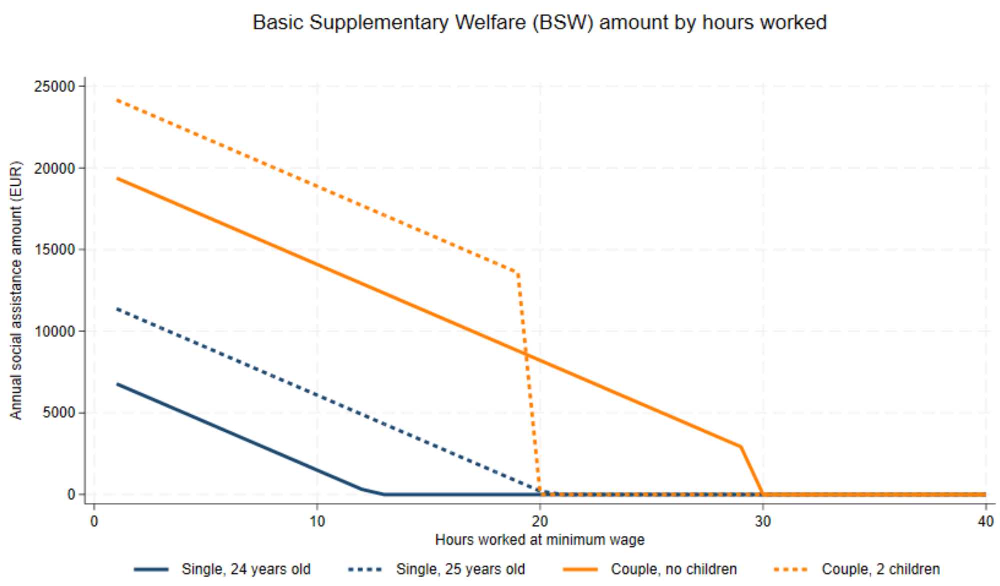
3.1.7. Combining benefit receipt and employment/starting a new job

Recipients cannot work for more than 30 hours per week. Earnings from work are included in the income definition for the means test, as defined in Section 3.1.4 above.

3.1.8. Benefit indexation

No automatic indexation.

Figure 3. Basic Supplementary Welfare Allowance entitlement by hours worked at the minimum wage (EUR per year), 2024



Note: In couples, only one member is employed. In couple with 2 children, children are aged 6 and 4, and family claims Working Family Payment rather than Basic Supplementary Welfare Allowance when entitled.
Source: Calculations using OECD tax-benefit model.

3.2. Rent Supplement

Variable name: **[HB]**

This is a non-contributory benefit, means-tested and not taxable.

3.2.1. Eligibility conditions

Rent Supplement continues its vital role in supporting families and individuals in private rented accommodation.

The scheme provides short-term income support, to eligible people living in private rented accommodation whose means are insufficient to meet their accommodation costs and who do not have accommodation available to them from any other source. The scheme ensures that those who were renting and experience a temporary loss of employment can continue to meet their rental commitments.

The strategic goal of returning Rent Supplement to its original purpose, that of a short-term income support, has been primarily facilitated by the introduction of the Housing Assistance Payment (HAP) (Section 3.3).

Since the introduction of HAP, those relying on Rent Supplement as a long-term housing support are in the process transferring over to HAP. Rent Supplement continues to provide and target those who have short term income support needs, generally through the loss of employment and have rental commitments to meet whilst they seek alternative employment.

You are eligible for Rent Supplement if you are a tenant and you:

- Have been receiving Rent Supplement in the 12 months before the date of your application, or
- Have been living in private rented accommodation for at least 6 months (183 days) of the last 12 months and been able to afford the rent at the beginning of their tenancy but are unable to continue to pay the rent because of a substantial change in their circumstances. It is possible to combine time living in more than one rented accommodation to satisfy the 6 month (183 day) period.

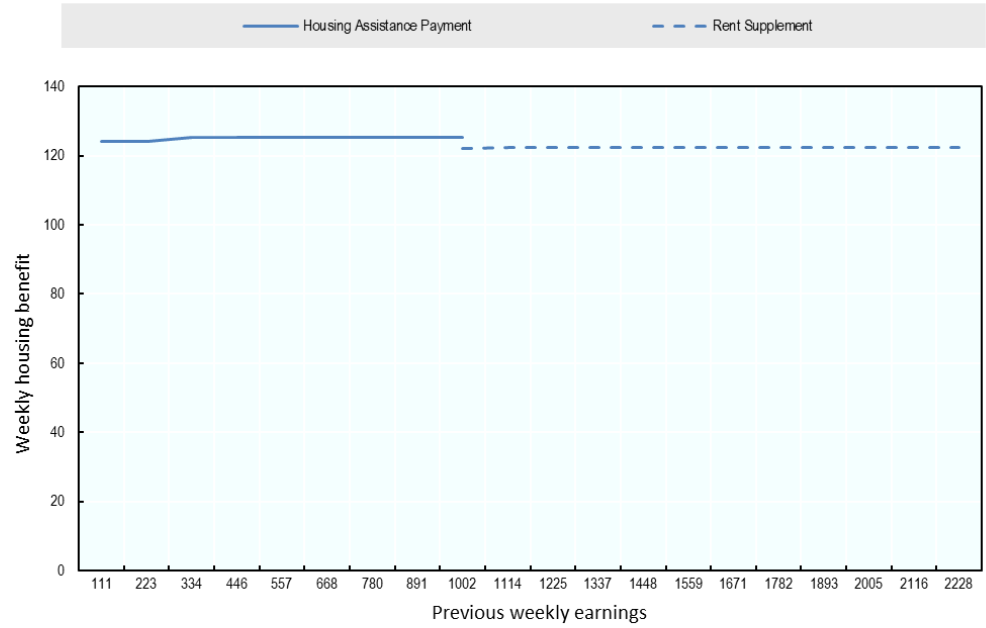
In limited circumstances, Rent Supplement is also available to those who have been residing in accommodation for homeless people or an institution for at least 6 months (183 days) of the last 12 months. This applies only if they have not been provided a Housing Needs Assessment prior to release. For the majority of cases a Housing Needs Assessment will have been provided with the customer applying directly for HAP for their housing needs.

Where Rent Supplement does not apply to a person’s circumstances they will be referred, to their local authority for a Housing Needs Assessment, allowing them to receive Housing Assistance Payment if they qualify.

OECD note: In the model, only the second of the aforementioned circumstances is modelled: households qualify for Rent Supplement only if the claimant is unemployed and they were not entitled to HAP when they were in work (i.e. before becoming unemployed - see Figure 4). The reasoning underlying this approach is that RS is only available to people who were previously able to afford their housing costs, but are currently not able to do that due to a sudden drop in their income (this is the scenario considered in the TaxBEN model). Employees, or individuals not in employment who were previously receiving the HAP while in employment, can receive only the HAP if they meet the relevant income conditions.

Figure 4. Rent Supplement vs. Housing Assistance Payment in the TaxBEN model

Entitlement to either Housing Assistance Payment or Rent Supplement for an unemployed single adult without children, by previous weekly earnings, 2024



Note: Households are entitled to Rent Supplement generally when they were working and paying for their rent within the private rental market and are now unemployed or suffered significant reductions in their income. In the model, Rent Supplement is available only to unemployed individuals who were not entitled to HAP while they were in employment.
Source: OECD TaxBEN model, 2024

Furthermore, to qualify for Rent Supplement a person must:

- satisfy the conditions for SWA outlined in Section 3.1.1. above, and will generally be in receipt of a social welfare benefit
- be a bona fide tenant;
- and be habitually resident in Ireland.

In addition, it must be shown that:

- The accommodation is suited to the person's needs;
- The amount of rent being paid is within the limits set for each administrative area, which are established locally;[10]
- Landlords must supply a Tax Reference Number (TRN) or explain why they do not have a TRN.[11]

3.2.2. Benefit amount

The benefit amount is calculated such that a person, after the payment of rent has an income equal to the rate of SWA appropriate to their family circumstances, less a weekly minimum contribution payable from their own resources. In 2024, the weekly minimum contribution is €30 for a single adult household and €40 for couples. The frequency of the payments can be weekly or monthly.

[10] Generally, where support is provided it must be consistent with current local market conditions, appropriate, and benchmarked to the legislative limits set for each area. Flexibility in awarding rent above the statutory limits is provided administratively which each case seeking support above the prevailing legislative limits considered on a case-by-case basis.

[11] If the landlord does not have a TRN, they must explain why they do not have a TRN to ensure that Rent Supplement can continue to support the tenancy. The level of compliance on this is extremely high, where there are difficulties in obtaining a TRN, the customer’s housing needs remain a priority.

From 1st January 2024, the SWA appropriate weekly rates employed for the means-testing are:

- EUR 230 for a single person (EUR 384 for a couple);
- EUR 46 for a child aged under 12 years old;
- EUR 54 for a child aged over 12 years old;

The means test is described in more detail in Section 3.2.4. below. Many recipients pay more than this amount as they are required, subject to income disregards, to contribute any additional assessable means over and above their appropriate SWA rate towards their accommodation costs.

