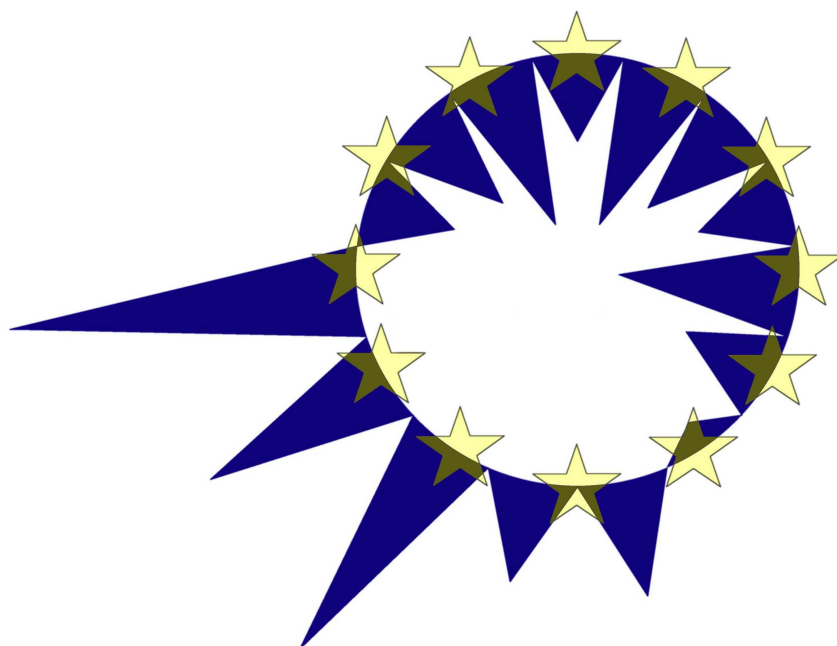


EUROMOD

COUNTRY REPORT



IRELAND (IE)

2007-2010

Claire Keane, Elish Kelly, Tim Callan, Michael Savage

July 2012



EUROMOD is a tax-benefit microsimulation model for the European Union (EU) that enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole.

EUROMOD has been enlarged to cover 27 Member States and is updated to recent policy systems using data from the European Union Statistics on Income and Living Conditions (EU-SILC) as the input database, supported by DG-EMPL of the European Commission.

This report documents the work done in one annual update for Ireland. This work was carried out by the EUROMOD core developer team, based mainly in ISER at the University of Essex, in collaboration with a national team.

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The results presented in this report are derived using EUROMOD version F6.0. EUROMOD is continually being improved and the results presented here may not match those that would be obtained with later versions of EUROMOD.

For more information, see: <http://www.iser.essex.ac.uk/research/euromod>

This document is supported by the European Union Programme for Employment and Social Solidarity – PROGRESS (2007-2013).

This programme is managed by the Directorate-General for Employment, social affairs and equal opportunities of the European Commission. It was established to finally support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS mission is to strengthen the EU contribution in support of Member States' commitment. PROGRESS is instrumental in providing analysis and policy advice on PROGRESS policy areas; monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas; promoting policy transfer, learning and support among Member States on EU objectives and priorities; and relaying the views of the stakeholders and society at large

For more information see: <http://ec.europa.eu/progress>

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.



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1. BASIC INFORMATION

1.1 Basic figures

Table 1. Basic figures

	Pop. (m.) ^[a]	pop. < 18 (%) ^[b]	pop. ≥ 65 (%) ^[a]	Life Expectancy (years) ^[c]		Fertility rate	Unemp. Rate (%)	GDP per head (PPP \$)	Currency	
				Male	Female				Name	exch rate ^[a]
2005	4.1	n/a	11.2	77.28	81.70	1.87	4.4	38,623	Euro	n/a
2006	4.2	14.89	11.1	77.39	82.17	1.93	4.5	42,268	Euro	n/a
2007	4.3	n/a	10.9	77.40	82.07	2.01	4.6	45,294	Euro	n/a
2008	4.4	n/a	10.9	77.53	82.30	2.10	6.4	42,664	Euro	n/a
2009	4.5	n/a	11	77.40	82.5	2.10	11.9	39,562	Euro	n/a
2010	4.5	n/a	11.3	n/a	n/a	n/a	13.7	39,778	Euro	n/a

^[a] All population figures refer to January of the year in question.

^[b] Census 2006 figures.

^[c] Life Expectancy at birth.

Source: Eurostat; OECD stat, Pop <18, Central Statistics Office.

1.2 The tax-benefit system

Table 2. Tax-benefit system and government budget

	Total general government revenue ^[a]	Total tax receipts ^[a]	Total general government expenditure ^[a]	Social protection ^[b]
	% of GDP	% of GDP	% of GDP	% of GDP
2005	35.4	30.4	34.0	16.7
2006	37.2	31.7	34.4	16.9
2007	36.5	30.8	36.6	17.5
2008	34.9	28.3	42.0	20.8
2009	33.9	27.8	48.9	26.4
2010	35.6	28.0	66.6	na

Source: ^[a] OECD; ^[b] Eurostat



Table 3. Social protection expenditure by function (as % of total social protection expenditure)

	Sickness/ health care	Disability	Old age	Survivors	Family/ children	Unemplo yment	Housing	Social exclusion
2005	41.1%	5.3%	22.2%	5.0%	14.7%	7.5%	2.1%	2.0%
2006	41.0%	5.3%	22.5%	4.9%	14.6%	7.6%	2.0%	2.0%
2007	41.1%	5.5%	22.4%	4.6%	14.7%	7.8%	1.9%	2.0%
2008	40.7%	5.5%	21.8%	4.4%	14.8%	8.7%	2.0%	2.1%
2009	40.6%	5.1%	21.1%	4.1%	13.9%	11.7%	1.3%	2.2%
2010	na	na	na	na	na	na	na	na

Source: Eurostat

Table 4. Taxation (as % of total tax receipts)

	Personal income tax	Corporate tax	Social security contributions		Taxes on goods and services	Other taxes
			Employees	Employers		
2005	23%	11%	5%	9%	37%	15%
2006	22	12	4	9	36	16
2007	23	11	4	10	36	15
2008	25	10	5	11	37	11
2009	26	9	7	12	36	9
2010	na	9	8	12	37	34

Source: OECD

1.2.1 Basic information about the tax-benefit system

- The tax-benefit system is a unified, national system.
- The tax system generally changes in January each year; the fiscal year is the same as the calendar year. Main benefit changes happen generally at the same time.
- State pension age is 66 for both women and men. If you made sufficient social insurance contributions during your working life and you retire at 65 you are entitled to the State Pension (Transition) before moving to the State Pension (Contributory) at 66.
- Minimum school leaving age is 16; for most social welfare payment purposes dependent children are defined as aged under 18 or under 22 and in full-time education.
- For tax and benefit purposes lone parents are the parents of resident dependent children; they do not cohabit with a partner of the opposite sex.



- The means-tested benefit system assesses entitlement according to benefit unit income. The benefit unit is the nuclear family - the couple (cohabiting or married) or single adult plus any dependent children.
- Social contributions and state benefits and pensions are usually assessed and delivered on a weekly basis. Amounts are referred to in weekly terms. The exception is income tax, where liability is based on annual income and allowances and thresholds are referred to in annual terms.

1.3 Social Benefits

Table 5. Social Benefits

Payment	
Universal Payments	Contributory
Child Benefit	Carers Benefit
Early Childcare Supplement (introduced 2006)	Disablement Benefit
Non-Contributory	Incapacity Supplement
Blind Persons Pension	Illness Benefit
Carers Allowance	Invalidity pension
State (non-contributory) Pension	Injury Benefit
Pre-retirement allowance	State (Contributory) pension
Deserted Wives Allowance	State (Transition) Pension
One Parent Family Payment	Widows (Contributory) pension
Widows (non-contributory) pension	Jobseeker's Benefit
Supplementary Welfare Allowance	Deserted Wives Benefit
Guardian's Payment (non-contributory)	Maternity Benefit
Disability Allowance	Adoptive Benefit
Jobseeker's Allowance	Health and Safety Benefit
Farm Assist	Guardian's Payment (Contributory)
Domiciliary Care Allowance	In-Work Benefit
Widowed parent grant	Family Income Supplement
Back to work allowance	Other Benefits
Back to enterprise allowance	Fuel Allowance
Back to education allowance	Electricity Allowance
Back to school clothing & footwear allowance	Gas Allowance
Part time job incentive scheme	Free TV Licence
Bereavement grant	Telephone Allowance
Fuel Allowance	
Electricity Allowance	
Gas Allowance	
Free TV Licence	
Telephone Allowance	



Table 6. Scheme Name Changes*

Previous Name of Scheme	New Name of Scheme
Old Age (Contributory) Pension	State Pension (Contributory)
Old Age (Non-Contributory) Pension	State Pension (Non-Contributory)
Retirement Pension	State Pension (Transition)
Unemployment Benefit (contributory)	Jobseeker's Benefit
Unemployment Assistance	Jobseeker's Allowance
Unemployability Supplement	Incapacity Supplement
Disability Benefit	Illness Benefit
Orphan's (Contributory) Allowance	Guardian's Payment (Contributory)
Orphan's (Non-Contributory Allowance	Guardian's Payment (Non-Contributory)
Disabled Persons Maintenance Allowance	Disability Allowance **
Lone Parent Allowance	One Parent Family Payment**

* Effective from September 2006 unless otherwise stated

** Effective from October 1996

NOTE: All payments will be referred to by their new name in the rest of the document.

Universal Payments

Child Benefit

Child Benefit (previously known as Children's Allowance) is payable to the parents or guardians of children under 16 years of age, or under 18 years of age if the child is in full-time education. It is a universal payment. The same rate is paid for the first and second child, a higher rate is paid for the third and subsequent children.

Early Childcare Supplement

The Early Childcare Supplement (ECS) payment was introduced in 2006. The payment is a universal, non-means tested, non-taxable payment for all children less than 6 years of age (i.e. ceases on their sixth birthday), effective from April 2006. In January 2009 the age limit up to which the ECS is payable reduced from 6 years to 5 years, 6 months.

Non-Contributory

Blind Persons Pension

Blind Person's Pension is payable to blind people and certain people with low vision. To qualify for the Pension you will be required to have an eye test by an ophthalmic surgeon (paid for by the state) to verify your visual impairment and certain people with low vision may qualify. The payment you receive is made up of a personal rate for you and extra amounts for a qualified adult and any child dependants. You will automatically get a Free Travel Pass and a Companion Free Travel Pass.



Carers Allowance

The Carer's Allowance is a means-tested payment for carers on low incomes who live with and look after certain people who need full-time care and attention. Carers who are providing care to more than one person may be entitled to up to 50% extra of the maximum rate of Carer's Allowance each week depending on the weekly means assessed.

State (non-contributory) Pension

The State Pension (Non-Contributory) may be paid from age 66 to people in Ireland who do not qualify for a State Pension (Contributory). You may qualify for the State Pension (Non-contributory) if you are aged 66 or over, you do not qualify for a State Pension (Contributory), you pass a means test and you meet the Habitual Residence Condition.

Pre-retirement allowance

The Pre-Retirement Allowance (PRETA) is for people in Ireland aged 55 and over who have left the labour force. It is means-tested and you no longer have to sign-on as you do not need to be available for work. Since 4th July 2007, no new applications for Pre-Retirement Allowance are accepted. However, if you were getting Pre-Retirement Allowance before 4th July 2007 you are not affected and can continue to get it.

Deserted Wives Allowance

Deserted Wife's Allowance is made to women in Ireland who were deserted by their husbands. The payment was closed to new applications in January 1997, when the One-Parent Family Payment was introduced. Some women have continued to get Deserted Wife's Allowance because they qualified for the payment before 2nd January 1997 and have continued to meet the qualifying criteria. Deserted Wife's Allowance is a means-tested payment for women under 66 years of age, who have no dependent children and who were deserted by their husband and who do not qualify for Deserted Wife's Benefit. Women getting Deserted Wife's Allowance will automatically transfer to State Pension (Non-Contributory) when they reach 66 years of age.

One Parent Family Payment (OPF)

OPF is a payment for both men and women who, for a variety of reasons, are bringing up a child(ren) without the support of a partner. A person who is unmarried, widowed, a prisoner's spouse, separated, divorced or whose marriage has been annulled and who is no longer living with his/her spouse is eligible to apply for this payment. To get this payment you must meet certain conditions and you must satisfy a means test. If you are divorced or unmarried, you must also have attempted to get maintenance from the child's other parent (father or mother). You may also be eligible for other benefits such as Fuel Allowance, Family Income Supplement, the Supplementary Welfare Allowance Scheme or a medical card.

Widows (non-contributory) pension

This pension is payable if a person is widowed and not entitled to a Widow's or Widower's (Contributory) Pension and can meet the other qualification requirements. Qualifications include the stipulations that one cannot be cohabiting, must satisfy a means test and be living in Ireland.



Supplementary Welfare Allowance (SWA)

Basic Supplementary Welfare Allowance is a weekly allowance paid to people who do not have enough means to meet their needs and those of their qualified adult or any qualified children. If your weekly income is below the Supplementary Welfare Allowance rate for your family size, a payment may be made to bring your income up to the appropriate Supplementary Welfare Allowance rate. If you have claimed a social welfare benefit or pension but it has not yet been paid and you have no other income, you may qualify for Supplementary Welfare Allowance while you are awaiting payment. You will normally qualify for Supplementary Welfare Allowance if you satisfy the following conditions; you are living in the state, you satisfy the means test, you have applied for any other benefit/allowance you may be entitled to, you satisfy the habitual residence test and you have registered for work with the Irish National Training and Employment Authority, FÁS, if you are of working age.

SWA also encompasses other benefits such as:

Rent Supplement (a form of Housing Benefit)

If you are having difficulty paying your rent and you are getting a social welfare or Health Service Executive¹ payment, you may qualify for a Rent Supplement.

Mortgage Interest Supplement (a form of Housing Benefit)

If you are having difficulty paying your mortgage and you are getting a social welfare or Health Service Executive payment, you may qualify for a Mortgage Interest Supplement.

Exceptional Needs Payments

If you are getting a social welfare or Health Service Executive payment, you may qualify for a once off payment to meet an exceptional need. There is no automatic entitlement to this payment each application is determined by the Health Service Executive based on the particular circumstances of the case. An exceptional needs payment covers essential, once-off exceptional spending that you could not reasonably be expected to meet out of your weekly income

Urgent Needs Payments

Urgent Needs Payments are normally made to assist with immediate needs such as food and clothing right after a fire or flood. Depending on your situation you may have to pay back all or part of what you have been paid, for example if you are working or have settled an insurance claim.

Dietary Supplement

Any person who is receiving a Social Welfare or Health Service Executive payment and who has been prescribed a special diet as a result of a specified medical condition, and whose means are insufficient to meet his/her needs, may qualify for a diet supplement under the supplementary welfare allowance scheme.

¹ The Health Service Executive administers the Domiciliary Care Allowance scheme, the Back to School Clothing and Footwear Allowance scheme.



Back to School Clothing and Footwear Allowance

This allowance is intended to help towards the cost of children's school uniforms and footwear at the beginning of the school year. The scheme is administrated by the Health Service Executive and operates from the beginning of June to the end of September each year.

School Meals Scheme

The School Meals Program operated by the Department of Social and Family Affairs provides funding towards provision of food services for disadvantaged school children through the Urban School Meals Scheme for primary schools and the non-statutory School Meals (Local Projects) Scheme.

Guardian's Payment (non-contributory)

A guardian's payment may be made to a person taking care of an orphan. It is not necessary to be a legally appointed guardian. A guardian's payment may be paid to you if the orphan lives with you and you are responsible for his or her care. The payment must benefit the orphan. If an orphan is attending a full-time education course, is aged between 18 and 22 years of age and is not living with or in the care of a guardian, the payment can be paid directly to the orphan. This is a non-contributory payment for children who are not entitled to the contributory payment. The means test for this is based on the child's means. Payment is made to the child's guardian up to the child's 18th birthday or 22nd birthday if they are in full-time education.

Disability Allowance

Disability Allowance(DA) is a weekly allowance paid to people with a disability. You can get DA from 16 years of age. To qualify for you must: Have an injury, disease or physical or mental disability that has continued or may be expected to continue for at least one year, as a result of this disability be **substantially restricted** in undertaking work that would otherwise be suitable for a person of your age, experience and qualifications and be aged between 16 and 66. You must also satisfy a means test and the Habitual Residence Condition. When you reach 66 years of age you will no longer qualify for DA, but you will be assessed for a state pension.

