An Roinn Coimirce Sóisialaí
Department of Social Protection

Post Budget Forum

Chair: Teresa Leonard

Deputy Secretary General

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7th October 2025

An Roinn Coimirce Sóisialaí
Department of Social Protection

The Minister for Social Protection’s focus areas for Budget 2026 are .....

- **Across the board Rate Increases of €10, and**
- **A Broad Range of Targeted Measures**
    - **Focus on Families and Children, Addressing Child Poverty**
    - **Supports for Carers and People with Disabilities**
    - **A Fuel Allowance Increase for 460,000 households and further expansion to WFP recipients**
    - **Extensions to Working Age Employment Supports**
- **The Launch of My Future Fund from January 2026**

Budget Costs 2016 - 2026

Year	Budget Year Cost/Savings €m	Full Year Cost/Savings €m
2016*	263.60	278.60
2017	330.00	468.50
2018	343.00	453.10
2019	361.30	496.50
2020	171.20	171.20
2021	288.80	292.70
2022	558.30	600.50
2023	1,019.9	1,019.9
2024	1,090.3	1,275.10
2025	1,188.8	1,208.7
2026	1,152.0	1,164.0

*Does not include any PRSI measures

Families with Children

Child Support Payment *(aka Qualified Child Increase)*

- Increase the weekly rate of the **Child Support Payment** for children under 12 by **€8** per week and increase the rate of Child Support Payment for children aged 12 and over by **€16** per week to bring the rates for children aged 12 and over to **€58 per week** and for children under the age of 12 to **€78 per week**
  - Cost €167.7m, from January

Expand Back to School Clothing and Footwear to 2 and 3 year olds

- Expand Back-To-School Clothing and Footwear Payment to 2 and 3 year olds (generally the age cohort linked to ECCE) – but will have meet income test requirements of BSCFA
  - Cost is €5.5m, June 2026.

Families with Children

Working Family Payment

- Increase Working Family Payment income thresholds for all families by **€60** per week, the same increase as last year
  - Cost €90m, from January

Working Family Payment to qualify for Fuel Allowance

- All households in receipt of the Working Family Payment to qualify for Fuel Allowance (irrespective of means and household composition) Implementation from March 2026 (payments backdated to January)
  - Cost is €39.7m, March 2026

Illness Disability and Carers

Carers Allowance

- Increase the earnings disregard for Carers Allowance by €375 to €1,000 for a single person and by €750 to €2,000 for a couple
    - Implementation From July, cost is €10m in 2026

Domiciliary Care Allowance

- Increase the monthly rate of Domiciliary Care Allowance by €20 to €380 per month.
    - From January, cost is €17.5m

Extend Back to Work Family Dividend

- Extend access to BTWFD to recipients of Blind Pension and Disability Allowance
    - From January, cost is €0.02m

Allow Disability Allowance and Blind Pension recipients to retain Fuel Allowance for 5 years on exit to employment

- Allow people on Disability Allowance and Blind Pension to retain Fuel Allowance for a period of 5 years if they leave the payment to take up employment
- From September, cost is €0.34m

Illness Disability and Carers

Wage Subsidy Scheme expanding eligibility

- Expanding eligibility for the Wage Subsidy Scheme for three new cohorts
  - acquired a disability within the last 12 months,
  - degenerative or progressive condition where ability to work reduced in the past 12 months,
  - Invalidity Pension for any duration and transfer to Partial Capacity Benefit
  - From January, cost is €1.3m

Wage Subsidy Scheme rate increase of €1.20

- Increase base rate of the Wage Subsidy Scheme to €7.50 per hour, to decrease the number of bands and to increase the rates within the bands,
  - From April, cost €3.1 million.

Pensioners

Weekly Personal and Qualified Adult Rates of Payment

- Increase the maximum weekly rate of all pension payments (for those aged 66 and over) by €10 per week with proportionate increases for qualified adults and those on reduced rates of payment
  - Cost of €397m, from January 2026

Fuel Allowance – Increase of €5

- Increase Fuel Allowance by €5 to €38 per week
- For pensioners, people on long term disability schemes, and WFP.
  - Cost of €58m, from January 2026

Working Age Income and Employment Supports

Weekly Personal and Qualified Adult rates of payment

- Increase the weekly rates of payment for *most* working age recipients (under 66 years of age) by **€10** per week, with proportionate increases for qualified adults and those on reduced rates
  - Cost of €351m, from January 2026

CE, Tús and RSS Increased Top Up

- Increase the Top Up payment of €27.50 on Community Employment, Tús and the Rural Social Scheme by €5 and increase the Top Up payment on Job Initiative by €10
  - Cost of €7.2m, from January 2026

Working Age Supports

Enable CE projects to claim additional €1,000 towards materials

- Enable Community Employment projects to claim an additional €1,000 towards their material costs
  - Cost of €0.5m, from January 2026

Implement three recommendations from the Rural Social Scheme

- Implement three recommendations from the Rural Social Scheme
  - Cost of €2.6m, from January 2026