In calculating the amount of rent supplement payable, all sources of income, considering all the relevant deductions and disregards, are assessed. Additional income disregards are assessed as follows: the first €75 of such additional income together with 25% of any additional income above €75 can be disregarded for means assessment purposes.

There are also maximum rent limits that vary by area according to the table below. However, in recognition of the on-going rental market difficulties, the Department continues to implement a targeted case-by-case flexible payment policy approach that allows for flexibility where landlords seek rents in excess of the rent limits.

Maximum Rent Limits, as of 1st January 2024

County	Single person in shared accommodation	Couple in shared accommodation	Single person	Couple with no children	Couple with 1 child or one-parent with 1 child	Couple with 2 children or one-parent with 2 children	Couple with 3 children or one-parent with 3 children
Dublin - Fingal	€400	€440	€660	€900	€1,150	€1,175	€1,200
Dublin - Not Fingal	**€430**	**€500**	**€660**	**€900**	**€1,250**	**€1,275**	**€1,300**
Carlow	€270	€290	€440	€510	€570	€600	€630
Cavan	€190	€220	€380	€420	€450	€470	€490
Clare	€220	€240	€360	€400	€480	€515	€550
Cork	€300	€330	€550	€650	€900	€925	€950
Donegal	€200	€230	€340	€370	€410	€470	€520
Galway	€330	€360	€575	€650	€850	€875	€900
Kerry	€200	€230	€380	€410	€525	€550	€575
Kildare	€290	€350	€500	€585	€800	€835	€870
Kilkenny	€230	€270	€480	€530	€630	€660	€690
Laois	€240	€280	€420	€433	€580	€610	€630
Leitrim	€200	€220	€340	€370	€450	€475	€500
Limerick	€270	€300	€420	€450	€650	€700	€750
Longford	€180	€200	€330	€350	€400	€425	€450
Louth	€250	€290	€460	€480	€660	€690	€720
Mayo	€200	€220	€390	€410	€480	€500	€520
Meath	€240	€310	€460	€500	€730	€740	€750
Monaghan	€200	€220	€330	€390	€500	€515	€530
Offaly	€210	€230	€380	€433	€550	€575	€600
Roscommon	€240	€260	€360	€390	€500	€525	€550
Sligo	€220	€250	€460	€490	€550	€575	€600
Tipperary	€210	€230	€380	€420	€525	€560	€600
Waterford	€240	€270	€430	€450	€550	€575	€600
Westmeath	€220	€240	€450	€470	€600	€625	€650
Wexford	€280	€300	€420	€433	€530	€565	€600
Wicklow	€250	€300	€440	€475	€700	€735	€770
M4-M1 Commuter Belt Area	€310	€350	€575	€650	€975	€1,050	€1,100
Wicklow M11 Commuter Towns	€370	€410	€660	€900	€1,150	€1,200	€1,250

3.2.3. *Benefit duration*

No limit. However, after 18 months the majority of Rent Supplement recipients are migrated to the Housing Allowance Payment programme. In the TaxBEN model, it is assumed that this is always the case and the migration happens right after the 18th month of receipt of the RS (hence, at the beginning of the 19th month).

3.2.4. *Means test*

Rent Supplement is a statutory means tested scheme, payable at differentiated rates of payment according to the applicant's means and accommodation requirements, and is normally calculated to ensure that a person, after the payment of rent, has an income equal to the rate of supplementary welfare allowance

(SWA) appropriate to their family circumstances, less a weekly minimum contribution. See also Section 3.2.2.

> *OECD note*: The income accounted for the means-testing includes the following amounts:
>
> - Earnings from work of the principal and of the spouse (if present);
> - Any unemployment benefit amounts: Jobseeker Benefit, Jobseeker Assistance, Jobseeker Transitional Payment, and Part-Time Job Incentive scheme;
> - Any Basic Supplementary Welfare Allowance payment;
> - The One-Family Parent payment;
> - The working family payment (in this case, the WFP can only be the one received by the spouse, when eligible, as the principal is always assumed to be unemployed when computing the Rent Supplement).
>
> All the aforementioned sources of income are considered net of Social Security Contributions. The same list of sources of income is considered also for the computation of the Additional Income Disregard.

3.2.5. Tax treatment

Benefits are not taxable.

3.2.6. Interaction with other components of the tax-benefit system

It is possible to receive Rent Supplement alongside any other benefit with the exception of Housing Assistance Payment. However, for the purpose of calculating a rent supplement, income from the Child Benefit (Section 4.1), Back To Work Family Dividend (Section 6.2) and other incomes are not included.[12]

3.2.7. Combining benefit receipt and employment/starting a new job

Rent Supplement cannot generally be received by those working more than 30 hours per week in most cases. For those working less than 30 hours per week, earnings from work are taken into account in the means test as described in the Means Test section (Section 3.2.4. above).

3.2.8. Benefit indexation

No indexation.

3.3. Housing Assistance Payment (HAP)

Variable name: **[HB]**

HAP is one of a number of different social housing supports provided by local authorities to those who have qualified for such support. The statutory process to apply and be assessed for qualification for this support is standardised across all local authorities. Eligibility requirements are identical but maximum income limits for qualification vary across local authorities. A key principle of the HAP scheme is that eligible households source their own accommodation in the private rented sector and the tenancy agreement is between the tenant and the landlord; the local authority is not a party to the tenancy. The

[12] Other income sources that are not considered include care allowances, guardian's payment, mobility allowance, home care grants, education scholarships/grants/schemes for travel, meal and tuition, compensation payments (for example, payments awarded under the Stardust Victim' Compenstion Tribunal, compensation awarded following the publication of the Magdalen Commission Report etc.) and any other income that may be prescribed received by a person or his/her spouse dependent on their circumstances.

accommodation sourced by tenants should be within the prescribed maximum HAP rent limits, which are based on household size and the rental market within the area concerned.

There is a Homeless HAP scheme that provides additional tools that allow households currently living in emergency accommodation, or households that are at risk of having to enter emergency accommodation, to source suitable accommodation in the private rental market.[13] This scheme is not simulated in the TaxBEN model. The remainder of this section discusses the regular HAP scheme.

This is a non-contributory benefit, means-tested and not taxable.

3.3.1. Eligibility conditions

To be eligible for HAP, the claimant must qualify for social housing support following an assessment by their local authority which considers several questions on the applicant's current accommodation, situation and household. In general, to qualify the household must fulfil the following:

- must have a long term right to reside in the State.
- can only apply to one housing authority,
- must be living in the area covered by that housing authority or have a local connection with the area[14],
- the household income is less than the threshold that applies in the housing authority's area (see Means Testing - Section 3.3.4. below for more details),
- the household must not have rent arrears owed to a housing authority that exceeds an accumulated period of 12 weeks or more in the preceding 3 years
- must also show that he/she does not have suitable alternative accommodation.[15] The tenant will be regarded as having alternative accommodation if a member of the household has property that the household could reasonably be expected to live in. This includes property that is being rented out.

In the TaxBEN model, it is assumed that all household types will meet all the requirements, such as residency, except for variables that are modelled, such as income. As such, families with incomes below the maximum income threshold to claim HAP will qualify.

Tenants are expected to stay in the same HAP accommodation for at least 2 years, but in some situations they may be able to apply for a new HAP payment elsewhere, for example if a job is offered in another town or if the family grows too large for the property.

The table below shows the maximum monthly rent limits allowable in each local authority area for different types of household. The TaxBEN model for 2024 uses the values for Dublin City Council highlighted in the table (values as of 1st January 2024).

[13] A Homeless HAP Place Finder Service was made available to each of the 31 local authorities in 2018. Local authorities may offer households in emergency accommodation the option to source accommodation themselves or with the assistance of local Place Finder services through deposits and advance rental payments.

[14] The local housing authority may agree to waive this requirement.

[15] A property is not regarded as alternative accommodation if it is occupied by someone who is divorced or separated from a member of the household, or whose civil partnership with a household member has been dissolved, would be overcrowded if the household lived in it, is unfit for human habitation, or not adequately meet accommodation requirements of a household member with a disability.