Jobseeker's Allowance

Jobseeker's Allowance is a weekly payment made to unemployed people who do not qualify for Jobseeker's Benefit or who have used up their entitlement to that benefit. It is paid subject to a means test. You must be unemployed to get Jobseeker's Allowance. However, you may get a proportion of your Jobseeker's Allowance if your days at work are reduced or if you can only get part-time or casual work. Income from work will affect the amount of Jobseeker's Allowance you get.

Farm Assist

Farm Assist is a means-tested income support scheme for farmers in Ireland. It is similar to Jobseeker's Allowance, but has a more generous means test. In addition, you do not need to be available for work in order to qualify for Farm Assist. In order to qualify for Farm Assist, you must be a farmer, farming land in the State, aged between 18 and 66 and satisfy a means test. The means test takes account of virtually every form of income but assesses it in different ways and disregards various amounts. There are different rules applying to income from



farming and other forms of self-employment, income from certain schemes, income from employment and income from property and capital.

Back to work allowance

The Back to Work Allowance Scheme encourages unemployed people (among others) to take up employment. The Scheme is aimed at people getting a social welfare payment for a certain period of time. In the Supplementary Budget April 2009 it was announced that the Back to Work Allowance scheme is closed to new applicants from 1st May 2009.

Back to enterprise allowance

The Back to Work Enterprise Allowance (BTWEA) scheme encourages people getting certain social welfare payments to become self-employed. People taking part in the Back to Work Enterprise Allowance scheme can keep a percentage of their social welfare payment for up to two years. From 1st May 2009, the qualifying period required for BTWEA is reduced from two years to 12 months provided you have an underlying entitlement to Jobseeker's Allowance.

Back to education allowance

If you are unemployed, getting a One-Parent Family Payment or have a disability, you may be able to pursue approved second-or third-level education courses through the Back to Education Allowance scheme. Participants in the scheme get a standard rate of payment that is not means-tested. The allowance is payable for the duration of the course.

Part time job incentive scheme

The Part-Time Job Incentive (PTJI) Scheme allows certain long-term unemployed people to take up part-time work and get a special weekly allowance instead of their jobseeker's payment. Recipients of the Part-Time Job Incentive Scheme must be available for and seeking full-time work while getting the payment.

Bereavement grant

A Bereavement Grant is a once-off payment made in respect of deaths that occur on or after 2nd February 1999. Eligibility for this grant is not related to your ability to pay for the funeral. Your eligibility is usually based on PRSI contributions.

Widowed Person's Bereavement Grant

The Widowed Person's Bereavement Grant is a once-off payment to widows or widowers with dependent children whose spouse died after 1st December 1999. This grant is payable in addition to the Bereavement Grant.

Fuel Allowance

A Fuel Allowance is a payment under the National Fuel Scheme to help with the cost of heating your home. It is paid to people who are dependent on long-term social welfare or Health Service Executive (HSE) payments and who are unable to provide for their own heating needs. The



scheme operates for 32 weeks from the end of September to May. Only one payment is paid to a household.

Contributory

Carer's Benefit

Carer's Benefit is a payment made to insured persons in Ireland who leave the workforce to care for a person(s) in need of full-time care and attention. You can get Carer's Benefit for a total period of 104 weeks for each person being cared for. This may be claimed as a single continuous period or in any number of separate periods up to a total of 104 weeks. However, if you claim Carer's Benefit for less than six consecutive weeks in any given period you must wait for a further six weeks before you can claim Carer's Benefit to care for the same person again. If you are caring for more than one person, you may receive payment for each care recipient for 104 weeks. This may result in the care periods overlapping or running concurrently. Carer's benefit recipients also receive the Respite Care Grant, an annual payment made to carers by the Department of Social and Family Affairs (DSFA) in Ireland. Carers can use the grant in whatever way they wish.

Disablement Benefit

This benefit is paid if an individual suffers a loss of physical or mental faculty as a result of an occupational injury/disease while in insurable employment.

Incapacity Supplement

This is an extra supplement with Disablement Benefit. This can be paid to you if you suffer a loss of physical or mental faculty because of an accident at work, an accident travelling directly to or from work, or a prescribed disease contracted at work. Incapacity Supplement is an increase to Disablement Benefit where a person is considered to be permanently incapable of work as a result of an occupational accident/disease and does not qualify for another Social Welfare benefit such as Illness Benefit.

Illness Benefit

Illness Benefit is a payment made to insured people who are unfit for work due to illness. You must be under 66 years of age and covered by social insurance (PRSI).

Invalidity pension

Invalidity Pension is a weekly payment to people who cannot work because of a long-term illness or disability and are covered by social insurance. Normally, you must be getting Illness Benefit for at least 12 months before you claim Invalidity Pension. It may be possible to get Invalidity Pension after a shorter period if you are unlikely to be able to work for the rest of your life because of your illness or disability. At age 65, the rate of payment increases to the same rate as State Pension (Transition). At age 66, you will transfer to State Pension (Contributory).



Injury Benefit

This payment is made weekly if an individual is unfit for work due to an accident at work or has contracted a disease due to the type of work carried out e.g. from contact with physical or chemical agents.

State (Contributory) pension

State (Contributory) pension is a social insurance payment made to people aged 66 or over who satisfy certain conditions. A person may continue to work full time or part-time and get a State (Contributory) pension.

State (Transition) Pension

The State Pension (Transition) is paid to people aged 65 who have retired from work and who have enough social insurance contributions. It is not means-tested. In general, you must have been an employee and paying full-rate social insurance contributions, but a small number of self-employed people also qualify. At age 66, you will transfer to the State Pension (Contributory). You cannot work and get a State Pension (Transition). However, when you transfer to the State Pension (Contributory), at age 66, you can work and get your pension.

Widow's/Widower's (Contributory) pension

Widow's/Widower's (Contributory) Pension is a weekly payment to the husband or wife of a deceased person. Either you or your deceased spouse must have enough social insurance contributions (PRSI). To qualify you must be a widow or widower and you must not be living with another person as man and wife. If you are divorced and you would have been entitled to a Widow's/Widower's (Contributory) Pension had you remained married, you keep your entitlement to the Widow's/Widower's (Contributory) Pension. The pension is payable regardless of other income. If widowed with dependent child, the One-Parent Family Parent Payment may be applied for.

Jobseeker's Benefit

Jobseeker's Benefit is a weekly payment made to insured people who are out of work.

Deserted Wife's Benefit

Deserted Wife's Benefit is made to women in Ireland who were deserted by their husbands. This payment was closed to new applications in January 1997, when the One-Parent Family Payment was introduced. Some women have continued to get Deserted Wife's Benefit because they qualified for the payment before 2nd January 1997 and have continued to meet the qualifying criteria. Entitlement to the payment is based on social insurance contributions paid by the woman or her husband. Women getting Deserted Wife's Benefit can also transfer to the State Pension (Contributory) when they reach 66 years of age.

Maternity Benefit

Maternity Benefit is a payment for employed and self-employed women who satisfy certain PRSI contribution conditions on their own insurance record. The payment is 70% of average



reckonable weekly earnings/income in the relevant tax year, subject to minimum and maximum payment limits. Maternity Benefit is paid for 26 weeks.

Adoptive Benefit

Adoptive Benefit is a similar payment to Maternity Benefit for an adopting mother or a single male who adopts a child. It is also payable to both employees and self-employed people who satisfy certain PRSI contribution conditions on their own record. The payment continues for 10 weeks.

Health and Safety Benefit

Health and Safety Benefit is a weekly payment for employed women who are pregnant or breastfeeding, and who are granted Health and Safety Leave by their employer. To qualify for Health and Safety Benefit, you must meet certain criteria and social insurance (PRSI) contribution conditions. Your employer will pay the first 21 days of your health and safety leave, and the Department of Social and Family Affairs will pay the remainder.

Guardian's Payment (Contributory)

A Guardian's Payment may be made to a person taking care of an orphan. If either parent or step-parent had worked at any time and paid PRSI for 26 weeks, the orphan is entitled to the Guardian's Payment (Contributory). This may be paid for an orphan living in the state or abroad and is not means tested. Payment is made to the child's guardian up to the child's 18th birthday or 22nd birthday if they are in full-time education.

In-Work benefit

Family Income Supplement

Family Income Supplement (FIS) a weekly tax-free payment available to married or unmarried employees with children. It gives extra financial support to people on low pay. You will not qualify for FIS if you are only self-employed, you must be an employee to qualify. You must have at least one child who normally lives with you or is financially supported by you. Your child must be under 18 years of age or between 18 and 22 years of age and in full-time education. To qualify for FIS, your net average weekly family income must be below a certain amount for your family size.

Other Benefits

A further group of benefits payable to those in receipt of social welfare payments is known as the 'Households Benefits Package'. This consists of the Electricity Allowance, the Gas Allowance, the Bottled Gas Refill Allowance, the Telephone Allowance and the Free Television Licence.

Electricity Allowance

The Electricity Allowance covers normal standing charges and up to 2,400 units of electricity each year, (up to 400 units of electricity in each two-monthly billing period in summer and 400



units of electricity in each two-monthly billing period in winter). It cannot be paid at the same time as the Gas Allowance.

Gas Allowance

The Gas Allowance covers the standing charge and a certain amount of kilowatt hours each year for natural gas customers. The Gas Allowance cannot be paid at more than one address or at the same time as an Electricity Allowance.

Free TV Licence

Once you qualify for the Household Benefits Package², you become eligible for a Free Television Licence from the next renewal date of your television licence.

Telephone Allowance

The Telephone Allowance is a payment towards your mobile phone **or** landline phone bill. You can get only one Telephone Allowance per household which can be used for either a mobile phone or landline but not both.

Eligibility for the household benefits package:

You may qualify for the Household Benefits Package if:

You are aged 70 or over or you are getting Carer's Allowance or you are caring for a person who is receiving Prescribed Relative's Allowance or Constant Attendance Allowance or you are between 66 and 70 and are receiving :

- State Pension (Contributory)
- State Pension (Non Contributory)
- Widow's/Widower's (Contributory) Pension
- An ordinary Garda Widow's Pension from the Department of Justice and Law Reform
- An equivalent Social Security Pension/Benefit from a country covered by EU Regulations or from a country with which Ireland has a Bilateral Social Security Agreement
- and live alone or only with certain excepted persons (qualified adult, dependent children under the age of 18 or under the age of 22 if in full-time education, a person who is so incapacitated as to require constant care and attention for at least 12 months, a person who would qualify for the allowance in his/her own right (for example, a person getting an State Pension), a person who is providing you or someone in your household with constant care and attention if you or that person is so incapacitated as to require constant care and attention for at least 12 months)

² The Households Benefits Package consists of the Electricity Allowance, the Gas Allowance, the Bottled Gas Refill Allowance, the Telephone Allowance and the Free Television License.



or you are under 66 and are receiving:

- Invalidity Pension
- Blind Pension
- Incapacity Supplement or Workmen's Compensation with Disablement Pension (for at least 12 months)
- Disability Allowance
- An equivalent Social Security Pension/Benefit from a country covered by EU Regulations, or from a country with which Ireland has a Bilateral Social Security Agreement

and live alone or only with certain excepted persons.

MINIMUM WAGE

The minimum wage in 2006 was €7.65 per hour. From July 2007 onwards it was €8.65 per hour. The minimum wage was briefly cut to €7.65 in 2011, commencing 1st February. The cut was reversed on 1st July 2011 and the minimum wage was returned to €8.65.

- *Scope and scale*

Table 7 shows recipients of each social benefit as a percentage of the population listed in descending order. Table 8 shows the expenditure on each social benefit as a percentage of total social welfare spending, again listed in descending order. We can see that, as a universal payment, Child Benefit accounts for the highest portion of social welfare spending. Spending on pensions is high with the next three highest proportions of spending being on the state contributory, widow's contributory and the state transitional pension. In terms of recipient numbers the highest numbers of total recipients are found under the pension schemes (state pension contributory, non-contributory, transition and the widower's contributory pension), the one-parent family and disability allowance schemes.



Table 7. Social benefits: recipients (as % of population)

Type of Payment	2006
State Pension (Contributory)	3.3%
State Pension (Transition)	2.2%
State Pension (Non-Contributory)	2.3%
Pre-Retirement Allowance	0.3%
Widow/er's (Contributory) Pension	2.6%
Widow/er's (Non-Contributory) Pension	0.1%
Deserted Wife's Benefit	0.2%
Deserted Wife's Allowance	0.0%
Prisoner's Wife's Allowance	0.0%
One-Parent Family Payment	2.0%
Maternity Benefit	0.4%
Health and Safety Benefit	0.0%
Adoptive Benefit	0.0%
Guardian's Payment (Contributory)	0.0%
Guardian's Payment (Non-Contributory)	0.0%
Illness Benefit	1.6%
Invalidity Pension	1.2%
Injury Benefit	0.0%
Interim Illness Benefit	0.0%
Disablement Pension	0.3%
Death Benefit Pension	0.0%
Disability Allowance	2.0%
Carer's Benefit	0.0%
Carer's Allowance	0.7%
Blind Pension	0.0%
Jobseeker's Benefit	1.2%
Jobseeker's Allowance	1.8%
Back to Work Allowance Employee	0.1%
Back to Work Enterprise Allowance	0.1%
Back to Education Allowance	0.1%
Part-Time Job Incentive Scheme	0.0%
Family Income Supplement	0.5%
Farm Assist	0.2%
Supplementary Welfare Allowance	0.6%

Source: Department of Social and Family Affairs



Table 8. Social benefit: annual expenditure as % of total

Type of Payment	2006
State Pension (Contributory)	12.1%
State Pension (Transition)	6.6%
State Pension (Non-Contributory)	5.6%
Pre-Retirement Allowance	0.9%
Widow/ers (Contributory) Pension	8.4%
Widow/ers (Non-Contributory) Pension	0.8%
Deserted Wife's Benefit	0.7%
Deserted Wife's Allowance	0.1%
Prisoners Wife's Allowance	0.0%
One Parent Family Payment	6.4%
Widowed Parent Grant (Contributory)	0.0%
Widowed Parent Grant (Non-Contributory)	0.0%
Maternity Benefit	1.4%
Health and Safety Benefit	0.0%
Adoptive Benefit	0.0%
Guardians Payment (Contributory)	0.1%
Guardians Payment (Non-Contributory)	0.0%
Child Benefit	15.7%
Illness Benefit	4.8%
Invalidity Pension	4.6%
Injury Benefit	0.1%
Disablement Benefit	0.6%
Death Benefit	0.1%
Disability Allowance	5.7%
Medical Care	0.0%
Carers Allowance	2.2%
Carers Benefit	0.1%
Respite Care Grant	0.4%
Blind Pension	0.1%
Jobseekers Benefit	3.5%
Jobseekers Allowance	5.9%
Family Income Supplement	0.8%
Employment Support Services	0.9%
Farm Assist	0.5%
Supplementary Welfare Allowance *	4.9%
Treatment Benefits	0.7%
Free Schemes	3.4%
Miscellaneous	0.8%
Redundancy and Insolvency	1.3%
Total	100.0%



- *Not strictly benefits*

Early Childcare Supplement was abolished in the 2009 budget and replaced by the free pre-school year of Early Childhood Care and Education (ECCE) for all children between the ages of 3 years 3 months and 4 years 6 months (began in January 2010). Student higher education grants are payable for third level students if income is below a certain level.

1.4 Social contributions

Pay Related Social Insurance (PRSI) contributions are made by both the employer and employee. PRSI is made up of a social insurance element (which goes into the Social Insurance Fund and goes towards payment of social welfare benefits) and a **health contribution** which goes directly to the Department of Health and Children to fund health services. A PRSI allowance exists below which employees do not have to pay the social insurance element but remain covered for benefits associated with PRSI contributions. Once income goes above this level all income (i.e. not just the amount above this exemption limit) is liable for PRSI. An earning ceiling also exists above which a cap is placed on the social insurance element. There are 11 different regimes for workers, each one with different contribution rules. Voluntary Contributions can be paid if you are between the age of 16 and 66 and are no longer covered by compulsory PRSI by way of insurable employment, self-employment or credited contributions. The Payment of Voluntary Contributions can help maintain or improve contributory pension entitlements. They do not provide cover for any short term benefits such as Jobseekers, Illness, Maternity or Treatment Benefit.