Christmas Bonus

Payment of a Full Christmas Bonus in December 2025

Full payment of Christmas Bonus to 1.47 million social protection recipients

- Cost of €370 million, December 2025

My Future Fund

Launching from 1 January 2026

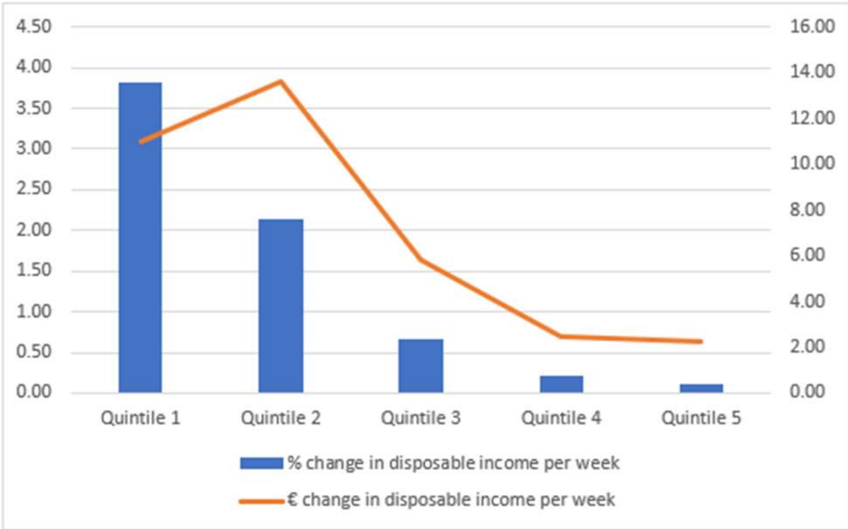
- Funding of €154 million provided in DSP Budget to cover Top Up to My Future Fund and administration of the scheme.
- This paves the way for over 750,000 workers to join a retirement savings scheme for the first time.
- For every €3 that a worker saves, their employer will add €3 and the State will top up with a further €1 totalling €7.
- Go to https://www.gov.ie/en/department-of-social-protection/campaigns/auto-enrolment/ for more information on My Future Fund

Preliminary SWITCH Analysis 1/2

- Only (some) DSP measures
- A very progressive impact, with lowest income quintiles benefitting the most.

1. Income Distributional Impact

The permanent social welfare changes introduced under Budget 2026 that were modelled through SWITCH for this analysis are progressive, with a greater positive impact for the lower income quintiles. The bottom income quintile sees the greatest proportional increase (+3.81% or an additional €11.02 per week) followed by the second income quintile (+2.13% or an additional €13.62 per week) and then the third income quintile (+0.67% or an additional €5.79 per week). The upper income quintiles record more modest proportional gains – Quintile 4 (+0.22% or an additional €2.48 per week) and quintile 5 (+0.12% or an additional €2.23 per week).



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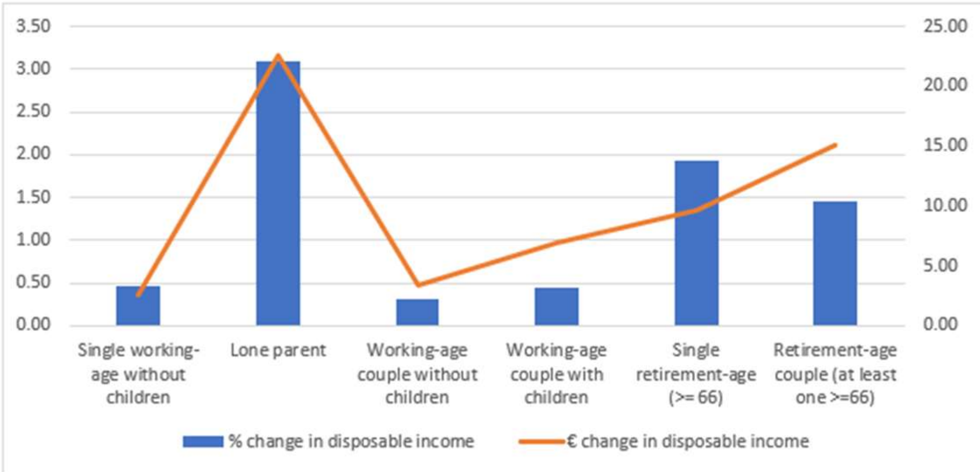
Preliminary SWITCH Analysis 2/2

- Only (some) DSP measures
- Particular benefits for lone parent and pensioners living alone household types

2. Impact by household type

Based on the permanent social welfare changes introduced under Budget 2026 that were modelled through SWITCH for this analysis, lone parent households see the greatest proportional increase in disposable income per week (+3.09% or an additional €22.54 per week), followed by households consisting of a single retirement age adult (+1.92% or an additional €9.63 per week) and retirement age couple households (+1.45% or an additional €15.06 per week). There are modest gains (<1%) for other household types – working age couples with children (+0.44% or an additional €6.96 per week), single working age households without children (+0.46% or an additional €2.53 per week) and working age couples without children (+0.32% or an additional €3.38 per week).



Thank you

Any Questions?