Local authority	1 adult in shared accommodation	Couple in shared accommodation	1 adult	Couple	Couple or 1 adult with 1 child	Couple or 1 adult with 2 children	Couple or 1 adult with 3 children
Carlow County Council	€270	€290	€440	€510	€570	€600	€630
Cavan County Council	€190	€220	€380	€420	€450	€470	€490
Clare County Council	€220	€240	€360	€400	€480	€515	€550
Cork City Council	€300	€330	€550	€650	€900	€925	€950
Cork County Council	€300	€330	€550	€650	€900	€925	€950
Donegal County Council	€200	€230	€340	€370	€410	€470	€520
Dublin City Council	**€430**	**€500**	**€660**	**€900**	**€1,250**	**€1,275**	**€1,300**
Dún Laoghaire-Rathdown County Council	€430	€500	€660	€900	€1,250	€1,275	€1,300
Fingal County Council	€430	€500	€660	€900	€1,250	€1,275	€1,300
Galway City Council	€330	€360	€575	€650	€850	€875	€900
Galway County Council	€330	€360	€575	€650	€850	€875	€900
Kerry County Council	€200	€230	€380	€410	€525	€550	€575
Kildare County Council	€350	€400	€575	€750	€975	€1,050	€1,100
Kilkenny County Council	€230	€270	€480	€530	€630	€660	€690
Laois County Council	€240	€280	€420	€433	€580	€610	€630
Leitrim County Council	€200	€220	€340	€370	€450	€475	€500
Limerick City and County Council	€270	€300	€420	€450	€650	€700	€750
Longford County Council	€180	€200	€330	€350	€400	€425	€450
Louth County Council	€310	€350	€575	€650	€975	€1,050	€1,100
Mayo County Council	€200	€220	€390	€410	€480	€500	€520
Meath County Council	€310	€350	€575	€700	€975	€1,050	€1,100
Monaghan County Council	€200	€220	€330	€390	€500	€515	€530
Offaly County Council	€210	€230	€380	€435	€550	€575	€600
Roscommon County Council	€240	€260	€360	€390	€500	€525	€550
Sligo County Council	€220	€250	€460	€490	€550	€575	€600
South Dublin County Council	€430	€500	€660	€900	€1,250	€1,275	€1,300
Tipperary County Council	€210	€230	€380	€420	€525	€560	€600
Waterford City and County Council	€240	€270	€430	€450	€550	€575	€600
Westmeath County Council	€220	€240	€450	€470	€600	€625	€650

Wexford County Council	€280	€300	€420	€433	€530	€565	€600
Wicklow County Council	€370	€410	€660	€900	€1,150	€1,200	€1,250

3.3.2. Benefit amount

Housing Assistance Payment tenants pay a weekly contribution towards the rent to the local authority. The local authority then pays the rent to the landlord, up to the monthly maximum rent levels set out in the table in Section 3.3.1 above.[16] This difference between the monthly maximum rent and the HAP tenants' rent contribution is attributed to a 'housing benefit' for the HAP tenant.

The calculation of the rent contribution is based on the household's income and differs between local authorities. In Dublin City as of 1st January 2024, the calculation of the rental contribution is as follows[17]:

- The minimum contribution for households is €26.40 per week.
- The principal (highest) earner contributes 15% of their assessable income above €32 per week (or above €64 per week if their spouse's income is below €32 per week).
- Other adults contribute 15% of their assessable income above €32 per week but is limited to €21 per week.[18]
- A deduction of €1 per week from the rent contribution is made for each child in the household.

There are also maximum rent contributions, though these are not binding for the situations considered in the TaxBEN model. These vary according to the size of the property as follows:

Dwelling size	Maximum weekly rent, as of 1st January 2024
Bedsit (i.e. 1 room)	€257
1 Bedroom (i.e. 2 room)	€301
2 Bedroom (i.e. 3 rooms)	€313
3 Bedroom (i.e. 4 rooms)	€401
More than 3 bedrooms (i.e. more than 4 rooms)	€423

The income measure is a net income measure, which deducts income tax (Section 8.1), Universal Social Charge (Section 7.2) and social security contributions (Section 7.1) and includes most, though not all benefits. In the context of the TaxBEN model, it includes Unemployment Benefits (Section 2), One Parent Family Payment (Section 4.2), Basic Supplementary Welfare Allowance (Section 3.1) and Working Family Payment (Section 6.1), but excludes Child Benefit (Section 4.1), Rent Supplement (Section 3.2) and Back to Work Family Dividend (Section 6.2).

3.3.3. Benefit duration

No limit.

[16] The Social Housing Assessment Regulations 2011 prescribes maximum net income limits for eligibility for social housing supports in each local authority area, in different bands according to the area, with income being defined and assessed according to a standard household Means Policy, which sets out what income and deductions are assessed or not included for the purpose of a social housing needs assessment.

[17] The rules for the Dublin City Council Differential Rent Scheme for 2024 are available here: https://www.dublincity.ie/sites/default/files/2024-03/rent-scheme-2024.pdf

[18] The maximum total weekly rent contribution assessed on the incomes of all other earners is EUR 84 per week. In TaxBEN, we only model at most one other adult (the spouse) so this scenario is not modelled.

3.3.4. Means test

HAP is a means-tested form of support. To be regarded as eligible for social housing, and thus be eligible for HAP, the household must have an income below the maximum household income threshold.[19] Local authorities have been provided with guidance on how household income is to be assessed for this purpose.[20] There are 3 maximum income thresholds that apply to different housing authorities. The maximum threshold in Dublin City is €40,000 per year for a single person (2024 amount), and this is increased by 5% for each additional adult in the household (up to a maximum of 10%) and by an extra 2.5% (with no maximum) for each child in the household.[21] The income measure used is the same as the one used for the calculation of the rent contribution (see Section 3.3.2 – Benefit amount above).[22]

3.3.5. Tax treatment

Benefits are not taxable.

3.3.6. Interaction with other components of the tax-benefit system

Since the introduction of HAP, those relying on Rent Supplement as a long term housing supporting are in the process transferring over to this local authority sponsored scheme. Rent Supplement continues to provide and target those who have short term income support needs, generally through the loss of employment and have rental commitments to meet whilst they seek alternative employment.

Unemployment benefits (Section 2), One Parent Family Payment (Section 4.2), Basic Supplementary Welfare Allowance (Section 3.1) and Working Family Payment (Section 6.1) reduce HAP entitlement as described above.

3.3.7. Combining benefit receipt and employment/starting a new job

No limits, but earnings from work are taken into account when assessing eligibility for the benefit and the household's rent contribution as described above. HAP tenants can participate in full-time work and retain their housing support, with an adjustment in their differential rent contribution.

3.3.8. Benefit indexation

There is no automatic indexation for HAP. Maximum rent limits for the Housing Assistance Payment (HAP) were set for each housing authority area in 2016, in conjunction with the Department of Social Protection (DSP). In reviewing rent limits, the Department monitored data gathered from the Residential Tenancies Board and the HAP Shared Services Centre. In prescribing these limits, household size and prevailing rents in the relevant areas are taken into consideration. The HAP rent limits were increased significantly in July 2016, in the order of 60% in some cases. Maximum rent limits for the HAP scheme are set out for each housing authority area by the Housing Assistance Payment (Amendment) Regulations 2017.

Under Housing for All[23], the Department was tasked with undertaking an analytical exercise to examine whether an increase in the level of discretion available to local authorities under HAP is required. Since 11 July 2022 each local authority has statutory discretion to agree to a HAP payment up to 35% above the prescribed maximum rent limit and for new tenancies to extend the couple's rate to single persons

[19] See the complete table of income limits for social housing support here: https://www.gov.ie/en/publication/04c69-social-housing-support-table-of-income-limits/

[20] See https://www.gov.ie/en/publication/fb1f2-social-housing-support-household-means-policy/.

[21] More information can be found here: https://www.citizensinformation.ie/en/housing/local-authority-and-social-housing/applying-for-local-authority-housing/

[22] For HAP, a household may be given up to 35% flexibility if they are unable to find suitable accommodation within the specified income limits on a case by case basic. There is also additional flexibility, on a case by case basic, for eligible homeless households in the Dublin region.

[23] See: https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/

households. It should be noted that it is a matter for the local authority to determine if the application of the discretion is warranted on a case by case basis and also the level of additional discretion applied in each case.

A separate review of the discretion available to Homeless HAP tenancies in Dublin, which is up to 50% above the prescribed maximum rent limits, is currently being undertaken by the Department, in conjunction with the Housing Agency.

The Department continues to keep the operation of the HAP scheme under review and monitors the level of discretion being used by local authorities, taking into account other sources of data, including Residential Tenancies Board rent data published on a quarterly basis.

Box 2: Examples on the computation of the Housing Assistance Payment and the Rent Supplement

The Box provides two examples to clarify how the Rent Supplement and the Housing Assistance Payment are computed and how TaxBEN models the interaction between the two benefits.

Example 1 – HAP: Let's imagine a household composed by a single parent and a six year old child. The parent is in full-time employment and earns EUR 29,350 per year, which is approximately EUR 564 per week. This household is entitled to a One-Parent Family Payment amount of EUR 5,053 per year (EUR 97 per week), a Child Benefit amount of EUR 1,680 per year (EUR 32.31 per week), as well as to a Working Family Payment of EUR 1,302 per year (EUR 25 per week). Let's further assume that the housing costs stand at 20% of the Average wage: EUR 11,979.85 (which is below the EUR 15,000 maximum yearly rent for a household composed by a single parent and one child).