Table 9. Social Insurance Classes

PRSI Class	People within the class
A	People with reckonable pay exceeding €38 per week Most private sector workers. Civil & Public Servants recruited after April 1995.
B	Permanent Civil Servants recruited prior to April 1995. Civil Service doctors & dentists. Guards recruited prior to April 1995.
C	Army officers/Army Nurses recruited prior to April 1995.
D	All other permanent Civil Servants recruited prior to April 1995.
E	Ministers of Religion
H	Defence Force & Non Commissioned Officers.
J	People with reckonable pay of < €38 per week & those aged 66+
K	Occupational pension holders Certain office holders (e.g. Judges). Retirees previously paying class S.
M	No contribution liability persons (e.g. < 16 years of age).
S	Self-employed.
P	Sharefishermen/women classified as self-employed.



- *Scope and scale*

Table 10. Contributors by Social Insurance Class*

Insurance Class	2006	2007	2008	2009
A	2,312,003	2,414,659	2,399,052	2,255,668
B	29,285	28,687	27,920	27,082
C	950	890	831	761
D	82,885	80,601	77,417	73,946
E	176	160	166	174
H	8,361	8,447	8,511	8,527
J	24,314	30,092	33,308	32,019
K	39,655	39,075	39,817	36,457
M	158,372	168,209	174,784	189,186
P	14	14	13	12
S	356,548	361,769	369,319	338,300
Voluntary Contributions	1,924	2,040	2,786	2,806
Total	3,014,487	3,134,643	3,133,924	2,964,938

*2008 is the most recent year data is available for.

^ Includes those in receipt of credited contributions i.e. have zero personal liability but whose employers are liable for employee contributions.

Table 11. Total Annual Social Insurance Receipts, thousand €

PSRI Receipts	2006	2007	2008	2009	2010
Employer PRSI	5,167,275	5,762,011	5,944,212	5,290,403	5,000,278
Employee PRSI	1,380,234	1,539,147	1,633,519	1,559,416	1,377,140
Self-Employed PRSI	373,714	420,852	405,581	314,787	330,603
Total PRSI	6,921,223	7,722,010	7,983,312	7,164,606	6,708,021

1.5 Taxes

The Irish tax system incorporates the main elements familiar across industrialised countries – namely taxes on income, goods and services, capital transfers, profits, and property together with a system of social insurance contributions. Particular features of the Irish system and the balance between these types of taxation merit brief discussion before turning to a detailed examination of Irish income taxation. The most important of these is the particularly prominent role that income tax itself plays, accounting for a larger share of total tax revenue than in most other European countries. This does not reflect any disinclination to tax goods and services – value added tax and excise taxes are a more significant source of revenue in Ireland than in many other industrialised countries. Rather, Ireland is unusual in having a relatively very low share of revenue coming from social insurance contributions.

Income tax in Ireland is characterised as being a progressive and joint system and whose tax base is based on gross income. Unlike continental systems, employee social insurance contributions are not tax deductible from gross wages to get the tax base on which income tax is



based. The Pay As You Earn (PAYE) system is also used, as is a relatively simple combination of rates and bands. Unlike the UK system, married couples could opt to have their income taxed as one income source in 1998. Individualisation of the treatment for personal income tax was introduced in the 2000 Budget and expanded with the most recent one.

The tax base is the sum of earned income and unearned income less superannuation contributions (but not PRSI contributions) made to private pension funds. Earned income comprises of employee gross income (in other words total labour costs less employer social insurance contributions), self-employment income and farm income. Unearned income consists of income from investments and property plus public and private transfers such as private pension benefits, public pensions, unemployment benefits (less a deduction), other non means tested benefits and social assistance benefits. A number of incomes are exempt from taxation. These include child benefits and the child components of social assistance and insurance benefits.

The main tax categories are shown below with a brief description of each.

Value Added Tax (VAT)

VAT is a tax on consumer spending. It is collected by VAT-registered traders on their supplies of goods and services effected within the State, for consideration, to their customers. Generally, each such trader in the chain of supply from manufacturer through to retailer charges VAT on his or her sales and is entitled to deduct from this amount the VAT paid on his or her purchases.

Income Tax

Subject to certain exceptions and exemptions, income tax is chargeable on all income arising in the State to individuals, partnerships and unincorporated bodies.

The most common form of income tax is Pay As You Earn (PAYE) deducted by employers from pay. Self-assessment applies to the self-employed and those with income from non-PAYE sources.

Corporation Tax

Corporation Tax is charged on all profits (income and gains), wherever arising, of companies resident in the State, with some exceptions, and non-resident companies who trade in the State through a branch or agency.

Customs and Excise

A European Union excise regime governs the production, processing and holding of excisable products under duty-suspension, within each Member State as well as all intra-Union movement of excisable products. There are three categories of excisable products - mineral oils, alcohol and alcoholic beverages, and manufactured tobacco. Excise duties are also chargeable on certain premises or activities (e.g. on betting and licenses for retailing of liquor).

Stamp Duty

Stamp duty covers duties payable on a wide range of legal and commercial documents, including (but not limited to) conveyances of property, leases of property, share transfer forms and certain agreements. They may be either ad valorem or a fixed amount. They also include



duties and levies payable by reference to statements. These duties and levies mainly affect banks and insurance companies and include a duty in respect of financial cards (e.g. Credit, ATM, Laser and Charge cards) and levies on certain insurance premiums and certain statements of interest.

Capital Gains Tax

Capital Gains Tax (CGT) is chargeable on gains arising on the disposal of assets. Any form of property (other than Irish currency) including an interest in property (as, for example, a lease) is an asset for CGT purposes.

Agricultural Levies

In addition to normal custom duties, the EU collects variable import levies on agricultural products.

Deposit interest retention tax (D.I.R.T.) is deducted at source by deposit takers (e.g. banks, building societies, Credit Unions, Post Office Savings Bank, etc.) from interest paid or credited on deposits of Irish residents.

Dividend Withholding Tax at the standard rate of income tax applies to dividend payments and other distributions made by an Irish resident company (and where provided for by double taxation treaty foreign dividends paid through an Irish intermediary), with some exceptions.

The **Environmental Levy** was introduced in 2002 by the Department of the Environment, Heritage and Local Government as a means of reducing the consumption of plastic shopping bags. Currently, the levy is 22 cent per shopping bag. Retailers who supply plastic bags to customers are required to charge the levy at point of sale.

A **withholding tax**, at the rate of 20%, is deductible at source from payments for "professional services" made to individuals and companies by "accountable persons" (Government Departments, local authorities, health boards, State bodies, etc.). The tax applies generally to fees and similar payments made by listed accountable persons but does not apply to payments already covered by PAYE or the construction industry tax deduction scheme. The tax also applies to payments made by health insurers under contracts of insurance to cover fees for services provided by medical practitioners in certain circumstances. The tax is charged on payments net of value-added tax.

Relevant Contracts Tax (RCT) applies to payments made by a principal contractor to a subcontractor under a relevant contract (this is a contract to carry out, or supply labour for the performance of relevant operations in the construction, forestry or meat processing industry). RCT applies to both resident and non-resident contractors operating in the construction, forestry or meat processing industry.

Tonnage tax is an alternative to Corporation Tax to which certain shipping companies may elect to have their profits charged, subject to certain conditions.



Vehicle Registration Tax is chargeable on registration of a motor vehicle in the State. Every motor vehicle in the State, other than those brought in temporarily by visitors, must be registered with Revenue and VRT paid by the end of the next working day following its arrival in the State. A vehicle must be registered before it can be licensed for road tax purposes.

- *Scope and scale*

Table 13 shows the annual amount brought in by each tax and the proportion of the total tax take that each tax represents. Taxes on goods and service (VAT) and income tax are the two largest areas of revenue taking in around 30% each. Next are corporation taxes and excise duties.

Table 12. Taxes: taxpayers (as % of population)

Not available

Table 13. Taxes: Current Receipts 2006

	€m	% of total taxes
Annual Revenue 2006	40,505	
<u>Direct Taxes</u>		
Income Tax	12,220	30.17%
Corporation Tax	6,445	15.91%
Stamp Duties	2,060	5.09%
Capital Gains Tax	1,565	3.86%
Capital Acquisitions Tax	185	0.46%
<u>Indirect taxes</u>		
Value Added Tax (Tax on goods/services)	12,495	30.85%
Customs & Excise Duties	5,530	13.65%
Agricultural Levies	5	0.01%

Source: Department of Finance

2. SIMULATION OF TAXES AND BENEFITS IN EUROMOD

2.1 Scope of simulation

This chapter describes the principal features of the Irish tax-transfer system and describes how the system is simulated in the Irish module in EUROMOD. The rules and rates of payment presented below relate to the 2006 policy situation. Not all the taxes and benefits mentioned in the previous section are simulated by EUROMOD. Some are beyond its scope entirely and are neither included in the EUROMOD database nor in its output income variables. Others are not possible to simulate accurately with the available data. Table 14 classifies each of the main tax-benefit instruments (and some minor ones introduced above) into one of these three groups and provides a brief explanation as to why the instrument is not fully simulated if this is the case.



Table 14. Simulation of benefits in EUROMOD

Payment	Treatment in EUROMOD	Why not fully simulated?
Universal Payments		
Child Benefit universal payment	S	
Early Childcare Supplement universal payment	S	
Non-Contributory		
Blind persons pension	IA	Blindness not known
Carers allowance	IA	Data on caring role are weak
State non-contributory pension	S	
Pre-retirement allowance	IA	
Deserted wives allowance	IA	
One Parent Family Payment	S	
Widows non-contributory pension	S	
Supplementary welfare allowance	S	
Guardian’s Payment (Non-Contributory)	IA	V. small number. Contingency (care of orphan) not in data
Disability Allowance	PS	For long term sick/disabled, not insured - little or no data
Jobseeker’s Allowance	S	
Farm Assist	IA	
Rent and mortgage supplement (means-tested)	I	Possible measurement/take-up issues
Domiciliary Care Allowance	E	Not in the national SILC file
Widowed parent grant	E	No cases in the national SILC file
Back to work allowance	IA	Phased payment rate, depends on year
Back to enterprise allowance	IA	Phased payment rate, depends on year
Back to education allowance	IA	
Back to school clothing & footwear allowance	IA	Not possible to uniquely identify recipients in the UDB
Part time job incentive scheme	E	No cases in the national SILC file
Bereavement grant	IA	One-off payment
Fuel Allowance	S	
Electricity Allowance	S	
Gas Allowance	S	
Free TV Licence	I	
Telephone Allowance	I	
Contributory		All contributory benefits are dependent on having sufficient social insurance contributions. Receipt is taken as an indicator of eligibility.
Carers benefit	IA	
Disablement Benefit	IA	
Incapacity Supplement	E	Not in the national SILC file
Illness Benefit	PS	

Continued...



Payment	Treatment in EUROMOD	Why not fully simulated?
Invalidity pension (contributory)	PS	
Injury benefit (contributory)	PS	
State contributory pension	PS	
State Pension (Transition) (contributory)	PS	
Widows contributory pension	PS	
Jobseeker's Benefit	PS	
Deserted wives benefit (contributory)	IA	
Maternity benefit	PS	
Adoptive Benefit	E	No cases in the national SILC file
Health and Safety Benefit	E	No cases in the national SILC file
Guardian's Payment (Contributory)	IA	
In-Work Benefit		
Family Income Supplement	S	

Notes: “-”: policy did not exist in that year;
 “E”: *excluded* from the model as it is neither included in the micro-data nor simulated;
 “I”: *included* in the micro-data but not simulated;
 “IA”: included in the micro-data in an aggregated variable but not simulated
 “PS”: *partially simulated* as some of its relevant rules are not simulated;
 “S”: *simulated* although some minor or very specific rules may not be simulated;

Table 15. Simulation of taxes and social contributions in EUROMOD

	Variable name(s)	Treatment in EUROMOD
Income Tax	tin_s	S
Pay Related Social Insurance	Tscer_s, tscee00_s, tscse00_s	S
Health Levy	Tschl_s	S
Income Levy (1 st May 2009 on)	Txc_s	S
Superannuation	Tpceepi_s	S
Public Sector Pension Related Deduction (since 2009)	Tsceepb_s	S



2.2 Structural policy changes

- *Structural changes between 2001 and 2006*
- The **Early Childcare Supplement (ECS)** payment was introduced in 2006. The payment is worth €1,000 per annum and is a universal, non-means tested, non-taxable payment for all children less than six years of age (i.e. ceases on their sixth birthday), effective from April 2006. This took the form of a direct, non-taxable payment of €250 to be paid every quarter in respect of each eligible child in 2006. The ECS was abolished in November 2009.
- *Structural changes between 2006 and 2011*
- The **over 65 rate of One Parent Family Payment, Blind Pension and Widows Non-Contributory Pension** were no longer available from September 2006. Instead, any eligible recipients were moved to the State Pension (non-contributory) scheme.
- The **Health Levy** had an additional bracket introduced in 2007. Up to this time the health levy was a flat rate 2% on all reckonable earnings. In 2007 an additional 0.5% rate (i.e. on top of the 2% rate already in place) was introduced on earnings exceeding €1,925 per week. In 2010 the health levy rose to 3% with an additional 1% payable (i.e. 5%) on reckonable income over €1,443 a week.
- From 2008 onwards, the system of **income tax exemption limits/marginal relief** applies only to individuals aged over 65 or couples containing an individual aged over 65.
- Prior to January 2009 **Child Benefit** was payable to 18 year old children. From January 2009 to January 2010, half rate CB was paid in respect of children aged 18. From January 2010, CB was no longer paid in respect of children aged 18. During 2009, the full rate was paid for the month children turn 18 and half rate will be paid from the following month. From January 2010 the full rate will be paid for the month children turn 18 but no payment will be made after that.
- An **Income Levy** was introduced effective 1st May 2009. The levy is payable on gross income (employee, self-employed income and all pension income).
- A **Public Sector Pension Related Deduction (PRD)** was introduced with effect from 1st May 2009. It is a new level of pension contribution to be made by all public sector workers. Pension contributions are deducted from gross income.
- New **maximum personal rates of Jobseeker's Allowance and basic Supplementary Welfare Allowance** were introduced for new applicants **based on age** in 2010. These rate reductions will not apply to claimants with dependent children.
- The structure of the **Child Benefit** payments changed slightly in 2011. Previously the same amount was paid to the first and second child in a family with a higher amount paid to third and subsequent children. From 2011 on the same amount is paid to the first and second child, a different amount is paid to the third child and a different amount again is paid to the fourth and subsequent children. See Table 28 for rates.
- In 2011, a **Universal Social Charge (U.S.C.)** was introduced and replaced the Income Levy and Health Contribution/Levy.



- The **employee PRSI ceiling** (€75,036 in 2010) was abolished in 2011.
- Since 1st January 2011 PRSI and the Universal Social Charge is payable on **pension contributions** and the **pension related** deduction paid by public sector workers.

2.3 Order of simulation

- *Order of simulation in 2007-2010*

The following table shows the order in which Irish policies are simulated in the model. The order is basically the same for 2007-10 with only being affected by the addition of new instruments (Public Sector Pension Related Deduction and Income Levy in 2009) or abolishing existing ones (Early Childcare Supplement in 2010).

Table 16. EUROMOD Spine: order of simulation

Policy	Description	Main output
nontakeup_ie	settings for modelling benefit non take-up (switch on/off to apply)	
yse_ie	recode negative self-employment income to zero	yse
yem_ie	minimum wage (switched off in the baseline)	yem
AMtesting_ie	common asset and income means-tests for benefits	
tsceepb_ie	Public Sector Pension Related Deduction (since 2009)	tsceepb_s
tscee_ie	employee social insurance contributions (PSRI and superannuation)	tscee00_s, tpceepi_s
tscer_ie	employer social insurance contributions (PSRI)	tscer_s
tscse_ie	self-employed social insurance contributions	tscse00_s, tscseot_s
tschl_ie	health contribution levy (paid by employees and self-employed)	tsceehl_s, tscsehl_s
txc_ie	income levy (since 2009)	txc_s
tin_ie	personal income tax (for PAYE)	tin_s
tinwh_ie	personal income tax (PAYE)	tinwh_s
psuwdct_ie	widow's contributory pension	int_psuwdct*
bma_ie	maternity benefit	int_bma*
pdi_ie	invalidity pension	int_pdi*
poact_ie	state pension (transition) & state pension (contributory)	int_poa*, int_pyr*
bhl_ie	injury benefit	int_bhl*
bdict_ie	illness benefit (previously disability benefit)	int_bdict*
bunct_ie	jobseeker's benefit	int_bunct*
poanc_ie	state pension (non-contributory)	int_poanc*
bfalp_ie	one parent family payment	int_bfalp*
psuwdnc_ie	widow's non-contributory pension	int_psuwdnc*
bdinc_ie	disability allowance	int_bdinc*
bunnc_ie	jobseeker's allowance	int_bunnc*
optim_ie	select optimal benefit bundle & adjust benefit durations	b*_s, p*_s
bsa00_ie	basic supplementary welfare allowance	bsa00_s
tin_ie	personal income tax (final)	tin_s, tinrf_s
bwkmnt_ie	family income supplement	bwkmnt_s
bch_ie	child benefit	bch_s
bcc_ie	early childcare supplement (abolished in 2010)	bcc_s



Three technical aspects are worth pointing out:

- Non take-up modelling (of Family Income Supplement) can be controlled by switching on/off “nontakeup_ie” policy in the spine. Non take-up is modelled for FIS if switched on (the default option) while full compliance for FIS is assumed when it is switched off.
- The Irish benefit system has a unique benefit optimisation where in principle the most generous benefit of all those a person as an individual or as a couple can claim, is paid. Due to this (most of) pension/benefit combinations are calculated first and then the optimal choice and final pension/benefit values determined in the optimisation routine (“optim_ie”).
- In the first run of income tax, tax withheld from employment income is calculated (i.e. PAYE) while in the second run, (final) income tax applicable to the whole tax base is calculated.