As the principal is currently in employment, and the model assumes a stable situation of employment since reaching the adult age, they **are not eligible** for the Rent Supplement, which implies a change in the circumstances of the individual. On the other hand, they might be eligible to receive housing benefits under the Housing Assistance Payment programme. To be eligible to this benefit, the household income must be below the maximum income threshold (assuming the rules for Dublin City apply):

$$Maximum\ income\ threshold = 40{,}000 * (1 + 0.025) = 41{,}000$$

In our case, the household income is:

$$\begin{aligned} Household\ income &\\ &= Earnings + One\ Parent\ Family\ Payment \\ &+ Working\ Family\ Payment - Social\ Security\ Contributions \\ &- Income\ Tax = 29{,}350 + 5{,}5053 + 1{,}302 - 1{,}859 - 1{,}174 = 33{,}122 \end{aligned}$$

Hence, the household is eligible to receive the HAP. To determine the amount, of the benefit, we have to subtract the household's rent contribution from the rent. The contribution is:

$$\begin{aligned} Rent\ contribution &\\ &= 0.15 * (assessable\ income\ above\ EUR\ 32\ per\ week) - 1 \\ &* (EUR\ 1\ per\ week\ reduction\ for\ each\ child) \\ &= 0.15 * (33{,}122 - 32 * 52) - 52 = 4{,}643.3 \end{aligned}$$

Finally, the HAP amount is:

$$HAP = 11{,}979.85 - 4{,}643.3 = EUR\ 7{,}336.55\ per\ year$$

Example 2 – Rent Supplement: Now, let's assume a similar household in which there is one adult and one child, but this time the principal is unemployed. In this case, in the model, the type of housing benefit to which the principal is eligible depends on whether or not they received the Housing Assistance Payment when in work. If the principal was already eligible to receive the HAP before losing their employment, then they remain in this programme and the benefit amount will be means-tested against their new household income outside of employment. By contrast, if the principal was not entitled to HAP while in employment, in case of a transition to unemployment they might apply for the Rent Supplement and test their eligibility for such benefit. Let's assume that the previous earnings while in employment were EUR 57,917.31 (EUR 1,113.79 per week), which made the household not eligible to receive

HAP. The reference SWA rates are the standard ones. Currently, the principal receives a One Parent Family payment of EUR 14,456 per year (EUR 278 per week), and a Child Benefit amount of EUR 1,680 (EUR 32.31 per week). Let's also keep the assumption that the housing costs stand at 20% of the Average wage, that is EUR 11,979.85 per year.

To establish eligibility for the Rent Supplement, first, it is necessary to compute the income in excess of the reference Social Welfare Assistance amount (which is EUR 14,352 per year for a household comprised of a single parent and one child aged 6 years old, or EUR 276 per week):

$Income\ in\ excess\ of\ SWA = Earnings + One\ Parent\ Family\ Payment - reference\ SWA = 0 + 14{,}456 - 14{,}352 = 104$

The Additional income disregard in this case is equal to the total amount of the Income in excess of SWA, as the latter is below EUR 75 per week (75*52=3,900>104). Hence, the income in excess of SWA when considering the Additional income disregard is 0.

$$Contributions\ to\ the\ rent = 30 * 52 = 1{,}560$$

Finally, the Rent Supplement amount for the household is rent minus contributions:

$$Rent\ supplement = 11{,}979.85 - 1560 = 10{,}419.85$$

4. Family benefits

4.1. Child benefit

Variable name: **[FAMBEN]**

This is a non-contributory benefit, not means-tested and not taxable.

4.1.1. Eligibility conditions

Child Benefit is a payment to a qualified person (usually the mother) for a qualified child. It is paid monthly in respect of each qualified child. There are no contribution conditions and it is not means tested or taxable. To qualify for Child Benefit the applicant must satisfy the Habitual Residence Condition.

Child Benefit is payable to the parents or guardians of children under 16 years of age. It is paid for children aged 16 and 17 years of age if they are in full-time education, full-time training or have a disability and cannot support themselves.

4.1.2. Benefit amount

Child Benefit is a universal payment. As of 1st January 2024, it is paid at a rate of €140 per month for each child. For those receiving Child Benefit for the first time it is paid at the start of the month following the birth of the child.

In the case of twins, claimants receive one and a half times the normal monthly rate for each child. For triplets and other multiple births, Child Benefit is paid at double the normal monthly rate for each child. These increased payments continue for as long as all of the children remain qualified. Note that these rules are not simulated in the TaxBEN model, as the model does not cover multiple births.

4.1.3. Benefit duration

As long as the eligibility conditions hold.

4.1.4. Means test

The benefit is not means-tested.

4.1.5. Tax treatment

The benefit is not taxable.

4.1.6. *Interaction with other components of the tax-benefit system*

The benefit is universal and can be received together with any other benefit.

4.1.7. *Combining benefit receipt and employment/starting a new job*

The benefit is universal; employment does not affect benefit receipt.

4.1.8. *Benefit indexation*

There is no automatic indexation.

4.2. ***One-Parent Family Payment*** *(OFP)*

Variable name: **[LPBEN]**

This is a non-contributory benefit, it is means-tested and taxable.

4.2.1. *Eligibility conditions*

To qualify for the OFP, a person must be a lone parent, be aged under 66, habitually resident in Ireland and be the main carer of at least one child under 7 years of age.[24] The payment is means tested.

4.2.2. *Benefit amount*

The OFP is made up of a personal rate for the parent and of extra amounts for dependent children. The payment rate as of 1 January 2024 is EUR 232.00 per week, EUR 46 for each dependent child under 12 and EUR 54 for each dependent child over 12 (called the increase for a Qualified Child or IQC). This is the rate modelled in TaxBEN.

4.2.3. *Benefit duration*

As long as eligibility conditions hold when the claimant's youngest child turns 7 years old, they can claim Jobseeker's Transitional Payment (see section 2.3.) instead.

4.2.4. *Means test*

The first EUR 165 per week of weekly earnings net of social security contributions (but not income tax) are disregarded, any additional earnings are reduced by 50% and the balance is assessed as means. For recipients of the OFP benefit, the first EUR 7.60 per week of the halved earnings are discounted as well. As a result, a person on OFP who is working can earn up to €180.20 per week (€165 + €15.20) before there is any reduction in their personal rate of payment.

4.2.5. *Tax treatment*

Taxable.

4.2.6. *Interaction with other components of the tax-benefit system*

The benefit cannot be received alongside unemployment benefits (Section 2) and Basic Supplementary Welfare Allowance (Section 3.1) but can be received concurrently with the Working Family Payment (Section 6.1). The OFP rate payable is counted as income when calculating the WFP rate of payment. It is possible to receive One-Parent Family Payment, and Rent Supplement or Housing Assistance Payment at the same time. However, the One-Parent Family Payment is included in the income definition for the means test for Rent Supplement, the income measure used to determine entitlement to Housing

[24] There are exemptions for lone parents who are caring and in receipt of a half-rate Carer's Allowance, or in receipt of a Blind Pension that allows payment until the youngest child reaches 16 years of age. Payment is also extended in cases of bereavement that can extend payment for 2 years or until the youngest child is 18, whichever occurs first. Note that these exemptions are not simulated in the TaxBEN model.

Assistance Payment and the contribution claimants have to make towards the rent. One-Parent Family Payment recipients will also receive Child Benefit.

4.2.7. Combining benefit receipt and employment/starting a new job

No limit, but earnings in excess of EUR 165 per week reduce benefit entitlement (see Section 4.2.4.).

4.2.8. Benefit indexation

No automatic indexation.

5. Net costs of Early Childhood Education and Care

The **reference date** for the policy rules described in this section is **January 1, 2024.**

Childcare Service providers in Ireland are not operated or run by the State; the majority are privately-run enterprises including not for profit/community services, but most of them take advantage of and administer State-funded childcare programmes. Centre-based childcare providers and larger scale home-based child minders are obliged to register with Tusla, the National Child and Family Agency. Childcare fees are set by the private childcare service operators, however the DCEDIY has introduced a fee freeze as part of a new funding steam, Core Funding as of May 2022. In order to avail of this new funding stream, childcare providers cannot raise their fees past September 2021 levels. As of January 2024, 94% of childcare providers have signed up for Core Funding.

One aspect in Irish childcare is that parents often choose care provided by home-based childminders or relative care, many of whom are small-scale operators.[25]

In Ireland, Early Learning and Care (ELC) is a preferred term to childcare, which is considered more general. In this section, we mostly refer to "childcare" in order to maintain the comparability with the Country Chapters for the other countries included in the TaxBEN dataset.

5.1. Gross childcare fees

Variable name: **[IRcc_cost]**

The median weekly cost for a full-time childcare place for a child for the latest-available school year (2022-23) is EUR 190.00[26] Data for 2024 is available after January 2025.

OECD note: Given 94% of childcare providers are covered by Core Funding which has frozen childcare fees at their September 2021 levels, it is unlikely childcare fees will rise in line with inflation; hence the childcare fees for 2024 will be assumed to be the same as those from 2023.

Median weekly childcare fees for Ireland in the OECD TaxBEN model

	2022 (School year 2021/2022)	**2023/2024 onwards** (School year 2022/2023)
Full time weekly fee	190.00 EUR	190.00 EUR
Part-time weekly fee	110.00 EUR	110.00 EUR
Sessional weekly fee	75.00 EUR	75.00 EUR

Source: Information has been sourced from: Dashboard for fees charged by the Irish Early Learning and Care and School-Age Childcare services in the programme years 2021/22 and 2022/23. Further information and explanations can be found here.

[25] Childminders that are working in a parents home rather than their own home are not eligible for the NCS or other DCEDIY subsidies.

[26] In TaxBEN, children are only aged 1 or above due to the TaxBEN methodology that children are born on the reference date of 1 January. The childcare fees are for all children, including those aged between 0 and 1 year.

TaxBEN Note: Prior versions of TaxBEN (versions 2.6.3 and before) utilised the average weekly childcare fee in the model. To better reflect the situation faced by parents, TaxBEN will utilise the median weekly childcare fee from version 2.7.0 and onwards. This information has been gathered since 2017. For prior years, TaxBEN has applied the historic ratio of median to average weekly fees to estimate the median childcare fees.

5.1.1. Discounts for part-time usage

The average cost of a part time place for a child for the 2022–23 academic year was EUR 115.16(3.5-5 hours a day), and EUR 76.07 for “sessional” childcare of up to 3.5 hours a day. There is a freeze on childcare fees for 94% of childcare services across Ireland, hence the average fee for 2023-24 remains the same.

5.1.2. Fees indexation

DCEDIY has introduced a fee freeze as part of a new funding steam, Core Funding, as of May 2022. In order to avail of this new funding stream, childcare providers cannot raise their fees past September 2021 levels. As of January 2024, 94% of childcare providers have signed up for Core Funding.

5.2. Fee discounts and free provision

Variable name: **[cc_subsidy]**

The Early Childhood Care and Education Scheme (ECCE) provides 15 hours of free provision per week for 38 weeks a programme year, for two years for all eligible children from the age of two years eight months to 5 years 6 months. This discount is provided as a fixed amount of EUR 64.50 per week, regardless of the fee in place in the specific institute.

5.2.1. Eligibility

The programme is provided for three hours per day, five days per week over 38 weeks per year and the programme year runs from September to June. A child must have turned 2 years and 8 months on or before the 31st August in the programme year in order to be eligible (and cannot turn 5 years and 6 months during that programme year).[27]

5.2.2. Amount of discount or free provision

15 hours per week, 38 weeks per year. For families who use extra Early Learning and Care (ELC) hours beyond the free 15 hours, a discount of €64.50 is applied to the applicable fees.

OECD note: all the sources of income considered in TaxBEN undergo the process of annualization. This means that they are considered in the amount for one month (or one week) and then multiplied by 12 (or 52) to determine the annualized amount. Hence, when computing the ECCE discount we consider a period of 52 weeks and not just 38 since the childcare fees paid in the model are also modelled around this assumption, and thus are higher than what a parent would normally pay since the school year is shorter than 52 weeks.

5.2.3. Variation by income

The ECCE programme is a universal programme available to all children within the eligible age range.

5.3. Child-care benefits for formal centre-based care

Variable name: **[cc_benefit]**

[27] In TaxBen, all children are born on the 1st of January. Given this birthday, a child who is 2 year old on the 1st of January is just not eligible for the ECCE programme, and the same holds for a 5 year old. Hence, only 3 and 4 year old children are eligible for ECCE in TaxBen.

In November 2019, the National Childcare Scheme (NCS) was introduced. This scheme provides financial support for parents towards the cost of their childcare and is intended to streamline schemes to make them more accessible for both parents and providers. In addition, the NCS provides a fair and consistent system of progressive financial support towards the cost of childcare, with a particular focus on low income families, and provides a robust and flexible platform for future investment in childcare in Ireland.

The ECCE programme is not affected by the NCS and will continue to operate alongside the NCS.

5.3.1. Eligibility

For the NCS scheme, eligibility is as follows:

Universal payments is available to all families with children between the ages of 24 weeks and under 15 years.

The income-assessed subsidy will be available for families of children aged between 24 weeks and under 15 years with a net income of less than €60,000 a year.[28] The subsidy rate varies depending on household income, the child's age and educational stage, and the number of children in the family (see section 5.3.2.). It can be used towards the cost of a registered childcare place for up to a maximum of 45 hours a week. The 45 hours maximum is available if a parent is working, studying or training, otherwise a 20 hour maximum applies.

5.3.2. Benefit amount

NCS universal benefit: this subsidy is not means-tested. In 2024, it provides €1.40 per hour towards the cost of a registered childcare place for up to a maximum of 45 hours per week. This represents up to € 63 a week (or € 3,276 a year). The payments are made on a weekly basis.

NCS income assessed subsidy: depends on the household's *reckonable* income – reckonable income is total net family income, minus "allowable deductions", such as maintenance payments, pension contributions and some benefit payments.[29] In TaxBEN, the following allowable deductions are implemented: multiple child allowances (4,300 Euros per year for families with two children under 15 years old, and 8,600 Euros per year for families with 3 or more children under 15) and the back to work family dividend.

The minimum and maximum subsidy rates per hour of childcare are as follows (up to 45 hours of centre-based childcare can be subsidised):

Child's age	Minimum subsidy per hour in 2024	Maximum subsidy per hour in 2024
12 months or younger*	€1.40	€5.10
12 to 35 months	€1.40	€4.35
3 years or older	€1.40	€3.95
At school (or older than 6 years of age and less than 15 years of age)*	€1.40	€3.75

*Note that TaxBEN only calculates childcare for children up to school age, so the means-tested subsidies for school-age children are not implemented in TaxBEN. Children in TaxBEN are born on the 1st of January. As the policy evaluation date is the 1st of January, children are either 0 or 1 year old, so the rates for 6 -11 month old children are never observed in TaxBEN.

In 2024, families with a reckonable income below the base income threshold of 26,000 Euros receive the maximum rate per hour, families with a reckonable income in excess of the maximum income

[28] Note that in TaxBen, only childcare costs for children up to school-age is modelled, i.e. after-school childcare for children up to 15 years old is not included in TaxBen.

[29] See https://www.citizensinformation.ie/en/education/pre_school_education_and_childcare/national_childcare_scheme.html for details.

threshold 60,000 Euros receive no income-assessed subsidy. For incomes between these thresholds, the subsidy amount per child per hour is calculated according to the following formula:

$$SR = NS + \left(\frac{(XS - NS)(MT - AI)}{(MT - BT)}\right)$$

Where:

SR is the subsidy rate,

NS is the minimum subsidy rate,

XS is the maximum subsidy rate,

MT is the maximum income threshold,

BT is the base income threshold, and

AI is the assessable income.

If a family's reckonable income is below EUR 60,000, they only receive the NCS income-assessed subsidy for eligible children (aged between 3 years and 15 years old), and no NCS universal subsidy.

If a family's reckonable income is above EUR 60,000, they only receive the NCS universal amount of 1.4 Euros per hour per child under the age of 15, and no income-assessed subsidy.

Children who are also eligible for the ECCE (children aged 3 years to 15 years) receive the benefit for only 25 hours per week in the ECCE term of 38 weeks. They receive the ECCE benefit for the other 15 hours during the term as it is more generous. Outside of the ECCE term, the children who were previously receiving NCS and ECCE benefits now receive only the NCS for the full 40 hours for the remaining 14 weeks of the year.

5.3.3. Benefit duration

The NCS is available to all children aged between 6 months (24 weeks) and under 15 years.

However, as ELC for school-age children is not simulated in the TaxBEN model, eligibility is only simulated for children under 5 in the model. In fact, the assumption is that a child aged 5 years or older is enrolled in primary education.

5.3.4. Means test

The universal subsidy of the NCS scheme is not income assessed, for more information on the income assessment methodology, please see section 5.3.2.

5.3.5. Tax treatment

Not taxable.

5.3.6. Interaction with other benefits

NCS benefits and ECCE benefits can be received simultaneously, as the child can avail of NCS outside of the core ECCE hours.

TaxBEN note: Since TaxBEN is a monthly model and the point of reference for the date is the 1st January of each year, the benefits and taxes received on this reference point is annualised. Prior to version 2.7.0, TaxBEN only modelled either the NCS or ECCE benefits for each child. In version 2.7.0 and onwards, TaxBEN models both NCS and ECCE benefits for eligible children (children aged 3 years and above) by proportionately allocating the 38 weeks of the term for NCS and the remaining 14 weeks out of term for ECCE benefits to the month of the reference date.

5.3.7. Combining benefit receipt and employment/starting a new job

In case of NCS universal subsidy, employment does not affect benefit receipt. However, the number of childcare hours available in the income assessed subsidy will depend on parents' availability (i.e. if they are in work, study, or their position in certain criteria relating to availability)

- **Enhanced hours subsidy:** If both the parent (and partner, if there is one) **are** working, studying or training – they are entitled to up to 45 hours of subsidised childcare per week.
- **Standard hours subsidy:** If the parent (and partner, if there is one) **are not** working, studying or training – they can qualify for up to 20 hours of subsidised childcare per week.