There are further dependencies between the instruments determining the order of simulation:

- Application of minimum wage (if switched on) can alter employment earnings which would in turn affect most of other instruments.
- Employee and employer SIC (i.e. PRSI) are applied on earnings net of superannuation and Public Sector Pension Related Deduction (since it was introduced).
- PAYE, Health Levy and Income Levy (since it was introduced) are needed for benefits means-tested on net income.
- Contributory benefits are calculated first, followed by means-tested benefits. This allows to simplify the benefit optimisation by calculating dependent adult components of means-tested benefits only if the spouse/partner is not in receipt of a contributory benefit on her/his own.
- Basic Supplementary Welfare Allowance is a residual means-tested benefit simulated after other benefits except Family Income Supplement (which is an in-work benefit) and universal benefits.
- Most of contributory and means-tested benefits are taxable, universal benefits are not.

2.4 Social benefits³

There are broadly four types of social welfare payments operating in Ireland namely non-contributory (social assistance), contributory (social insurance), universal payments and in-work benefits. A person or a couple could be eligible for several non-contributory or contributory benefits in which case the most beneficial combination is awarded. Furthermore, it can matter whether a couple claims jointly or separately adding complexities to this optimisation.

2.4.1 Determining the optimal combination of social welfare entitlements

The very detailed approach implemented for Ireland in earlier versions of EUROMOD, and in the national model, SWITCH, is not supported by the data available from the UDB. In

³ See Appendix A in Keane et al. (2012) for further details on non-simulated benefits.



particular, the provisions regarding optimisation may be either impossible, or, even if technically feasible, unlikely to warrant the extra time and effort involved. What is proposed here is an approach that captures key elements of the system.

2.4.1.1 Single person

- 1) If in receipt of a contributory benefit, then
 - a) model amount of benefit received (partial simulation=PS), which may depend on age, number of dependent children
 - b) mark this case as ineligible for other “personal benefits” on contributory or non-contributory system – may still be eligible for some supplements such as Family Income Supplement or Rent and Mortgage Supplement
- 2) Otherwise, establish whether a means-tested benefit (MTB) is payable. The approach here is to establish which type of MTB the individual is eligible for, and then assess means using the relevant means-test. If the amount payable (=maximum rate for the MTB *less* the means assessed) is positive, then the individual is simulated as receiving the benefit, and marked as ineligible for other benefits.
 - a) Age \geq 66, then assess for State Non Contributory Pension (Since 29th September 2006 payment of One-Parent Family Payment will no longer be made to persons aged 66 years and over. One-Parent Family Payment Customers will instead be entitled to apply for the State Pension (Non-Contributory)).
 - b) Age \geq 18 and Age \leq 65
 - i. Has \geq 1 dependent child
 1. Eligible for One-Parent Family Payment
 2. Assess means, payment $>$ 0?
 - ii. Has no dependent children & marital status=widowed
Assess for widows non-contributory pension.
 - c) Otherwise, if in receipt of one of the means-tested illness payments (using receipt for eligibility as info on medical condition is insufficient)
 - i. Make eligible for that payment
 - ii. Assess means, size of payment
 - d) If ‘available for work’ and/or in receipt of Jobseeker’s Allowance
 - i. Make eligible for UA
 - ii. Assess means, size of payment
 - e) Supplementary Welfare Allowance is the residual scheme – most of those on this scheme are actually entitled to something else, so few will be modelled on the scheme.
- 3) Supplementary payments
 - a) Family Income Supplement



- i. Depends on net earnings and number of children, hours ≥ 19 ?
- b) Rent and Mortgage Supplement
 - i. Varies by location – location variable in UDB may be absent or very restrictive.
 - ii. Rules on maximum rent allowable
 - iii. Depends on net income after tax and PRSI compared with basic social welfare payment rates.

- **EUROMOD notes**

In the first step, all benefits someone is entitled to are still calculated in the model. It is only in the second step when the approach above is imposed. This allows more flexibility in changing underlying assumptions (if necessary) as well as check their validity.

If someone is observed in receipt of several contributory benefits (e.g. could have received each for part of the year) then the one with highest entitlement is chosen in the model and simulated as if received for the full year (if possible).

2.4.1.2 Couples

Social welfare for each couple should allow for the possibility that

- One spouse claims a benefit and claims an increase for a qualified adult
- Each spouse claims benefit/assistance payments in their own right

Whichever combination gives the maximum amount for the couple will be awarded. For example, couples are often financially better off if they receive one personal rate payment and an increase for a qualified adult rather than both claiming a personal rate of payment independently.

The optimization routine is then similar to the above single case. Although contributory benefits are not means tested, adult dependant allowances under the contributory schemes are. The optimization routine for a couple is therefore:

- 1) If both spouses are eligible for (i.e., receive in the data) a contributory benefit then this will be the optimal combination for them
- 2) If one spouse is eligible for a benefit (mtb or contributory) and the other is not eligible for any benefit then the best option is to take the benefit for which they are eligible, and model the IQA to which they may be entitled.
- 3) If both spouses are eligible for a means-tested benefit, or one for contributory and one for means-tested rate, then the outcome depends on whether they are of pension age or working age
 - a) For pension age, means are assessed jointly and halved. Then each partner's potential claim can be assessed independently. If they would obtain more from taking one benefit and an IQA, then this is allocated instead.
 - b) For working age, the total payment on Jobseeker's Assistance is limited to the couple rate; and if one partner is on JB and the other potentially on JA, there is also a limitation in force such that the maximum payment is JB personal rate plus IQA. The means-testing arrangements for JA and JB are described in section 2.4.1.1.



4) Supplementary payments

a) Family Income Supplement

Depends on net earnings and number of children, hours ≥ 19 . Couple can combine their work hours to reach this level if required.

b) Rent and Mortgage Supplement

Varies by location – location variable in UDB is very restrictive.

Rules on maximum rent allowable – different rates for couples versus singles (see Table 17 in the country report ‘Maximum rent levels for the assessment of rent supplement’)

Depends on net income after tax and PRSI compared with basic social welfare payment rates.

2.4.2 Non-Contributory Benefits ⁴

Social assistance (non-contributory) schemes are contingency-based and PRSI (social insurance) contributions are not necessary or required. Stricter eligibility criteria apply and in most cases a means test is undertaken before eligibility is certified. There are two components to the means test for non-contributory benefits: an asset means test and an income means test. The actual income from investments, property (not including home) and savings is not used as part of the income means test. A formula is applied to the value of the assets to get a value of asset means. The formula depends on the benefit entitled to. Once the asset means are calculated, they are added to other sources of income in order to calculate a unit’s means. Incomes counted towards means include all sources of earnings, while social welfare incomes do not count as means (in most cases). For applicants for Jobseeker’s Allowance who are living with their parents, means are augmented by a formula (“benefit and privilege”) based on parental income.

2.4.2.1 State (Non-Contributory) Pension

- *Brief description*

Applies when it has been established that the applicant is not eligible for the State (Contributory) Pension.

- *Eligibility conditions*

In order to qualify, an applicant must be aged 66 or over, living in Ireland and satisfy a means test.

- *Income test*

The means test covers any income the applicant and his/her spouse including property (except the family home) or any asset that could provide an income. The yearly value of any advantage the applicant and spouse have from owning or leasing a farm is also assessed as income. If a spouse/partner is getting any social welfare payment (contributory or non-contributory) in his/her own right, this will not be counted as means.

⁴ Note that the description of the means test and means calculation for non-contributory benefits can be found in section 2.3.1.1.



The actual income from investments and money in a savings account is not taken directly as means. Instead, the investment items are added together and a formula is used to work out the applicable means, see section 2.4.1.1. Investment items include cash value of investments and property, money in a savings account, cash-in-hand and monies held in a current account. If working the first €200 of net weekly earnings from employment disregarded. Means are then subtracted from the maximum payment entitled to determine the personal rate and qualified adult increase amount received as a State Non-Contributory Pension. (For couples, means are aggregated and then halved, with each spouse treated as having half of the aggregate means – this is known as the “moiety” treatment of means). The maximum weekly means above which the payment is fully withdrawn was €185.10 in 2006, €227.50 in 2007, €237.50 in 2008 and €245 in 2009. In 2006 a weekly means of €7.60 was disregarded, this increased to €30 for 2007-2009.

- ***Benefit amount***

The payment is made up of a personal rate plus an extra allowance for a partner provided this person is not getting any social welfare payment in his/her own right. The maximum personal rate was €182 per week in 2006. The allowance for partner/spouse is graduated in line with the applicable personal rate, the maximum rate being €120.30 in 2006. See Table 28 for the personal, adult dependant and child dependant rates for 2007-2011. See Table 18 for the graduated personal and adult dependant rates which depend on the weekly means available. However, this is the only means-tested scheme which allows a spouse/partner to claim the whole personal rate if they are entitled to it in their own right (i.e. aged 66 or over). Extra increases were payable for dependent children (i.e. under 18 or 18-22 in full time education) in 2006 at a weekly rate of €16.80 per week per child. A half-rate child dependant payment will be made if you have a spouse but are not eligible for a qualified adult increase or if your spouse/partner is getting a social welfare payment in their own right (in which case they will also receive a half rate child dependant increase). Additional allowances, such as the Living Alone Allowance at €7.70 per week (2006-2009), an Over 80 Allowance at €10 per week (2006-2009) and a Fuel Allowance may also be applicable. Other increases such as the Living Alone Allowance, Over 80 Allowance, child dependant allowance and Fuel Allowance increases are not affected by this means test.

2.4.2.2 One-Parent Family Payment (previously known as Lone Parents Allowance)

- ***Brief description***

OPF is a payment for both men and women who, for a variety of reasons, are bringing up a child(ren) without the support of a partner. A person who is unmarried, widowed, a prisoner's spouse, separated, divorced or whose marriage has been annulled and who is no longer living with his/her spouse/partner is eligible to apply for this payment.

- ***Eligibility conditions***

To qualify, the applicant must have the main care and charge of at least one child who is living with them. The applicant cannot be cohabiting, that is, living with someone as husband and wife. If separated/divorced, the applicant must have been separated for at least 3 months and have made efforts to get maintenance from his/her spouse/former spouse.



- ***Income Test***

An income disregard of €146.50 per week exists for the One Parent Family Payment. Weekly means of €7.60 are disregarded (2006-2009). The payment (personal rate only) is withdrawn on a euro for euro basis as means increase. The maximum weekly means for those under 65 was €170.10 (€185.10 for those over 65) in 2006, €190.00 in 2007, €202.60 in 2008 and €207.60 in 2009.

If awarded the allowance and earnings later exceeded €375 per week in 2006 (the amount was €400 from May 2007 and €425 from May 2008), payments not stopped immediately. One half of the allowance is paid for six months from the date that earnings increased. Payment then stops completely. Maintenance payments are assessed, whether voluntary or paid because of a court order. This payment is regarded as income for income tax purposes.

- ***Benefit amount***

The personal rate of payment under this scheme in 2006 was €165.80 in 2006 for claimants under 65 or 65 years of age and €182 for claimants over 65 plus €19.30 for each child dependant (a qualified child is a child under 18 years of age or aged 18-22 and in full-time education). An additional weekly supplement of €10 per week is payable if aged over 80 and is not affected by the means test. Since 29th September 2006 the One-Parent Family Payment was no longer be made to persons aged 66 years and over. One-Parent Family Payment recipients were instead entitled to apply for the State Pension (Non-Contributory). See Table 28 for the rates from 2007-2011. If in employment while receiving One Parents Family Payment, the recipient is exempt from the Health Contribution Levy irrespective of the level of earnings.

2.4.2.3 Disability Allowance (previously known as Disabled Persons Maintenance Allowance)

- ***Brief description***

It is a weekly allowance paid to people with a disability who are aged 16 or over and under age 66.

- ***Eligibility conditions***

The disability must be expected to last for at least one year and the allowance is subject to both medical suitability and a means test. DA is not payable to a person who is considered to be in full-time residential care but a partial payment may be paid if a person spends part of a week in such a facility. The disability must be expected to last at least one year.

- ***Income test***

Items counted as means for the applicant and their spouse/partner include net income (i.e. gross income excluding PRSI, trade union dues and superannuation/contribution to a pension fund), property (except the principal private residence) or an asset that could bring in money and provide the applicant (and their spouse/partner if applicable) with an income. Investments and savings are assessed as in section 2.4.1.1 the principal sum and are added together with savings, cash-in-hand or in a current account. Social welfare payments received by other members of the household, an exemption on spouse/partner's earnings, capital assets valued up to €50,000 and higher education grants are exempted from consideration as means for the purposes of this allowance. Prior to September 2007 means were compared with the family rate with possible tapered IQAs, i.e. the sum of the personal rate and any increases payable for an adult or



children. After September 2007 this “double means testing” was abolished i.e. whereby the increase for a qualified adult was first means-tested on spouse’s earnings. Post September 2007 the maximum rate payable to all couples, before assessment of means, is equivalent to the maximum personal rate and the maximum QA rate. Tapered QAA rates were therefore abolished. The first €120 of net weekly earnings from employment of a rehabilitative nature is disregarded, together with half of any additional earnings up to €350 per week. The first €2.50 of weekly means is disregarded. If the claimant has a spouse/partner in employment a disregard of €20.00 a day also applies to the spouse/partner for a maximum of three days a week (maximum €60.00 a week) and the balance is assessed at 60%. Prior to September 2007 where a person had no qualified child dependants, €12.70 earnings for each day worked are disregarded from the average net weekly earnings, and 60% of the balance assessed against the weekly rate of JSA.

The payment is withdrawn on a roughly euro for euro basis as means increase. The maximum weekly means was €167.50 in 2006, €185 in 2007, €195.50 in 2008 and €202.50 in 2009.

- ***Benefit amount***

The payment is made up of a personal rate payment of up to €165.80 per week (2006). A qualified adult dependant allowance with a maximum rate €110 was also payable in 2006 if the recipient of disability allowance was living with a spouse/partner. See Table 20 which shows how the adult dependant rate is reduced in line with the means assessment. The relevant child dependant allowance is an additional increase of €16.80 per week. A half-rate child dependant payment will be made if you have a spouse but are not eligible for a qualified adult increase or if your spouse/partner is getting a social welfare payment in their own right (in which case they will also receive a half rate child dependant increase). A €7.70 weekly payment is payable if living alone, this amount is unaffected by the means test.

2.4.2.4 Widows Non-Contributory Pension

- ***Brief description***

This pension is payable if a person is widowed and not entitled to a Widow’s or Widower’s (Contributory) Pension and can meet the other qualification requirements.

- ***Eligibility conditions***

Qualifications include the stipulations that one cannot be cohabiting, must satisfy a means test and be living in Ireland.

- ***Income test***

The first €7.60 of means is disregarded (2006-2009) as is some of the recipients earnings if in employment. See section 2.4.1.1 for a description of the means assessment. The weekly means limits for 2006-2009 were €185.10, €190.10, €202.60 and €205.10 respectively above which the benefit was not payable. Between the income disregard and the means limit the personal rate is tapered. The maximum personal rate in 2006 was €165.80 for those under 66 and €182 for the over 66’s. See Table 28 for the 2007-2011 maximum personal rates.



- ***Benefit amount***

The Widows Non-Contributory Pension payment depends on the recipient's means. The payment is made up of a personal payment of €165.80 per week for those under 66 and €182 for those over 66 (in 2006). Payment is reduced if the claimant has additional income, see Table 18. An additional weekly supplement of €7.70 is paid if the widowed recipient is aged over 66 and living alone with a second addition of €10 per week if aged over 80. These increases are not affected by the means test. See Table 28 for the 2007-2011 rates. In addition to payments under this pension; a recipient may also claim half the personal rate of Jobseeker's Benefit, Illness Benefit, Maternity Benefit and other related schemes. Since the 29th September 2006 the Widows Non-Contributory Pension was no longer made to persons aged 66 years and over who were instead made entitled to apply for the State Pension (Non-Contributory).

2.4.2.5 Basic Supplementary Welfare Allowance (SWA)

- ***Brief description***

Basic Supplementary Welfare Allowance is a weekly payment made to people whose means are insufficient to meet their needs and those of their dependants. Depending on means, most applicants qualify for Supplementary Welfare Allowance while their claim for a social welfare payment is being processed.

- ***Eligibility conditions***

To qualify, one must (a) satisfy a means test, (b) have applied for other benefits/allowances to which one might be entitled, (c) have registered with FÁS, the manpower service, if of working age and (d) be living in Ireland. The lower age limit for receiving this payment is 17. Persons aged over 66 cannot apply for SWA. It is not normally paid to those in full-time education.

- ***Income test***

See section 2.4.1.1.

- ***Benefit amount***

The payment is made up of a personal rate and extra amounts for dependants. If the applicant has no means, he/she will be entitled to the maximum rate of €165.80 per week. If there are means of a low level, the payment will bring the total income up to the maximum appropriate rate of Supplementary Welfare Allowance (the benefit is reduced on an approximately one for one level). A qualified adult dependant (i.e. a spouse/partner) increased the total payment by €110 in 2006 while €16.80 was payable for each child dependant in 2006. See Jobseeker's Allowance rates (Table 28) for the 2007-2011 rates. Prior to September 2007 QIAs were tapered in line with the main claimants means. Under the new means assessment (from 26th September 2007) a family rate less means applies without tapered increases for qualified adults, with this full family rate compared to means to calculate the actual rate payable. The family rate is therefore based on a personal rate, a full qualified adult rate and full qualified child rate less means.



- *Other Benefits Under SWA heading (not currently simulated in the model):*

Rent Supplement

If you are having difficulty paying your rent and you are getting a social welfare or Health Service Executive payment, you may qualify for a Rent Supplement. In 2006, renters were obliged to pay the first €24 per week of their rent with the remaining rent being covered by Rent Supplement subject to maximum amounts which vary between singles and couples and also by location. You may get Rent Supplement if you have been living for 6 months (183 days) out of the last 12 months in one, or a combination, of the following:

- Accommodation for homeless people,
- Private rented accommodation. You must be able to show that you could afford the rent at the beginning of your tenancy and that you could have continued to pay rent but are unable to do so because of a change in your circumstances which occurred after you started renting,
- An institution, for example, a hospital, care home or place of detention *or*
- Be assessed in the last 12 months by a local authority as being eligible for and in need of social housing. If you don't have a housing need assessment, you must go to the local authority to have your housing need assessed. The local authority must be in the same area that you intend to live and claim Rent Supplement. Only when you are assessed as eligible for and in need of housing can you apply for Rent Supplement. Rent Supplement is not payable while the local authority is carrying out a housing needs assessment *and*
- Pass a habitual residence test ,
- Pass a means test.

To calculate rent supplement:

Step 1: Calculate weekly income:

Assessable income from employment (gross income less PRSI and reasonable travel expenses.), training allowances (from FAS, the national Training and Employment Authority), Social welfare payments, Health Service Executive (HSE) payments, Family Income Supplement, Cash Income (for example, maintenance), Capital (for example, property, savings and investments).

Income not taken into account:

Since June 2007, income from the following sources is disregarded or not taken in account when calculating the amount of Rent Supplement:

- Supplementary Welfare Allowance (SWA) rate for your household circumstances
- Child Benefit
- Mobility Allowance
- Money received from charitable organisations, for example, St Vincent de Paul
- Maintenance grants paid by VEC or Local Authorities for educational purposes
- Domiciliary Care Allowance



- Income from employment with the HSE as a Home Help
- If you are aged 65 or over (or where one of a couple is of pensionable age) and have a combined household income greater than the rate of SWA appropriate to your household circumstances, you are allowed a disregard equal to the difference between the maximum rate of State Pension (Contributory) appropriate to your circumstance and the rate of SWA appropriate to your circumstances. The SWA personal rate in 2006 was €165.80 per week along with a €110 increase for a qualified adult and €16.80 for each qualified child.
- If you are getting the standard Carer's Allowance payment for caring for two people, the amount of Carer's Allowance above the appropriate SWA rate for your situation (either the adult dependent rate or the personal rate of SWA) is not taken into account.
- Any amount of Carer's Benefit in excess of the basic SWA rate for your situation (either the adult dependent rate or the personal rate of SWA) is not taken into account.
- Respite Care Grant
- Guardian's Payment (Contributory) and Guardian's Payment (Non-Contributory)
- Household income disregard is a certain amount of your household income which is not taken into account. €75 of any **additional household income** is not taken into account. Also, 25% of **additional household income** over €75 is not taken into account. There is no upper limit on the amount that can be disregarded.

The capital value of property (except your own home), investments and savings will be assessed on a weekly basis as follows: First €5,000 is not taken into account; next €10,000 is assessed at €1 per €1,000. Next €25,000 is assessed at €2 per €1,000. Any capital over €40,000 is assessed at €4 per €1,000. Double these rates apply for married/cohabiting couples.

Step 2: Subtract Income Disregards:

Subtract any income not taken into account in the assessment for Rent Supplement (see above)

Step 3: Subtract the basic Supplementary Welfare Allowance (SWA) weekly rate for the household from the weekly household income calculated in Step 2.

SWA rates basic rates were €165.80 in 2006, €185.80 in 2007, €197.80 in 2008 and €204.30 in 2009.

Step 4: Find individual contribution to the rent:

Add the weekly assessable income (total figure after Step 3) and the minimum Household Contribution. €24 will always be payable towards the rent. Non-dependent household members who are solely dependent on a personal social welfare payment must also contribute €24. A couple over 65 with an income equal or less than the State Pension (Contributory) for their situation will only contribute €24 towards their rent as will a couple who both have State Pensions (Contributory) and no other income.

Step 5: Calculate Rent Supplement:

To do this subtract the individuals total contribution from their rent. Maximum rent limits are set according to location and family type, see Table 17 below.



Table 17. Maximum rent levels for the assessment of rent supplement *

County	Maximum rent per month (€), 2010						
	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
Carlow	260	300	468	500	600	650	660
Cavan	195	200	368	400	450	500	510
Clare	220	260	407	450	550	600	650
Cork	285	290	468	610	705	765	800
Donegal	235	240	368	455	500	550	560
Dublin - Fingal	350	390	529	770	930	1,000	1,050
Dublin - other	390	400	529	800	930	1,050	1,100
Galway	255	260	468	550	700	750	760
Kerry	235	240	407	500	550	640	650
Kildare	320	325	485	600	750	850	900
Kilkenny	260	300	468	520	600	650	665
Leitrim	190	200	368	390	400	450	500
Limerick	255	260	446	500	605	650	700
Laois	235	240	407	485	550	590	600
Longford	195	200	345	350	400	450	500
Louth	285	286	468	529	600	685	700
Mayo	220	225	450	455	550	600	610
Meath	260	265	468	550	650	700	750
Monaghan	195	200	368	390	500	540	550
Offaly	220	240	407	485	550	590	600
Roscommon	190	195	370	375	450	500	520
Sligo	220	240	407	485	540	550	600
Tipperary North	260	265	407	450	550	640	655
Tipperary South	250	255	468	455	555	645	650
Waterford	270	280	468	470	550	650	660
Westmeath	220	260	407	450	550	590	600
Wexford	260	300	468	520	600	650	660
Wicklow	315	325	529	710	850	900	910

*I would advise using the Dublin-Fingal figures if county level data is not available.

Mortgage Interest Supplement

If you are having difficulty paying your mortgage and you are getting a social welfare or Health Service Executive payment, you may qualify for a Mortgage Interest Supplement. The method of calculation of mortgage interest supplement is the same as rent supplement above, again where €24 per week minimum is payable by the individual. Only the interest component of your mortgage is taken into account (i.e. it cannot be claimed on the outstanding principal). To get Mortgage Interest Supplement you must meet the following conditions:

- When you began your mortgage, you could afford the repayments



- Your house is not up for sale
- The amount of your mortgage interest payable does not exceed an amount the Health Service Executive considers reasonable to meet your residential and other needs. The maximum rent limits set out for Rent Supplement serve as a guide to decide what a reasonable amount is.
- Only the portion of your loan that relates to the essential purchase, repair or maintenance of your home will be taken into account
- It is reasonable to award mortgage interest supplement having regard to any arrears on the loan
- You are habitually resident in this State.

Exceptional Needs Payments

If you are getting a social welfare or Health Service Executive payment, you may qualify for a one off payment to meet an exceptional need. There is no automatic entitlement to this payment. Each application is determined by the Health Service Executive based on the particular circumstances of the case. An Exceptional Needs Payment covers essential, once-off exceptional spending that you could not reasonably be expected to meet out of your weekly income. You may be eligible for an Exceptional Needs Payment if you are living in the state, you satisfy a means test, you have applied for any other benefit/allowance you may be entitled to, you have registered to work with FÁS (if you are of working age). You won't normally be eligible if you are in full-time work (more than 30 hours a week) or in full-time education .

Urgent Needs Payments

Urgent Needs Payments are normally made to assist with immediate needs such as food and clothing right after a fire or flood. Depending on your situation you may have to pay back all or part of what you have been paid, for example if you are working or have settled an insurance claim.

Dietary Supplement

Any person who is receiving a Social Welfare or Health Service Executive payment and who has been prescribed a special diet as a result of a specified medical condition, and whose means are insufficient to meet his/her needs, may qualify for a diet supplement under the supplementary welfare allowance scheme.

Back to School Clothing and Footwear Allowance

This allowance is intended to help towards the cost of children's school uniforms and footwear at the beginning of the school year. The scheme is administered by the Health Service Executive and operates from the beginning of June to the end of September each year. You may qualify for the Back to School Clothing and Footwear Allowance if:

- You are getting a social welfare payment (including Family Income Supplement) or a Health Service Executive payment, or
- You are taking part in an approved employment scheme, or
- You are taking part in a recognized education or training course
- You are involved in an Area Partnership Scheme, or
- You are attending a state training scheme.



The rate of the allowance paid for each eligible child aged 2-11 in 2006 was €120. The rate of the allowance paid for each eligible child aged 12-17 in 2006 was €190. See Table 28 for the 2007-2011 rates.

School Meals Scheme

The School Meals Program operated by the Department of Social and Family Affairs provides funding towards provision of food services for disadvantaged school children through the Urban School Meals Scheme for primary schools and the non-statutory School Meals (Local Projects) Scheme.

2.4.2.6 Jobseeker's Allowance

- ***Brief description***

Jobseeker's Allowance is a weekly payment made to unemployed people who do not qualify for Jobseeker's Benefit or who have used up their entitlement to that benefit. It is paid subject to a means test.

- ***Eligibility conditions***

You must be unemployed, be over 18 and under 66 years of age, be capable of work, be available for and genuinely seeking work, satisfy the means test and meet the Habitual Residence Condition (i.e. be able to prove you are habitually resident in Ireland).

- ***Income test***

The means test defines means as any income the applicant or spouse/partner have or property (except one's home) or an asset that could bring in money or provide an income. The value of any "benefit and privilege" is also assessed for persons living with their parents. The actual income from investments and money in a savings account is not taken as means. Instead the investment items are added together and the formula used to assess wealth for Supplementary Welfare Allowance purposes applied. Benefit and Privilege includes, for example, the value of board and lodgings to a person living at home with his/her parent(s). The value of board and lodging is worked out by using the parents' net income that is, after deduction for tax, PRSI, superannuation, health insurance, union subscriptions, rent/mortgage payments, travel expenses and a parental allowance. The net income is allocated equally among the non-earning members of the household and becomes the weekly means of the person claiming Jobseeker's Allowance. 'Benefit and Privilege' is calculated for those living with their parent. To calculate this:

Step 1, add together your parents' net income from all sources. (Net income is your gross income less income tax, PRSI, Universal Social Charge, private health insurance contribution, superannuation and union dues).

For example, your parents' net income includes income from:

- Insurable employment
- Self-employment
- Community Employment (CE) schemes and FAS Training Allowances
- Maintenance payments
- An occupational pension



- All social welfare payments with the exception of the following: National Fuel Allowance, Child Benefit, Domiciliary Care Allowance and Respite Care Grant.
- All Health Service Executive Payments with the exception of the following: Blind Welfare Allowance, Mobility Allowance and Foster Care Allowance.
- Net income from property other than the family home. So, for example, rental income (less expenses such as mortgage repayments, insurance costs and repairs) is taken into account. The capital value of property is not taken into account.

Capital assessment: Capital usually includes saving, investments and property (other than your home). Capital which belongs to your parents is not taken into account in the assessment of benefit and privilege.

Step 2, deduct the following from your parent's net income to get their assessable income:

- Rent or mortgage repayments
- Standard weekly allowance of €600 for a two-parent family or €470 for a one-parent family
- €30 for each child up to 18 years of age and for all children over 18 years in full time education. However, you cannot deduct €30 for a child who is getting a social welfare payment in his/her own right. For example, if there is a child 17 years of age and getting Disability Allowance in the household, you cannot deduct €30 from parental weekly income for this child. The child's social welfare payment is **not** included as income.

Step 3, after you have calculated your parents' assessable income, get 34% of this income. Only **34%** of your parents' assessable income is taken into account and assessed as benefit and privilege. You subtract this amount from the standard rate of Jobseeker's Allowance for your circumstances to find out how much, if any, you qualify for.

The parental allowance is €600 per week in the case of a two-parent family and €470 in the case of a single parent family. There are additional items that do not count as means for Jobseeker's Allowance, namely €254 each in respect of the first two qualified children and €381 in respect of each subsequent qualified child

If engaged in self-employment, Jobseeker's Allowance may be claimed if earnings are below a certain level (the maximum Jobseeker's Allowance payment for your situation). Any income the applicant or their partner has is assessed as means. If a landholder, qualification for Jobseeker's Allowance is on the basis of a factual assessment of means in the same manner as other self-employed people. The means from a farm are taken as the gross yearly income less vouched expenses incurred in earning that income. If the applicant is a seasonal worker and a claim for Jobseeker's Allowance is made outside of the normal seasonal employment time, the income from employment while in season is not assessed. If a claim is made during the season, means will be assessed on the basis of average weekly income from earnings as a seasonal worker.

- ***Benefit amount***

The payment is made up of a personal rate for the recipient plus extra amounts for dependants. For people with means, the rate of payment is calculated by subtracting weekly means from the maximum rate payable. The maximum personal rate payable was €165.80 per week in 2006 with a weekly maximum qualified adult rate payable if the recipient lives with a spouse/partner, of €110 per week and a weekly increase of €16.80 per child dependent. See Table 20 which shows how the adult dependant rate is reduced in line with the means assessment. A half-rate child dependant payment will be made if you have a spouse but are not eligible for a qualified adult increase or if your spouse/partner is getting a social welfare payment in their own right (in



which case they will also receive a half rate child dependant increase). See Table 18 for the relevant rates for 2007-2011. New maximum personal rates of Jobseeker's Allowance were introduced for new applicants based on age in 2010. A reduced rate for these two payments is payable for those in the 18-24 age group (inclusive). Two different rates are paid to those in the 18-21 age group and those in the 22-24 age group. See Table 28 for the relevant rates. The Qualified Adult rate applicable to Jobseeker's Allowance/basic Supplementary Welfare Allowance applicants aged 18-21 was also reduced, while the Qualified Adult Increase for claimants in the 22-24 age group remained the same as for those over 25. These rate reductions will not apply to claimants with dependent children.

Where a husband and wife or a couple living together both claim Jobseeker's Allowance, the maximum amount payable to the couple is the personal rate plus the amount for qualified adult and child dependant(s) if applicable. Each will receive half of this combined rate. Where one of the couple is getting a benefit or pension and the other claims Jobseeker's Allowance, the maximum amount payable is the personal rate of the benefit/pension or assistance plus the amount for a qualified adult and child dependant(s), where applicable, whichever is highest. In this case, the rate of Jobseeker's Allowance will be reduced so that the maximum amount payable to the couple is not exceeded. Payment is made for as long as the applicant is unemployed and satisfies the qualifying conditions for receipt of payment. On reaching 55 years of age and the applicant considers themselves retired from the labour force, a Pre-Retirement Allowance may be paid instead of Jobseeker's Allowance. A school leaver will not receive Jobseeker's Allowance for 13 weeks following completion of school. Third level students are not entitled to Jobseeker's Allowance during holiday periods. The amount received depends on means and how long the recipient has been unemployed.