OECD note: Starting from 2023, the TaxBEN model allows to compute childcare costs independently from the labour supply of the parents. Hence, the number of hours covered by the NCS scheme varies depending on whether both parents are engaged in work, study or training. There are no minimum hours of work required for parents to avail of enhanced hours under the NCS. The definition of study is similarly broad.

Any part-time hours, casual working, or hours in labour activation schemes such as Gateway and SOLAS programmes, are counted as work. Studying for a higher education course on the National Framework of Qualifications (NFQ), this is counted under studying and training.

Parents are entitled to retain enhanced hours for 4 weeks after transitioning out of work, study, and training. They are also entitled to enhanced hours four weeks prior to transitioning into work, study, and training.

5.3.8. Benefit indexation

No indexation applies.

6. In-work benefits

6.1. Working Family Payment (WFP) (Formerly called Family Income Supplement – FIS)

Variable name: **`[IW]`**

This is a non-contributory benefit, it is income-tested and not taxable. The payment is designed to preserve the incentive to take up or remain in employment in circumstances where the employee might otherwise only be marginally better off than if they were claiming other social welfare payments.

6.1.1. Eligibility conditions

WFP is a tax-free weekly payment for employees who:

- Work 38 or more hours per fortnight (any combination of hours that reaches 38 hours each fortnight is acceptable). The claimant can combine their weekly hours with their spouse, civil partner, or cohabiting partner's hours to meet this condition. Time spent in self-employment (or on Community Employment, Gateway, Tús, or the Rural Social Scheme) cannot be used to meet this condition,
- Have an employment that is likely to last at least 3 months,
- Have one or more children who normally live with them, and
- Earn less than an amount that varies by family size.

Claimants must be employed in the Irish State and pay tax and Pay Related Social Insurance in Ireland. Under EU regulations it is sometimes possible to claim WFP if children are living abroad and dependent on the claimant.

6.1.2. Benefit amount

The amount of Working Family Payment received is 60 per cent of the difference between the weekly family income and a weekly income limit for the family size. The payment is received on a weekly basis and the income limit varies with family size.

Family size[30]	Weekly net earnings limit (in EUR), as of 1st January 2024
One child	€645
Two children	€746
Three children	€847
Four children	€938
Five children	€1064
Six children	€1180
Seven children	€1316
Eight or more children	€1412

6.1.3. Benefit duration

Generally, the payment continues for one year (52 weeks) and is not affected by, for example, an increase or a decrease in earnings. The payment is renewable.

However, in the following circumstances, the weekly rate of Working Family Payment can be revised during the year:

- If the claimant starts to care for an additional child, their WFP rate can be increased.
- If the claimant was previously getting a One-Parent Family Payment (OFP) and the payment was stopped because the youngest child reached the relevant OFP age limit, the WFP rate can be revised by disregarding the rate of OFP assessed in the most recent WFP income test.

The rate of payment will not change if there is an increase or a decrease in the recipient's income or in other family income. This is to ensure that claimants can be certain that they will receive a guaranteed level of income throughout the period.

6.1.4. Income test

WFP is calculated as 60% of the difference between the income limit for the family size and the assessable income of the person(s) raising the child(ren). The combined income of a couple (married, in a civil partnership or cohabiting) is taken into account.

Income from any source (above the disregards stated below) is assessed. The WFP income test does not assess capital, including property, bank accounts and cars. The Department of Social Protection (DSP) does assess rental income, though it may examine bank accounts to check for other income sources and it may assess income derived from use of a car (for example as a taxi).

The main items counted as income are:

- Assessable earnings of the claimant and their spouse, civil partner or cohabiting partner. Assessable earnings are gross pay minus tax, employee Pay Related Social Insurance, Universal Social Charge and superannuation (including the Public Service Pension Levy and contributions to Personal Retirement Savings Accounts. Income from working as a home help is included.
- Any extra income from employment (such as pay for overtime, bonuses, allowances or commission).
- Any income from self-employment.
- Income from occupational pensions.
- Social welfare payments and student grants (with the exception of those listed below).
- All family income from carer's payments (i.e. Carer's Allowance or Carer's Benefit).
- Rental income from the letting of property or land (the capital value is not assessed). The gross rental income is assessed, and mortgage payments and other expenses are not deductible. Income from renting a room in the claimant's own residence is included.

The following payments (only concerning those listed in this report) do not count as family income:

[30] OECD note: the TaxBEN model only allows for a maximum of four children to be selected.

- Child Benefit (Section 4.1)
- Basic Supplementary Welfare Allowance (Section 3.1)
- Rent Supplement (Section 3.2)
- Any income of the children
- And other payments not listed in this report.[31]

  TaxBEN Note: the TaxBEN model assumes that any children in the household are dependent and do not earn any income.

  A minimum payment of EUR 20 per week is payable: if benefit entitlements are below this amount (but greater than zero), the amount received is rounded up to EUR 20 per week.

6.1.5. Tax treatment

Non-taxable.

6.1.6. Interaction with other components of the social welfare system

It is not possible to receive WFP as well as one of the following schemes or social welfare payments:

- Jobseeker's Benefit (Section 2.1)
- Jobseeker's Allowance (Section 2.2)
- Jobseeker's Transitional payment (Section 2.3)
- Part-Time Job Incentive Scheme (Section 2.4)
- And other payments not listed in this report.[32]

However, it is possible for the claimant's spouse, civil partner or cohabiting partner to claim one of these payments, but the Increase for a Qualified Adult (IQA) in the other benefit will no longer be paid and the amount received from one of these social welfare payments will be assessed as income in the WFP claim. Any Increase for a Qualified Child will also be affected.

Lone parents can receive WFP in addition to One-Parent Family Payment, Deserted Wife's Benefit or Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension.

It is possible to receive Illness Benefit or Injury Benefit while claiming WFP (for 6 consecutive weeks). For those who have been out of work for more than 6 consecutive weeks, payment of WFP is suspended until they return to work and send a final certificate into the Illness Benefit or Occupational Injury Benefit section or until the WFP award period expires (whichever is the earlier).

Under the Maternity Protection Act 1994, a woman on maternity or adoptive leave is entitled to be treated as if she is in employment. This means that she can claim WFP (provided she meets the conditions of the WFP payment and has a family – a pregnant woman who has no other children does not qualify for WFP until the birth of the baby). Her income must be less than the income limit for her family size and is normally calculated using gross earnings to date or her end of year tax statement (formerly the P60). The WFP claim will then be paid for 52 weeks from the date of application. It is not possible to continue to claim WFP during additional unpaid maternity or adoptive leave if the claimant loses their job after returning to work or gives up employment.

[31] Other payments that do not count as family income include: Guardian's payments, Domiciliary Care Allowance, Foster Child Allowance, Rent Allowance for tenants affected by the de-control of rents, Income from a charitable organisation, and income from providing accommodation to students studying Irish in Gaeltacht areas under a scheme administered by the Minister for Arts, Heritage and the Gaeltacht.

[32] The other payments that it is not possible to receive Working Family Payment with are: Community Employment Scheme, Gateway, Rural Social Scheme, Tús scheme, Farm Assist and Pre-retirement allowance

6.1.7. Combining benefit receipt and employment/starting a new job

Claimants must work at least 38 hours per fortnight. This can be split between two members of a couple. The employment must be likely to last at least 3 months.

6.1.8. Benefit indexation

No automatic indexation.

6.2. Back to Work Family Dividend (BTWFD)

Variable name: **[BTWFD]**

This is a non-contributory benefit. It is not means-tested and not taxable.

6.2.1. Eligibility conditions

The claimant must have at least one qualified child and be/have been in receipt one of the following payments:

- Jobseeker's Allowance or Jobseeker's Benefit for at least 12 months (312 days of unemployment) of which at least 6 months (156 days of unemployment) must have been in the last year;
- One-Parent Family Payment (OFP) (regardless of the number of months in which the benefit was claimed);
- Jobseeker's Transitional payment (JST) (regardless of the number of months in which the benefit was claimed).

The claimant must stop claiming one of the qualifying payments or schemes to qualify for BTWFD. If they are not already in insurable employment or self-employment, they must take up employment within 4 weeks of leaving their original payment or scheme. The employment must be in the State. To qualify, the claimant and all members of their family (including their adult dependant) must sign off all primary social welfare payments.

6.2.2. Benefit amount

Recipients are paid on a weekly basis the equivalent of any Increases for Qualified Children that were being paid on their jobseeker or one-parent family payment (up to a maximum of 4 children) for the first year in employment. Half that amount will be paid weekly for the second year.