Working part-time or casually affects the rate of Jobseeker's Allowance as follows: if the applicant is unemployed for at least 3 days in a week, he/she is entitled Jobseeker's Allowance for a full week less a percentage of earnings. You must meet the other conditions that apply to Jobseeker's Allowance, for example, you must satisfy a means test.

- ***EUROMOD notes***

Currently, the value of "benefit and privilege" is not taken into account in the model.

2.4.3 Means tests of non-contributory benefits

The information below documents the calculation and assessment of means with regards to non-contributory benefits. The calculation of means for personal rates and adult dependant increases use the same income/means concepts. To claim an Increase for a Qualified Adult you must be getting a social welfare personal payment and in the case of all social welfare payments your adult dependant must not have a social welfare payment in his/her own right except for Disablement Benefit, Occupational Injuries Death Benefit in respect of an orphan, Child Benefit, Guardian's Payment (Contributory), Guardian's Payment (Non-Contributory) Domiciliary Care Allowance, Supplementary Welfare Allowance, Foster Care Allowance or Half-rate Carer's Allowance.



1) Calculation of means from capital/property

Capital (savings and investments) and the value of property owned but not personally used or enjoyed (i.e. excludes the persons principal residence) is assessed as means. Where capital or property is assessed on this basis, any income received from its use (e.g. interest on savings, dividends from shares, rent from property let) is not assessed as cash income.

Weekly means from capital/property are calculated as follows⁵:

For the following means tested schemes, the first €20,000 of capital is ignored. Between €20-30,000 a means of €1 per €1,000 is calculated and between €30-40,000 €2 per €1,000. A means of €4 per 1,000 is calculated on any capital/property in excess of €40,000. Double these amounts apply if the applicant is married/cohabiting:

- Blind Persons Pension,
- Carers Allowance,
- State (non-contributory) Pension,
- Pre-retirement allowance,
- Deserted Wives Allowance,
- One Parent Family Payment,
- Widows (non-contributory) pension,
- Guardian's Payment (non-contributory),
- Disability Allowance (June 2005-June 2007),
- Jobseeker's Allowance,
- Farm Assist,
- Domiciliary Care Allowance.

From June 2005 to June 2007 the calculation of means for Disability allowance is as shown above. From 6th June 2007 the calculation of means for Disability allowance was as follows; The first €50,000 is ignored. Between €50-60,000 a means of €1 per €1,000 is calculated and between €60-70,000 €2 per €1,000. A means of €4 per 1,000 is calculated on any capital/property in excess of €70,000. Double these amounts apply if the applicant is married/cohabiting.

2) Calculation of cash income

All cash income of the person (and, where relevant, to the person's spouse or partner) is assessed except for specific exclusions documented below. For One Payment Family Payment and Disability Allowance benefits, any maintenance received by a qualified child is also assessed as cash income.

The following exclusions from the definition of cash income apply to **all** means tested schemes (except Family Income Supplement and Supplementary Allowance, see below):

- Income from property assessed on its capital value.
- Any payment made by the Department of Social Protection.

⁵ Effective from 2005 onwards unless otherwise stated:



- Supplementary Welfare Allowance.
- Early Childcare Supplement, Domiciliary Care Allowance.
- Any amount received as a training allowance.
- Any payment to a spouse in respect of Back to Work Allowance, Back to Work Enterprise Allowance, Back to Education Allowance or Part-Time Job Incentive training allowances.
- Personal Retirement Savings Account (PRSA) contributions. These are a specific type of pension contribution that persons in non-pensionable employment/the self employed can contribute to.
- Income from a Local Authority Higher Education Grant do not count as means for Jobseeker's Allowance, Pre-Retirement Allowance, Disability Allowance, One Parent Family Payment, Blind Person's Pension and Farm Assist.
- Some additional minor items for specific benefits which cannot be simulated due to data limitations.

From 26th September 2007 a new means assessment applied to assessable income for all means tested schemes except Supplementary Welfare Allowance (see below for the SWA means test). Assessable income is gross earnings less deductions for PRSI, superannuation and union dues. Deductions in respect of income tax, health insurance contributions and travel expenses are not allowed. Previous to 26th September 2007 deductions were also allowed for tax and health insurance contributions for the calculation of means.

Under the new means assessment (from 26th September 2007) a family rate less means applies **without** tapered increases for qualified adults.. The family rate is therefore based on a personal rate, a full qualified adult rate and full qualified child rate less means (prior to this it was based on the maximum personal rate and a QIA tapered in line with spousal means). A disregard to €20.00 a day for each day worked by the qualified adult up to a maximum of three days each week applies (max €60.00 a week). Means of the claimant are calculated as follows: assessable income less the relevant disregards and the balance is assessed at 60%. In the case of a couple, both of the couple are assessed in exactly the same manner, assessable income less the relevant disregards and 60% of the balance is assessed. Where a person has no qualified child dependants, €12.70 earnings for each day worked are disregarded from the average net weekly earnings, and 60% of the balance assessed against the weekly rate of JA.

Disability Allowance

- The first €120 of net weekly earnings from employment of a rehabilitative nature is disregarded, together with half of any additional earnings up to €350 per week.

State Pension (Non Contributory)

- The first €200 of net weekly earnings from employment is disregarded.
- Net earnings are gross earnings less PRSI, Superannuation/ PRSA contributions and union dues (also tax and health insurance contributions prior to September 2007).

One Parent Family Payment

- The first €146.50 per week of gross earnings and half of the remainder of the gross earnings up to €375 is disregarded (in 2006). No benefit is payable if income exceeds the higher figure. This upper income limit was increased to €400 from 3rd May 2007 and €425 from 8th May 2008.
- Income as a Home Help is not assessed.



- New claimants (from September 2007) with earnings over €425 (previously €400) per week will not qualify for One Parent Family Payment.

Carer's Allowance.

- The carer is allowed to work up to a maximum of 15 hours a week as a home help

Widow/er's Pension (Non-Contributory)

- The first €100 of net weekly earnings from employment is disregarded.
- Net earnings are gross earnings less PRSI, Superannuation/ PRSA contributions and union dues (also tax and health insurance contributions prior to September 2007).

Blind Pensioners

- The first €120 of net weekly earnings from employment of a rehabilitative nature is disregarded, together with half of any additional earnings up to €350 per week.
- Income as a Home Help is not assessed.

Family Income Supplement

The following payments **do not** count as family income:

- Child Benefit
- Carer's Allowance
- Guardian's payments
- Supplementary Welfare Allowance
- Rent Allowance for tenants affected by the de-control of rents
- Domiciliary Care Allowance
- Income from casual employment by the Health Service Executive (HSE) as a home help
- Income from a charitable organisation.

- *Deductions From Earnings -Employment of Spouse/Partner*

Jobseeker's Allowance, pre-retirement allowance, Farm Assist and Disability Allowance

A new means assessment came into place on the 26th September 2007. Under the new assessment assessable earnings of the spouse/partner are calculated as the gross earnings less PRSI, Superannuation and Trade Union Subscriptions. Deductions in respect of income tax and Health Insurance premiums are no longer disregarded from 26th September 2007.

From 26th September 2007 earnings from employment are assessed as means using the following method:

- A family rate less means applies **without** a tapered increase for qualified adults. The family rate is based on a personal rate, a full qualified adult rate and full qualified child rate less means. If the claimant has a spouse/partner in employment a disregard of €20.00 a day also applies to the spouse/partner for a maximum of three days a week (maximum €60.00 a week) and the balance is assessed at 60%.
- The net earnings of the spouse/partner are calculated as the gross earnings less PRSI, Superannuation and Trade Union dues.



- An additional sum is disregarded depending on the number of days the spouse/partner works each week (working three days or less per week €50 from 3rd May 2006, working four or more days per week €100 from 3rd May 2006).

State Pension (Non Contributory)

- The first €200 of net weekly earnings from employment is disregarded for both the applicant and their spouse/partner.
- Net earnings are gross earnings less PRSI, Superannuation/ PRSA contributions and union dues (also tax and health insurance contributions prior to September 2007).

Carer's Allowance, Blind Pension

There is no specific earnings disregard in respect of employment by a spouse or partner.

Supplementary Welfare Allowance - Means Assessment

These guidelines cover the following schemes

- Basic SWA payments
- Supplements e.g. Rent/Mortgage, Diet, special heating needs
- Exceptional Needs payments
- Back-to-School Clothing & Footwear
- National Fuel Scheme

What Counts As Means

- Income from Employment or Self-Employment

Subject to certain conditions, a claimant may work up to 30 hours per week in employment and still qualify for SWA. Gross income less PRSI and reasonable travel expenses is taken into account for the means test.

- Property & Capital

Property/Savings will be assessed on a weekly basis as follows:

Disregard first 5,000 of capital value of property/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.

Non-Assessable Means

In general the following items are not counted in the means test for SWA:

- Child benefit, including equivalent payments from other EU countries
- Domiciliary Care Allowance
- Maintenance grants paid by Local Authorities for Higher Education.
- Any income paid as a Respite Care Grant should be disregarded as means for the Supplementary Welfare Allowance Scheme (since June 2007).
- Any income paid by way of Guardian's Payment (Contributory or Non-Contributory) (since June 2007).



3) Means testing of the Adult Dependant Allowance

The income concept used for means testing the adult dependant increase is:

Gross weekly employment (no deductions allowed for tax, PRSI, Superannuation, Union Dues). If paid on a monthly basis, the weekly average income over the previous two months is calculated. If he or she is paid weekly or fortnightly, the weekly average over the previous six weeks is used. To calculate income from self-employment the income received in the last completed tax year is divided by 52 to get the average weekly income.

Income from capital, for example, property, savings and investments, is included in the mean test. Where capital is held jointly by spouse/partner, half of the value is assessed as belonging to the spouse or partner. See above for how means from capital/savings is calculated.

Income from other sources includes rental income from the letting of property, income from an occupational pension, foreign social welfare payments, income from a trust fund, income under a deed of covenant, other cash income, etc. It is calculated on a weekly basis.

The following social welfare payments are not taken into account as income for adult dependants:

- Disablement Benefit
- Occupational Injuries Death Benefit in respect of an Orphan
- Guardian's Payment (Contributory)
- Guardian's Payment (Non-Contributory)
- Child Benefit
- Domiciliary Care Allowance
- Supplementary Welfare Allowance

In the case of **Disability Allowance** and **Jobseeker's Allowance** family income is assessed in the means test (i.e. the personal rate and qualified adult increase rate are not assessed separately). Total family means is then deducted from the maximum payment (this is the personal rate including any increases for adult and child dependants) to find the actual amount of the person is entitled to.

Additional Income Disregards:

Disability Allowance - Since 26 September 2007, the spouse/civil partner/cohabitant's weekly earnings are assessed as follows: €20 per day (up to a maximum of €60) from work is deducted from your spouse/civil partner/cohabitant's average weekly earnings and then 60% of the balance is assessed as weekly means. The weekly means is then deducted from the combined total of the personal rate of Disability Allowance and the maximum Increase for a Qualified Adult.



2.4.4 Contributory schemes

Contributory or social insurance payments are made on the basis of social insurance contributions (PRSI) in the event of certain contingencies (e.g. illness, unemployment).

2.4.4.1 Invalidity Pension

- *Brief description*

Invalidity pension is payable instead of Illness Benefit if an individual has been incapable of work for at least 12 months.

- *Eligibility conditions*

To qualify, one must be regarded as permanently incapable of work and satisfy the PRSI contribution conditions. These conditions include having paid 260 weeks PRSI or 48 weeks PRSI paid or credited in the last complete tax year before application.

- *Income test*

None.

- *Benefit amount*

The payment is made up of a personal rate which in 2006 was €171.30 per week with extra amounts for a qualifying adult (maximum of €122.20 if an adult is under 66, €149.30 per week if over 66) and child dependants (€19.30). The adult dependant increase is means tested and is reduced in line with means. See Table 20 for the reduced rates dependent on the qualified adults means. A half-rate child dependant payment will be made if you have a spouse but are not eligible for a qualified adult increase or if your spouse/partner is getting a social welfare payment in their own right (in which case they will also receive a half rate child dependant increase). Additional allowances are made if aged 65 or over (€22 per week), with a further addition if living alone (€7.70). There is also a premium paid to recipients aged 80 or over (€10). Other non-cash benefits may also be claimed while claiming Invalidity Pension. Payment stops if the recipient is awarded any other pension from the Department of Social and Family Affairs. See Table 28 for the 2007-2011 rates.

2.4.4.2 Injury Benefit

- *Brief description*

This payment is made weekly if an individual is unfit for work due to an accident at work or has contracted a disease due to the type of work carried out e.g. from contact with physical or chemical agents.

- *Eligibility conditions*

To qualify, an individual must be aged 18 or over, be in insurable employment at class A and related classes and be out of work for at least 4 days. Injury benefit is payable to those over 66 as long as they are in employment. Payment cannot be made for more than 26 weeks from the 4th day of illness. After this time, Illness Benefit applies.



- *Income test*

None.

- *Benefit amount*

The payment is made up of a personal rate, €165.80 in 2006, with extra amounts for a qualified adult dependant (€110) and child dependants (€16.80). See Table 18 for the reduced rates dependent on the qualified adults' means. This full child dependant amount is only paid if the recipient qualifies for the full increase for a qualified adult or is parenting alone. Half rate child increases are payable if has a spouse but the qualified adult increase is not applicable and spousal earnings are under €350 per week (€400 per week from 2007 onwards). If in receipt of other selected social welfare payments, half the personal rate is payable and no increase is payable for any child dependants. If these other payments are at a reduced rate, more than half the personal rate of injury benefit may be paid. See Table 28 for the 2007-2011 rates

2.4.4.3 State (Contributory) Pension

- *Brief description*

State (Contributory) pension is a social insurance payment made to people aged 66 or over who satisfy certain conditions. A person may continue to work full time or part-time and get a State (Contributory) pension.

- *Eligibility conditions*

To qualify, a person must have reached the required age and satisfy specified social insurance contribution conditions. The conditions regarding social insurance contributions (PRSI) include having commenced paying social insurance contributions (at full or modified rate) before reaching age 56. At least 156 full rate employment contributions must have been paid to receive the maximum pension. Other exceptions are included if in employment for a long period. A reduced rate pension may be payable (on a graduated scale) if less contributions have been made. A Mixed Insurance Pro-Rata pension may be payable to people who have a mixture of full rate insurance and modified insurance band because of this do not qualify for a standard Old State Contributory Pension or State Pension (Transition).

- *Income test*

None; is not affected by other income, such as, an occupational pension.

- *Benefit amount*

The payment is made up a personal rate of €193.30 in 2006 (the rate is reduced if not enough social insurance contributions have been paid) and extra amounts for dependants. The adult dependant allowance is means tested and differs based on the number of social contributions made by the claimant and if the qualified adult is under or over 66, although if over 66 it may be more beneficial if the spouse claimed their own pension (Contributory or Non-Contributory). See Table 20 for the qualified adults increase rates. This adult dependent amount may be reduced if the spouse/partner has earnings or income of between €88.88 and €240.00 gross per week (in 2006). See Table 18 for the reduced rates dependent on the qualified adults means. An increase of €19.30 per week is payable for each child dependant if in receipt of a payment for an adult dependant. If the applicant has a spouse but does not qualify for an adult dependant allowance, half rate child dependant increases is payable. There are additional weekly allowances associated with this pension: A Living Alone Allowance of €7.70 for those over 66,



an Over 80 Allowance of €10 and a Fuel Allowance. The over 80 allowance is doubled if the recipient's spouse/partner is also aged over 80 and claiming the adult dependant allowance. If living in Ireland, an OAC pensioner is entitled to a Free Travel pass and may be entitled to other non-cash benefits such as energy (electricity/gas) allowance, a free television licence, Free Telephone Rental Allowance and Medical Card. See Table 28 for the 2007-2011 rates

2.4.4.4 State Pension (Transition)

- *Brief description*

State pension (transition) is a social insurance payment made to people reaching aged 65 who satisfy certain conditions.