BTWFD Rates as of 1 January 2024:

	Rate per child
Over 12	
Year 1 weekly rate	€46
Year 2 weekly rate (@50%)	€23
Over 12	
Year 1 weekly rate	€54
Year 2 weekly rate (@50%)	€27

6.2.3. Benefit duration

BTWFD can be paid for up to 2 years if the claimant remains in employment. If the person claims a primary social welfare payment at any time within the 2-year period, the BTWFD payment will stop. If the spouse, civil partner or cohabitant claims a payment the BTWFD payment will also stop.

If the claimant loses their job and claims a social welfare payment, the BTWFD stops, but it may restart if they get a new job, with a maximum of 2 restarts per claim.

6.2.4. Means test

BTWFD is not means-tested and is not contribution-based.

6.2.5. Tax treatment

Non-taxable.

6.2.6. Interaction with other components of the tax-benefit system

A person is not eligible for BTWFD if they or their spouse, civil partner or cohabitant is getting a primary social welfare payment or is on an employment or training scheme. A person cannot get BTWFD for a child on whose behalf an IQC or IQA is being paid, or who is getting a payment in their own right. BTWFD is not paid together with the Back to Work Enterprise Allowance.

BTWFD can be paid with the following payments (to the claimant or their spouse, civil partner or cohabitant):

- Child Benefit (Section 4.2)
- Working Family Payment (Section 6.1)
- Rent Supplement (Section 3.2)
- And other payments not included in this report.[33]

BTWFD is not assessed as means for Rent Supplement (Section 3.2) or for the National Childcare Scheme (Section 5.3 – Child-care benefits for formal centre-based care).

A person can claim BTWFD and Illness Benefit or Injury Benefit (under the Occupational Injury Benefit (OIB) scheme) for 36 days (6 weeks). BTWFD will be suspended after the 36th day of Illness or Injury Benefit claim.

6.2.7. Benefit indexation

No automatic indexation.

7. Social security contributions and payroll taxes

Variable names: **[SOCSEC_p; SOCSEC_s; SSCR_p; SSCR_s]**

In Ireland, there are two types of social security contribution: social insurance contributions, which give rise to entitlements to contributory benefits, and the Universal Social Charge. Social Insurance contributions are paid into the Social Insurance Fund from which benefits are paid while the Universal Social Charge is paid into the central exchequer.

7.1. Social insurance contributions

Contributions are payable as a percentage of an employee's gross earnings. No distinction is made by marital status or sex. In 2024, the entry threshold for social insurance entitlements is EUR 38 per week.[34] Those who earn between EUR 38 and EUR 352 per week inclusive are exempt from social insurance contributions but those who earn more than this pay contributions on all their earnings. The following is the rate of employee contribution applicable in 2024:

[33] Other payments that Back to Work Family Dividend can be paid alongside with include: Back to School Clothing and Footwear Allowance, Disablement Benefit and Death Benefit (under the OIB scheme), Domiciliary Care Allowance Exceptional and Urgent Needs payments under the SWA scheme Guardian's Payment (non-contributory), Illness Benefit and Injury Benefit (under the OIB scheme) for 36 days, and Widowed or Surviving Civil Partner Grant

[34] Those with earnings less than this weekly amount are not liable for social insurance contributions and do not gain entitlement to receive Social Insurance Benefits, including the Jobseeker Benefit.

Description	Rate	Exemption amount (EUR, as of 1 January 2024)
Social insurance	4.00	€352.01

A PRSI Credit of EUR 12 is applied between weekly earnings of EUR 352.01 and EUR 424. This credit is withdrawn at a rate of 1/6 of the difference between gross earnings and EUR 352.01. No credit is applied once earnings reach EUR 424.

Employers' contributions are payable as a percentage of gross employee earnings, with no entry threshold but the contribution rate varies according to employee earnings.

Description	Rate %	Ceiling (EUR)
National Training Fund Levy	1.00	
Social insurance	10.05	
TOTAL	11.05	No ceiling

The rate of employer social insurance is 8.80% on employee earnings up to EUR 441 and 11.05% where employee earnings exceed EUR 441 (2024 amount).

The National Training Fund Levy is paid into a separate training fund and is not used to finance social insurance benefits.

7.1.1. Rates indexation

There is no automatic indexation of social insurance rates or thresholds. The employee EUR 352 exemption has remained unchanged for many years. The employer threshold increased from EUR 410 to EUR 441 in 2023 to ensure that an employer paying the increased minimum wage rate of payment to an employee would continue to attract the lower employer PRSI rate of 8.8%. The threshold was not increased in line with the increase in the minimum wage rate of payment in 2024.

7.2. Universal Social Charge

The Universal Social Charge (USC) applies at a low rate on a broad base. The USC applies on an individual basis. The income definition does not include any social welfare benefits, only private incomes. In TaxBEN it applies only to gross earnings. The USC is charged from the first Euro of gross income according to the following schedule (amounts as of 1 January 2024):

Ceiling (EUR/year)	Rate %
12,012	0.5
25,760	2.0
70,044	4.0
Above 70,044	8.0

A higher rate applies to those with high levels of self-employment income: if this is in excess of EUR 100,000 for a tax year, the maximum rate is 11% on the amount of the excess. As TaxBEN does not cover the self-employed, this provision is not simulated in the model.

Individuals in possession of full medical card only pay USC at a maximum rate of 2% up to EUR 60,000(i.e. the higher rates above EUR 25,760 do not apply). If a medical card holder’s income is more than EUR 60,000, the standard rates of USC apply (see schedule above). A medical card is awarded if a family has total earnings of less than EUR 9,568/year for a single person or EUR 13,858 for a couple or a single parent, plus EUR 1,976 for each of the two first dependent children under 16, EUR 2,132 for the third and each subsequent dependent child under 16. EUR 2,028 for each of the first two children aged over 16 (with no income), and EUR 2,210 for the 3rd and each subsequent child over 16 (with no income).

Those with a gross income of less than EUR 13 000 are exempt from the charge.

7.2.1. Rates indexation

No indexation.

8. Taxes

Income Tax in Ireland is levied on the combined income of both spouses. Either spouse may, however, opt for separate assessment, but this does not affect the total amount paid. It is also possible for either spouse to opt for assessment as single persons in which case they are treated as separate units. In TaxBEN, it is assumed that couples choose joint assessment as this will lead to a lower overall tax liability.

8.1. Income tax

Variable name: **[IT]**

8.1.1. Tax allowances

There are no tax allowances in Ireland, there are only tax credits (see Section 7.1.4).

8.1.2. Tax base

In terms of income components considered by TaxBEN, the tax base includes gross earnings, Jobseekers' Benefit (excluding the first EUR 13/week and the dependent child addition) and One-Parent Family Payment.

8.1.3. Income tax schedule

The income tax schedule for 2024 is set out below:

Band of taxable Income (EUR/year)				Rate (%)
Single/ Widow(er)	Married Couple (One Income)	Married Couple (Two Incomes)	One-Parent Families	
Up to 42,000	Up to 51,000	Up to the lesser of: €84,000 or 51,000 plus the lower of the two spouse's incomes	46,000	20
Balance	Balance	Balance	Balance	40

8.1.4. Tax credits

As of 1st January 2024, the Tax credits in Ireland are as follows. These credits each reduce tax liability by the specified amount:

- Basic reliefs: The single person's credit is EUR 1875 per year.
- Standard marital status reliefs: The married person's credit is EUR 3750 per year (i.e. twice the basic credit of EUR 1875).
- Employee credit: With the exception of certain company directors and their spouses and the spouses of partners in partnership cases, all employees, including (subject to certain conditions) children who are full-time employees in the business of their parents, are entitled to an employee credit of EUR 1875.
- Earned Income credit: Individuals in receipt of earned income are entitled to an earned income credit of EUR 1875. However, the combined employee credit and earned income credit is limited to EUR 1875, and so this credit does not benefit those whose earned income is entirely from employment. As the TaxBEN model does not simulate forms of earned income other than employees' wages, this credit is not simulated in the model.
- Single Person Child Carer Credit: The single parent family credit is EUR 1750.
- Home Carers Allowance: This is a tax credit of EUR 1800 for families where one spouse works at home to care for children, the aged or incapacitated persons, so long as the carer spouse's income does not exceed EUR 7 199. A reduced measure of relief is granted if this person's income is between EUR 7 200 and EUR 10 800: if the income exceeds EUR 7 200 the tax credit is reduced by one half of the income of the Home Carer that exceeds this limit. This credit and the increased standard rate tax band for two

income couples (see tax schedule in Section 8.1.3 above) are mutually exclusive: families may opt for whichever is the more beneficial. If the Home Carer earns income of up to EUR 7 200 in his/her own right for the tax year, the full tax credit may be claimed. For the purposes of this tax credit, income means any taxable income such as income from a part-time job, dividends, etc. but does not include the Carer's Allowance payable by the Department of Social Protection.

8.1.5. Rates indexation

No automatic indexation.