- *Eligibility conditions*

To qualify for this pension, one must be aged 65, have retired from insurable employment and satisfy the social insurance contribution conditions. You may be regarded as retired if earning a minimal amount per week (less than €38) or self-employed with earnings of less than €3,174 per year. The retirement condition ceases to apply on reaching age 66. The social insurance contribution conditions include having paid social insurance contributions before reaching age 55, having 156 full rate employment contributions paid and having a yearly average of at least 48 full rate contributions paid or credited since 1979 to the end of the tax year before reaching age 65. A maximum pension may also be paid under conditions where social insurance contributions were made previous to 1953. A minimum rate of pension is paid where an average of 24 contributions per year has been paid. PRSI contributions in modified and self-employed PRSI classes do not count as full rate contributions and are not included in this calculation. Voluntary contributions paid at the high rate are also counted for the yearly average.

- *Income test*

The pension is not means-tested and entitlement is not affected by other income, such as an occupational pension.

- *Benefit amount*

The payment is made up a personal maximum rate of €193.30 (2006) (the rate is reduced if not enough social insurance contributions have been paid) and extra amounts for dependants. The adult dependant allowance increases from €74.70-€19.30 if s/he is aged over 66 (the range is €64.40-€128.80 if adult dependent is under 66). See Table 18 for the reduced rates dependent on the qualified adults' means. Each child dependant amount was €19.30. If the applicant has a spouse but does not qualify for an adult dependant allowance, half rate child dependant increases is payable. There are additional weekly allowances associated with this pension such as Fuel Allowance. See Table 28 for the 2007-2011 rates.

2.4.4.5 Widows Contributory Pension

- *Brief description*

Widow's or Widower's (Contributory) Pension is a social insurance payment for both widows and widowers. If widowed with dependent child, the One-Parent Family Parent Payment may be applied for.



- ***Eligibility conditions***

To qualify one must be widowed, not remarried/cohabiting and have satisfied the PRSI contribution conditions. This pension also applies if the late spouse was in receipt of a State Pension (Transition) of a State (Contributory) pension with an adult dependent entitlement for the survivor. A Widow's or Widower's (Contributory) Pension may be based on the late spouse's PRSI contributions. The two records cannot be combined for this purpose. Whichever record is used, at least 156 weeks PRSI must have been paid to the date pension age was reached or to the date of death of spouse. Otherwise, an average of 39 weeks PRSI must have been paid or credited over the three or five tax years before s/he died or reached pension age. PRSI classes contributing at the full rate (Class A) and self-employed (Class S) apply. Modified PRSI classes paid by permanent and pensionable civil and public servants (appointed before 6 April, 1995) also count. Special partial pensions apply in particular cases. Widow's or Widower's (Contributory) Pension is not paid in addition to Retirement/State (Contributory) Pension.

- ***Income test***

None, the pension is not affected by any other income held, for example, an occupational pension or a pension from late spouse's employment.

- ***Benefit amount***

The amount is made up of a personal amount of €17130 per week (2006) if the widow(er) is under 66 and €193.30 in 2006 if over 66 (the rate is reduced if not enough social insurance contributions have been paid). There are also extra amounts for child dependents of €21.60 per week. Additional weekly allowances are payable if aged 80 or over (€10 per week) and if living alone over the age of 66 (€7.70 per week).

In addition to a Widow's or Widower's (Contributory) Pension, half the personal rates of Jobseeker's Benefit, Illness Benefit, Maternity Benefit etc. may be claimed for a limited period. Some extra benefits may be claimed if receiving this benefit. See Table 28 for the 2007-2011 rates.

2.4.4.6 Jobseeker's Benefit

- ***Brief description***

Jobseeker's Benefit is a weekly payment made to insured people who are out of work.

- ***Eligibility conditions***

To be eligible, one must be unemployed, aged under 66, be capable of work, be available and genuinely looking for work and be fully unemployed for at least three days in any period of 6 consecutive days. A substantial loss in employment must be shown with evidence of a substantial reduction in earnings. Particular PRSI contribution conditions must be satisfied which include having paid 39 weeks of PRSI since starting to work and have 39 weeks PRSI paid or credited in the relevant tax year, the last complete income tax year before the benefit year, in which the claim is made. Modified or self-employment PRSI contributions are not counted. Insurance records in a country covered by EC regulations may be combined with an Irish record to qualify for benefit.



- *Income test*

The weekly amount of JSB is graduated where average weekly gross earnings in the relevant tax year are above a certain limit per week. Any increases due for dependent children are not earnings related.

- *Benefit amount*

The payment is made up of a personal rate in, €16580 per week in 2006 with extra amounts for adult (maximum of €110 in 2006) and child dependants (€16.80 per child). See Table 28 for the 2007-2011 rates. The JSB personal rate and adult dependant rate is taxable, but the child dependant element is not. The personal rate and qualified adult increases are graduated according to prior earnings (see Table 18 below). Table 18 below shows how the rates are graduated according to earnings between 2006 and 2009. See Table 18 for the reduced rates dependent on the qualified adults means. The full child dependant increase is payable only if an adult dependant allowance is paid. In cases where the applicant has a spouse but the adult dependant amount is not paid, half rate child dependant allowances apply as long as spousal earnings are below €350 (€400 from 2007 on).

The relevant tax/contribution year is determined by contributions in the tax year two years prior to the year in which a person makes a claim for an unemployment payment.

If you are getting a Widow's/Widower's Pension, a One-Parent Family Payment or a deserted wives payment from DSFA and you meet all the conditions for Jobseeker's Benefit, you will be entitled to half the personal rate of Jobseeker's Benefit that you would have been entitled to. If you are getting Jobseeker's Benefit because your normal working week has been reduced (systematic short-time work) your Jobseeker's Benefit is not taxed. Any increase in respect of child dependants is also exempt from tax. Having used up entitlement (after 12 months), one may re-qualify after working and paying PRSI contributions for 13 weeks. An applicant may be disqualified from getting JSB for up to nine weeks if job loss occurred by reason of redundancy; the applicant is under 55 and receives a redundancy package in excess of €19,046.07. Some additional benefits are associated with qualification for JSB. However, qualification for these is not automatic.



Table 18. Graduation of Job Seekers Benefit According to Previous Earnings, 2006-2011

Average Weekly Earnings	Personal Rate	Increase for a Qualified Adult*
2006		
Less than €80	€74.50	€71.30
€80 - €125	€107.10	€71.30
€125 - €150	€129.90	€71.30
€150 or more	€165.80	€110.00
2007		
Less than €80	€83.50	€79.90
€80 - €125	€120.00	€79.90
€125 - €150	€145.60	€79.90
€150 or more	€185.80	€123.30
2008		
Less than €80	€88.90	€85.10
€80 - €125	€127.80	€85.10
€125 - €150	€155.00	€85.10
€150 or more	€197.80	€131
2009		
Less than €150	€91.80	€87.90
€150 - €220	€132.00	€87.90
€220 - €300	€160.10	€87.90
€300 or more	€204.30	€136
2010		
Less than €150	€88.10	€84.30
€150 - €220	€126.60	€84.30
€220 - €300	€153.60	€84.30
€300 or more	€196.00	€130
2011		
Less than €150	€84.50	€80.90
€150 - €220	€121.40	€80.90
€220 - €300	€147.30	€80.90
€300 or more	€188.00	€124.80

*The increase for a qualified adult may be reduced depending on their earnings, see Table 20 for the withdrawal rates

- **EUROMOD notes**

Effectively, this benefit is only partly simulated using the information about actual receipt. But rather than only using the observed receipt as part of the eligibility criteria, all eligibility rules in full detail are covered. However, as not all required information (e.g. work history) is available several assumptions are made, among else considering some rules automatically fulfilled for those observed in receipt of this benefit. This approach is chosen so that the benefit can be also



modelled for those currently employed if needed (e.g. to simulate their entitlement if they become unemployed, for replacement rates calculations).

Unemployment duration ($lunmy_s$) is set equal to the maximum of observed unemployment duration ($lunmy$) and observed benefit receipt ($bunmy$). If modelling unemployment benefit for those currently employed, unemployment duration is set equal to the reported number of months in employment in the current year ($liwmy$), once contribution history (see the next step) is modelled. It is effectively also assumed that unemployment spells start in the reference year. Simulated unemployment duration is also used for unemployment allowance calculations.

Modelled contribution history is based on the reported number of months in employment ($liwmy$), controlling for the total number of months in work ($liwwh$).

- For those currently employed ($ils_earns \neq 0$ & $lunmy_s = 0$ & $bunct = 0$), this is used.
- For those currently unemployed ($lunmy_s > 0$) and in receipt ($bunct > 0$), this is set at least equal to the minimum qualifying period.
- For those currently unemployed ($lunmy_s > 0$) and not in receipt ($bunct = 0$), this is set to zero.

At this point, people who are unemployed ($lunmy_s > 0$), have not reached retirement age yet and have sufficient contribution history are considered eligible. It is assumed that all of them are involuntary unemployed and capable and available for work (there is a variable in the SILC data identifying the latter but only filled in for those currently unemployed).

Benefit duration ($bunmy_s$) is simply set equal to the unemployment duration ($lunmy_s$) as one can receive it for the whole year (as long as continuing to fulfil eligibility criteria).

Benefit entitlement (personal rate) is calculated based on previous earnings and benefit duration, subject to the lower and upper thresholds. For those currently employed, current earnings are used. For those currently unemployed and in receipt, it is assumed that they can receive maximum entitlements (i.e. that they were working full-time previously). For those currently unemployed and not in receipt, imputed wage is used.

Once personal rate is determined, increases for an adult and child dependent are calculated (if applicable). Finally, benefit amount is adjusted with the number of months in receipt ($bunmy_s$).

2.4.4.7 Maternity Benefit

- *Brief description*

Maternity Benefit is a payment for employed and self-employed women who have a baby and satisfy certain PRSI contribution conditions on their own insurance record. The payment is 80% of average reckonable weekly earnings/income in the relevant tax year, subject to minimum and maximum payment limits.

- *Eligibility conditions*

These PRSI conditions include having paid or being credited PRSI contributions for 39 weeks in the 12 months immediately before or since started working the first day of maternity leave. If self-employed, 52 weeks PRSI contributions are required in either of the last two relevant tax years before the year claimed.



- *Income test*

None.

- *Benefit amount*

The payment is 80% of average reckonable weekly earnings/income in the relevant tax year subject to a minimum payment of €182.60 per week and a maximum payment of €265.60 in 2006 (see Table 28 for the minimum/maximum rates between 2007 and 2011). The rate of Maternity Benefit is compared to the rate of Illness Benefit which would be payable if absent from work due to illness. The higher of the two is paid automatically. If receiving other selected social welfare payments (One-Parent Family Payment, Widow's (Contributory) Pension, Widow's (Non-Contributory) Pension, Deserted Wife's Benefit, Prisoner's Wife's Allowance, Deserted Wife's Allowance, Death Benefit), half rate Maternity Benefit is payable. The benefit normally continues for a continuous period of 14 weeks.

Adoptive Benefit is a similar payment for an adopting mother or a single male who adopts a child. It is also payable to both employees and self-employed people who satisfy certain PRSI contribution conditions on their own record. The payment continues for 10 weeks.

2.4.4.8 Illness Benefit

- *Brief description*

Illness Benefit is a payment made to insured people who are unfit for work due to illness.

- *Eligibility conditions*

To qualify one must be aged under 66, be unfit for work due to illness and satisfy the PRSI contribution conditions. These conditions include having at least 39 weeks PRSI paid since first starting work, having 39 weeks PRSI paid or credited in the relevant Tax Year (a minimum of 13 weeks must be paid contributions) and be in Class A (i.e. Modified or Self-employed PRSI classes are not applicable).

- *Income test*

Illness Benefit rates are graduated according to average weekly earnings in the relevant tax year as are the qualified adult increases. The relevant tax year is the second last complete tax year before the year in which you claim Illness Benefit. The qualified adult increases are also then means tested. The average earnings of an adult dependant have to be below certain limits to ensure payment of the adult dependant increase. See Table 20 for the withdrawal schedule for qualified adults. Where the other payments are at a reduced rate, more than half the personal rate of Illness Benefit may be paid. Illness Benefit excluding any increase for child dependants is regarded as income for income tax purposes after an exemption of 36 days eligible Benefit. The benefit is paid directly to the recipient without deduction of income tax. The Revenue Commissioners take account of the amount of Illness Benefit received and adjust the tax-free allowance applicable. Illness Benefit can be paid as long as one is unfit for work and under age 66, if all social insurance contribution conditions are met.



Table 19. Illness Benefit Rates

2006			2007		
Average weekly earnings	Personal rate	Increase for Qualified Adult*	Average weekly earnings	Personal rate	Increase for Qualified Adult*
Less than €80	€74.50	€71.30	Less than €80	€80.5	€79.90
€80 and less than €125	€107.10	€71.30	€80 and less than €125	€120.00	€79.90
€125 and less than €150	€129.90	€71.30	€125 and less than €150	€145.60	€79.90
€150 or more	€165.80	€110.00	€150 or more	€180	€123.30
2008			2009		
Average weekly earnings	Personal rate	Increase for Qualified Adult*	Average weekly earnings	Personal rate	Increase for Qualified Adult*
Less than €80	€88.90	€85.10	Less than €150	€80	€87.90
€80 and less than €125	€127.80	€85.10	€150 and less than €220	€132.00	€87.90
€125 and less than €150	€155.00	€85.10	€220 and less than €300	€160.10	€87.90
€150 or more	€197.80	€131.30	€300 or more	€200	€135.60
2010					
Average weekly earnings	Personal rate	Increase for Qualified Adult*			
Less than €150	€88.10	€84.30			
€150 and less than €220	€126.60	€84.30			
€220 and less than €300	€153.60	€84.30			
€300 or more	€196.00	€130.10			

*The increase for a qualified adult may be reduced depending on their earnings, see Table 18 for the withdrawal rates

- **Benefit amount**

The payment was made up of a personal rate of a maximum of €165.80 in 2006 and extra amounts for adult dependants (€110 maximum) and qualified child dependants (€16.80). See Table 19 above for the graduation of illness benefit personal rates and qualified adult increases according to earnings. The full child dependant amount is payable only when also receiving the full rate for an adult dependant or parenting alone. Where an applicant does not qualify for an adult dependant allowance, half child rate dependant increases are paid (as long as spousal earnings are under €350 per week (€400 per week from 2007 onwards). See Table 28 for the rates between 2007 and 2011.