9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for Ireland 2024 (Figure 5). TaxBEN by default produces the following output: 1) net household incomes (**black lines**) and 2) related income components (**coloured stacked areas**) for selected family and individual circumstances (e.g. a lone parent working at different earnings levels with two children aged 4 and 6 respectively – users are free to select many of these circumstances). The model and the related web calculator is accessible from the project website. Figure 5 shows outputs for four scenarios:

- By gross earnings (**Panel A**);
- By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);
- By previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel C**);
- By previous employment record, for a jobseeker claiming unemployment benefits (**Panel D**).

The stacked areas shows the following household income components: **GROSS** = gross earnings; **SSC** = social security contributions; **IT**= income tax; **FB** = family benefits; **HB** = Housing benefits; **SA** = social assistance / Guaranteed minimum income benefits; **IW** = in-work benefit. Note that these components may be the result of the aggregation of more than one benefit into a single component. Please refer to the table of contents to see the benefits included in each category.

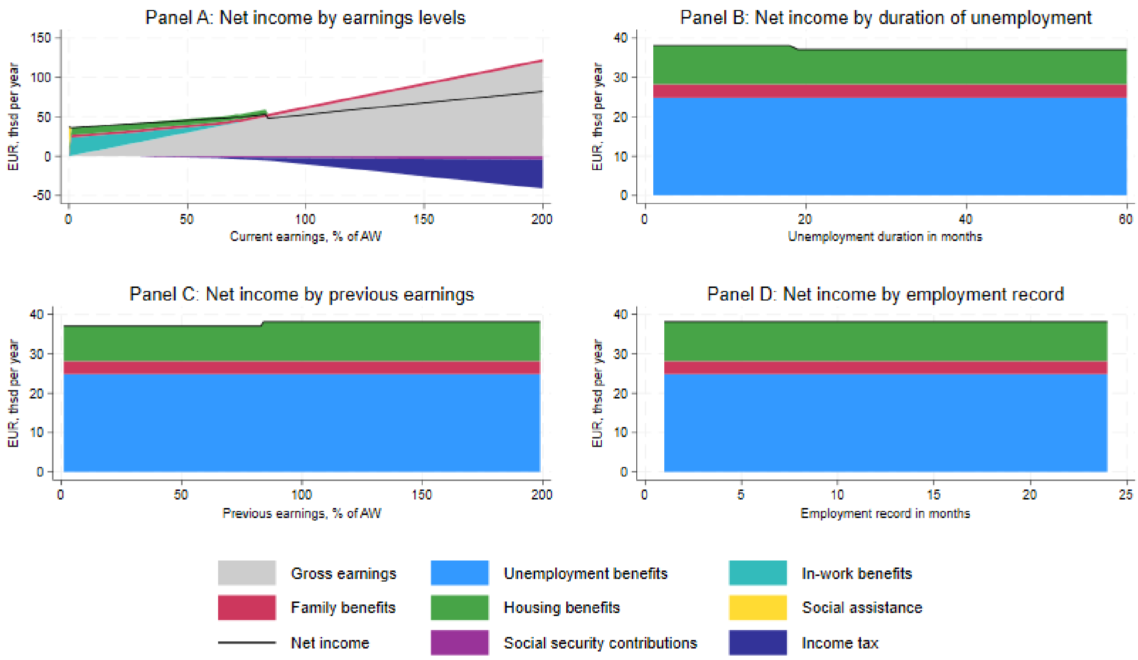
Results in Figure 5 refer to a 2-adult family with two children. Adults are both 40 years old whereas children are 4 and 6 years old respectively. Social assistance and housing benefits are assumed to be available in all the four scenarios when the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

Panel A assumes that one adult family member (so-called 'spouse' using the TaxBEN terminology) is out of work and not eligible for unemployment benefits (e.g. because they have expired) whereas the other adult member (so-called 'principal') is employed full-time and full-year at different earnings levels. When earnings of the first adult are zero this person is assumed to be out of work but not receiving unemployment benefits (again, e.g. because they have expired), instead claiming social assistance or guaranteed minimum income benefits, as applicable.

Panels B to D assume that the second adult is out of work and not eligible to unemployment benefits whereas the first adult is also out of work and claiming unemployment benefits. In Panel B and C the first adult is assumed to have a 'long' employment record of 264 consecutive months before the job loss. The horizontal axis in Panel B measures the time of benefit receipt, starting from the first month. The horizontal axis in Panel C shows the amount of previous gross earnings (before any social contribution payments). Results in Panels C and D refer to the 2nd month of unemployment benefit receipt whereas Panel D consider the case of previous earnings equal to the average Wage. Previous earnings in Panel B are also equal to the average wage.

TaxBEN assumes the following logical sequence of benefit claims: 1) One-Parent Family Payment (Section 4.2), 2) Jobseekers' Benefit (Section 2.1), 3) Jobseekers' Allowance/Jobseekers' Transitional Payment (Section 2.2/2.3) 4) Working Family Payment (Section 6.1), 5) Basic Supplementary Welfare Allowance (Section 3.1), 6) Housing Assistance Payment (Section 3.2), 7) Rent Supplement (Section 3.3), 8) Child benefit (Section 4.1), 9) Back to Work Family Dividend (Section 6.2).

Figure 5. Selected output from the OECD tax-benefit model, 2024



Couple with two children

Source: Calculations based on the OECD tax-benefit model.

Annex: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Ireland that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

1.1. *Adoptive benefit*

Adoptive benefit is paid to an adoptive parent. It is paid for a continuous period of 24 weeks from the date of placement of the child. It is a contributory benefit and is only paid if the claimant is taking adoption leave.

1.2. *Maternity benefit*

Maternity Benefit is paid for 26 weeks, of which at least 2 weeks and not more than 16 weeks leave must be taken before the end of the week in which the baby is due. It is a contributory benefit and cannot be claimed if the recipient is engaged in paid work.

1.3. *Jobseekers Benefit for the Self Employed*

This is a weekly social insurance benefit payment to people who lose their self-employment income and satisfy the scheme conditions.

1.3.1. *Eligibility conditions*

Age: The person must be over 18 and under pensionable age of 66, or, being a person born on or after 1 January 1958, have attained pensionable age but have not attained the age of 70 years, and have never been awarded a State pension (contributory).

Contribution/employment history: The claimant must have paid PRSI at class S. They must have at least 156 weeks of PRSI Self Employed Contributions paid at class S or at least 104 PRSI Employment Contributions paid at Class A or H and 52 self employed (Class S) Contributions paid in the last Governing Contribution Year (which is two years prior to the year in which the claim is made, so 2022 for a claim made in 2024). Unemployment must be involuntary and not linked to temporary shutdown or seasonal closure.

1.3.2. *Benefit amount*

Jobseekers Benefit for the self-employed is paid weekly at the same rates of payment as Jobseekers Benefit and is made up of a personal rate and increases for a qualified adult and qualified child(ren).

1.3.3. *Benefit Duration*

Jobseeker's Benefit (Self-Employed) is paid for 9 months (39 weeks) for people with 260 or more Class S PRSI contributions. It is paid for 6 months (26 weeks) for people with fewer than 260 Class S PRSI contributions.

1.3.4. *Means test*

The benefit is not means-tested, but if the claimant works for any part of a day, they do not receive payment for that day.

1.3.5. *Tax treatment*

Taxable.

1.3.6. Benefit indexation

Social Welfare rates are decided upon by Government. The rate of payment is decided in the Budget every year and a Social Welfare Act gives effect to the changes agreed in the Budget. The increases usually take effect from 1 January.

1.4. Benefits contributing to support energy costs

1.4.1. Fuel Allowance

Fuel Allowance[35] is a payment introduced to help with the cost of heating during the winter months.

It is targeted to claimants residing in the State, aged 70 or over, and those aged under 70 who are receiving long-term social welfare payments. The claimant must be living alone or with other qualified people.

The current rate of payment is €33 per week from 25th September 2023 until the 5th April 2024. Only one Fuel Allowance is paid to each household.

1.4.1. Household Benefit Package

The Household Benefit Package aims at supporting the costs of electricity or gas bills. Only one benefit can be received by each household.[36]

The package is generally available to those aged over 66 and to those aged under 66 if in receipt of certain social welfare payments such as Disability Allowance, Invalidity Pension, Blind Pension or Carer's Allowance (if living with the person they are caring for).

The rate of payment for your electricity or gas bill is €1.15 per day, paid monthly. When you qualify for the Household Benefits Package you qualify for a free Television Licence from its next renewal date. You apply for this as part of your Household Benefits Package application.

1.4.2. Additional Needs Payment

The Additional Needs Payment is targeted at essential expenditures that cannot be paid by the recipient's weekly income.[37]

Anyone on a social welfare payment or working and getting a low income may qualify for an Additional Needs Payment. The weekly household income, the savings and investments, the household expenses and the type of assistance needed are taken into account to determine eligibility and benefit amount.

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[35] Source: https://www.gov.ie/en/service/00aa38-fuel-allowance/

[36] Source: https://www.gov.ie/en/service/e87d27-household-benefits-package/

[37] Source: https://www.gov.ie/en/service/4eb45-additional-needs-payment/