Table 20. Rates for Increases for Qualified Adults 2006-2010

2006		2007		2008		2009		2010
Illness Benefit, Disability Allowance, Jobseekers Benefit, Jobseekers Assistance, Pre-Retirement Allowance, Occupational Injury Benefit, Health and Safety Benefit, Unemployability Supp, Farm Assist								
Spouse/partner's gross weekly income/earnings	Increase for Qualified Adult, rate per week	Spouse/partner's gross weekly income/earnings	Increase for Qualified Adult, rate per week	Spouse/partner's gross weekly income/earnings	Increase for Qualified Adult, rate per week	Spouse/partner's gross weekly income/earnings	Increase for Qualified Adult, rate per week	Increase for Qualified Adult, rate per week
Up-€100	€110.00	Up-€100.00	€123.30	Up-€100.00	€131.30	Up-€100.00	€135.60	€130.10
€100.01-€110.00	€104.60	€100.01-€110.00	€117.90	€100.01-€110.00	€125.90	€100.01-€110.00	€130.20	€124.90
€110.01-€120.00	€99.20	€110.01-€120.00	€112.50	€110.01-€120.00	€120.50	€110.01-€120.00	€124.80	119.70
€120.01-€130.00	€92.20	€120.01-€130.00	€106.00	€120.01-€130.00	€114.20	€120.01-€130.00	€11.50	113.70
€130.01-€140.00	€85.20	€130.01-€140.00	€99.50	€130.01-€140.00	€107.90	€130.01-€140.00	€112.20	107.60
€140.01-€150.00	€78.20	€140.01-€150.00	€93.00	€140.01-€150.00	€101.60	€140.01-€150.00	€105.90	101.60
€150.01-€160.00	€71.20	€150.01-€160.00	€86.50	€150.01-€160.00	€95.30	€150.01-€160.00	€99.60	€95.60
€160.01-€170.00	€64.20	€160.01-€170.00	€80.00	€160.01-€170.00	€89.00	€160.01-€170.00	€93.30	€89.50
€170.01-€180.00	€57.20	€170.01-€180.00	€73.50	€170.01-€180.00	€82.70	€170.01-€180.00	€87.00	€83.50
€180.01-€190.00	€50.20	€180.01-€190.00	€67.00	€180.01-€190.00	€76.40	€180.01-€190.00	€80.70	€77.40
€190.01-€200.00	€43.20	€190.01-€200.00	€60.50	€190.01-€200.00	€70.10	€190.01-€200.00	€74.40	€71.40
€200.01-€210.00	€36.20	€200.01-€210.00	€54.00	€200.01-€210.00	€63.80	€200.01-€210.00	€68.10	€65.30
€210.01-€220.00	€29.20	€210.01-€220.00	€47.50	€210.01-€220.00	€57.50	€210.01-€220.00	€61.80	€59.30
€220.01-€230.00	€22.20	€220.01-€230.00	€41.00	€220.01-€230.00	€51.20	€220.01-€230.00	€55.50	€53.20
€230.01-€240.00	€15.20	€230.01-€240.00	€34.50	€230.01-€240.00	€44.90	€230.01-€240.00	€49.20	€47.20
€240.01-€250.00	€8.20	€240.01-€250.00	€28.00	€240.01-€250.00	€38.60	€240.01-€250.00	€42.90	€41.20
Over €250.00	Nil	€250.01-€260.00	€21.50	€250.01-€260.00	€32.30	€250.01-€260.00	€36.60	€35.10
		€260.01-€270.00	€15.00	€260.01-€270.00	€26.00	€260.01-€270.00	€30.30	€29.10
		€270.01-€280.00	€8.50	€270.01-€280.00	€19.70	€270.01-€280.00	€24.00	€23.00
		Over €280.00	Nil	€280.01-€290.00	€13.40	€280.01-€290.00	€17.70	€17.00
				€290.01-€300.00	€7.10	€290.01-€300.00	€11.40	€10.90
				Over €300.00	Nil	€300.01-€310.00	€5.10	€4.90
						Over €310.00	Nil	Nil

Illness Benefit, Jobseekers Benefit, Health and Safety Benefit, reduced Increase for Qualified Adult



€107.94-€114.28	€103.30	€124.50	€130.01-€140.00	€108.10	€136.60	€130.01-€140.00	€117.90	€162.00	€130.01-€140.00	€122.50	€168.70	€117.70	€168.70
€114.29-€120.63	€98.50	€118.30	€140.01-€150.00	€101.00	€127.50	€140.01-€150.00	€111.10	€152.50	€140.01-€150.00	€115.70	€159.30	€111.10	€159.30
€120.64-€126.97	€93.70	€112.10	€150.01-€160.00	€93.90	€118.40	€150.01-€160.00	€104.30	€143.00	€150.01-€160.00	€108.90	€149.90	€104.60	€149.90
€126.98-€133.32	€88.90	€105.90	€160.01-€170.00	€86.80	€109.30	€160.01-€170.00	€97.50	€133.50	€160.01-€170.00	€102.10	€140.50	€98.10	€140.50
€133.33-€139.67	€84.10	€99.70	€170.01-€180.00	€79.70	€100.20	€170.01-€180.00	€90.70	€124.00	€170.01-€180.00	€95.30	€131.10	€91.50	€131.10
€139.68-€146.02	€79.30	€93.50	€180.01-€190.00	€72.60	€91.10	€180.01-€190.00	€83.90	€114.50	€180.01-€190.00	€88.50	€121.70	€85.00	€121.70
€146.03-€152.37	€74.50	€87.30	€190.01-€200.00	€65.50	€82.00	€190.01-€200.00	€77.10	€105.00	€190.01-€200.00	€81.70	€112.30	€78.50	€112.30
€152.38-€158.72	€69.70	€81.10	€200.01-€210.00	€58.40	€72.90	€200.01-€210.00	€70.30	€95.50	€200.01-€210.00	€74.90	€102.90	€71.90	€102.90
€158.73-€165.07	€64.90	€74.90	€210.01-€220.00	€51.30	€63.80	€210.01-€220.00	€63.50	€86.00	€210.01-€220.00	€68.10	€93.50	€65.40	€93.50
€165.08-€171.41	€60.10	€68.70	€220.01-€230.00	€44.20	€54.70	€220.01-€230.00	€56.70	€76.50	€220.01-€230.00	€61.30	€84.10	€58.90	€84.10
€171.42-€177.76	€55.30	€62.50	€230.01-€240.00	€37.10	€45.60	€230.01-€240.00	€49.90	€67.00	€230.01-€240.00	€54.50	€74.70	€52.40	€74.70
€177.77-€184.11	€50.50	€56.30	€240.01-€250.00	€30.00	€36.50	€240.01-€250.00	€43.10	€57.50	€240.01-€250.00	€47.70	€65.30	€45.80	€65.30
€184.12-€190.46	€45.70	€50.10	€250.01-€260.00	€22.90	€27.40	€250.01-€260.00	€36.30	€48.00	€250.01-€260.00	€40.90	€55.90	€39.30	€55.90
€190.47-€196.81	€40.90	€43.90	€260.01-€270.00	€15.80	€18.30	€260.01-€270.00	€29.50	€38.50	€260.01-€270.00	€34.10	€46.50	€32.80	€46.50
€196.82-€203.16	€36.10	€37.70	€270.01-€280.00	€8.70	€9.20	€270.01-€280.00	€22.70	€29.00	€270.01-€280.00	€27.30	€37.10	€26.20	€37.10
€203.17-€210.00	€30.90	€31.10	Over €280.00	Nil	Nil	€280.01-€290.00	€15.90	€19.50	€280.01-€290.00	€20.50	€27.70	€19.70	€27.70
€210.01-€220.00	€23.30	€22.80				€290.01-€300.00	€9.10	€10.00	€290.01-€300.00	€13.70	€18.30	€13.20	€18.30
€220.01-€230.00	€15.70	€14.50				Over €300.00	Nil	Nil	€300.01-€310.00	€6.90	€8.90	€6.60	€8.90
€230.01-€240.00	€8.10	€6.20							Over €310.00	Nil	Nil	Nil	Nil
Over €240.00	Nil	Nil											

State Pension Contributory & Transition, yearly average of 20+ contributions for State Contributory Pension, 24+ for State Transition Pension

Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Age 65 or under	Age 66 or over	
	Rate per week			Rate per week			Rate per week			Rate per week			Rate per week	
Up-€88.88	€128.80	€149.30	Up-€100	€139.50	€173.00	Up-€100	€148.80	€200.00	Up-€100	€153.50	€206.30	€153.50	€206.30	
€88.89-€95.23	€123.40	€143.10	€100.01-€110.00	€132.20	€163.90	€100.01-€110.00	€141.80	€190.50	€100.01-€110.00	€146.50	€196.90	€146.50	€196.90	
€95.24-€101.58	€118.00	€136.90	€110.01-€120.00	€124.90	€154.80	€110.01-€120.00	€134.80	€181.00	€110.01-€120.00	€139.50	€187.50	€139.50	€187.50	
€101.59-€107.93	€112.60	€130.70	€120.01-€130.00	€117.60	€145.70	€120.01-€130.00	€127.80	€171.50	€120.01-€130.00	€132.50	€178.10	€132.50	€178.10	
€107.94-€114.28	€107.20	€124.50	€130.01-€140.00	€110.30	€136.60	€130.01-€140.00	€120.80	€162.00	€130.01-€140.00	€125.50	€168.70	€125.50	€168.70	
€114.29-€120.63	€101.80	€118.30	€140.01-€150.00	€103.00	€127.50	€140.01-€150.00	€113.80	€152.50	€140.01-€150.00	€118.50	€159.30	€118.50	€159.30	
€120.64-€126.97	€96.40	€112.10	€150.01-€160.00	€95.70	€118.40	€150.01-€160.00	€106.80	€143.00	€150.01-€160.00	€111.50	€149.90	€111.50	€149.90	
€126.98-€133.32	€91.00	€105.90	€160.01-€170.00	€88.40	€109.30	€160.01-€170.00	€99.80	€133.50	€160.01-€170.00	€104.50	€140.50	€104.50	€140.50	
€133.33-€139.67	€85.60	€99.70	€170.01-€180.00	€81.10	€100.20	€170.01-€180.00	€92.80	€124.00	€170.01-€180.00	€97.50	€131.10	€97.50	€131.10	



€139.68-€146.02	€80.20	€93.50	€180.01-€190.00	€73.80	€91.10	€180.01-€190.00	€85.80	€114.50	€180.01-€190.00	€90.50	€121.70	€90.50	€121.70
€146.03-€152.37	€74.80	€87.30	€190.01-€200.00	€66.50	€82.00	€190.01-€200.00	€78.80	€105.00	€190.01-€200.00	€83.50	€112.30	€83.50	€112.30
€152.38-€158.72	€69.40	€81.10	€200.01-€210.00	€59.20	€72.90	€200.01-€210.00	€71.80	€95.50	€200.01-€210.00	€76.50	€102.90	€76.50	€102.90
€158.73-€165.07	€64.00	€74.90	€210.01-€220.00	€51.90	€63.80	€210.01-€220.00	€64.80	€86.00	€210.01-€220.00	€69.50	€93.50	€69.50	€93.50
€165.08-€171.41	€58.60	€68.70	€220.01-€230.00	€44.60	€54.70	€220.01-€230.00	€57.80	€76.50	€220.01-€230.00	€62.50	€84.10	€62.50	€84.10
€171.42-€177.76	€53.20	€62.50	€230.01-€240.00	€37.30	€45.60	€230.01-€240.00	€50.80	€67.00	€230.01-€240.00	€55.50	€74.70	€55.50	€74.70
€177.77-€184.11	€47.80	€56.30	€240.01-€250.00	€30.00	€36.50	€240.01-€250.00	€43.80	€57.50	€240.01-€250.00	€48.50	€65.30	€48.50	€65.30
€184.12-€190.46	€42.40	€50.10	€250.01-€260.00	€22.70	€27.40	€250.01-€260.00	€36.80	€48.00	€250.01-€260.00	€41.50	€55.90	€41.50	€55.90
€190.47-€196.81	€37.00	€43.90	€260.01-€270.00	€15.40	€18.30	€260.01-€270.00	€29.80	€38.50	€260.01-€270.00	€34.50	€46.50	€34.50	€46.50
€196.82-€203.16	€31.60	€37.70	€270.01-€280.00	€8.10	€9.20	€270.01-€280.00	€22.80	€29.00	€270.01-€280.00	€27.50	€37.10	€27.50	€37.10
€203.17-€210.00	€25.80	€31.10	Over €280.00	Nil	Nil	€280.01-€290.00	€15.80	€19.50	€280.01-€290.00	€20.50	€27.70	€20.50	€27.70
€210.01-€220.00	€17.30	€21.30				€290.01-€300.00	€8.80	€10.00	€290.01-€300.00	€13.50	€18.30	€13.50	€18.30
€220.01-€230.00	€9.30	€11.50				Over €300.00	Nil	Nil	€300.01-€310.00	€6.50	€8.90	€6.50	€8.90
€230.01-€240.00	€3.30	€1.70							Over €310.00	Nil	Nil	Nil	Nil
Over €240.00	Nil	Nil											

State (Contributory) Pension where your personal rate is based on a yearly average of 15 - 19 contributions

Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Age 65 or under	Age 66 or over
Rate per week			Rate per week			Rate per week			Rate per week			Rate per week	
Up-€88.88	€96.60	€112.00	Up-€100.00	€104.60	€129.80	Up-€100.00	€111.60	€150.00	Up-€100.00	€115.10	€154.70	€115.10	€154.70
€88.89-€95.23	€92.50	€107.40	€100.01-€110.00	€99.10	€123.00	€100.01-€110.00	€106.30	€142.90	€100.01-€110.00	€109.80	€147.60	€109.80	€147.60
€95.24-€101.58	€88.50	€102.70	€110.01-€120.00	€93.60	€116.20	€110.01-€120.00	€101.00	€135.80	€110.01-€120.00	€104.50	€140.50	€104.50	€140.50
€101.59-€107.93	€84.40	€98.10	€120.01-€130.00	€88.10	€109.40	€120.01-€130.00	€95.70	€128.70	€120.01-€130.00	€99.20	€133.40	€99.20	€133.40
€107.94-€114.28	€80.40	€93.40	€130.01-€140.00	€82.60	€102.60	€130.01-€140.00	€90.40	€121.60	€130.01-€140.00	€93.90	€126.30	€93.90	€126.30
€114.29-€120.63	€76.30	€88.80	€140.01-€150.00	€77.10	€95.80	€140.01-€150.00	€85.10	€114.50	€140.01-€150.00	€88.60	€119.20	€88.60	€119.20
€120.64-€126.97	€72.30	€84.10	€150.01-€160.00	71.6	€89.00	€150.01-€160.00	€79.80	€107.40	€150.01-€160.00	€83.30	€112.10	€83.30	€112.10
€126.98-€133.32	€68.20	€79.50	€160.01-€170.00	€66.10	€82.20	€160.01-€170.00	€74.50	€100.30	€160.01-€170.00	€78.00	€105.00	€78.00	€105.00
€133.33-€139.67	€64.10	€74.80	€170.01-€180.00	€60.60	€75.40	€170.01-€180.00	€69.20	€93.20	€170.01-€180.00	€72.70	€97.90	€72.70	€97.90
€139.68-€146.02	€60.00	€70.20	€180.01-€190.00	€55.10	€68.60	€180.01-€190.00	€63.90	€86.10	€180.01-€190.00	€67.40	€90.80	€67.40	€90.80
€146.03-€152.37	€56.00	€65.50	€190.01-€200.00	€49.60	€61.80	€190.01-€200.00	€58.60	€79.00	€190.01-€200.00	€62.10	€83.70	€62.10	€83.70
€152.38-€158.72	€51.90	€60.90	€200.01-€210.00	€44.10	€55.00	€200.01-€210.00	€53.30	€71.90	€200.01-€210.00	€56.80	€76.60	€56.80	€76.60
€158.73-€165.07	€47.80	€56.20	€210.01-€220.00	€38.60	€48.20	€210.01-€220.00	€48.00	€64.80	€210.01-€220.00	€51.50	€69.50	€51.50	€69.50
€165.08-€171.41	€43.70	€51.60	€220.01-€230.00	€33.10	€41.40	€220.01-€230.00	€42.70	€57.70	€220.01-€230.00	€46.20	€62.40	€46.20	€62.40
€171.42-€177.76	€39.70	€46.90	€230.01-€240.00	€27.60	€34.60	€230.01-€240.00	€37.40	€50.60	€230.01-€240.00	€40.90	€55.30	€40.90	€55.30
€177.77-€184.11	€35.60	€42.30	€240.01-€250.00	€22.10	€27.80	€240.01-€250.00	€32.10	€43.50	€240.01-€250.00	€35.60	€48.20	€35.60	€48.20



€184.12-€190.46	€31.50	€37.60	€250.01-€260.00	€16.60	€21.00	€250.01-€260.00	€26.80	€36.40	€250.01-€260.00	€30.30	€41.10	€30.30	€41.10
€190.47-€196.81	€27.40	€33.00	€260.01-€270.00	€11.10	€14.20	€260.01-€270.00	€21.50	€29.30	€260.01-€270.00	€25.00	€34.00	€25.00	€34.00
€196.82-€203.16	€23.40	€28.30	€270.01-€280.00	€5.60	€7.40	€270.01-€280.00	€16.20	€22.20	€270.01-€280.00	€19.70	€26.90	€19.70	€26.90
€203.17-€210.00	€19.00	€23.30	Over €280.00	Nil	Nil	€280.01-€290.00	€10.90	€15.10	€280.01-€290.00	€14.40	€19.80	€14.40	€19.80
€210.01-€220.00	€12.60	€16.00				€290.01-€300.00	€5.60	€8.00	€290.01-€300.00	€9.10	€12.70	€9.10	€12.70
€220.01-€230.00	€7.00	€8.70				Over €300.00	Nil	Nil	€300.01-€310.00	€3.80	€5.60	€3.80	€5.60
€230.01-€240.00	€2.50	€1.30							Over €310.00	Nil	Nil	Nil	Nil
Over €240.00	Nil	Nil											

State (Contributory) Pension where your personal rate is based on a yearly average of 10 - 14 contributions

Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Age 65 or under	Age 66 or over
Rate per week			Rate per week			Rate per week			Rate per week			Rate per week	
Up-€88.88	€64.40	€74.70	Up-€100.00	€69.80	€86.50	Up-€100.00	€74.40	€100.00	Up-€100.00	€76.80	€103.20	€76.80	€103.20
€88.89-€95.23	€61.70	€71.60	€100.01-€110.00	€66.20	€82.00	€100.01-€110.00	€70.90	€95.30	€100.01-€110.00	€73.30	€98.50	€73.30	€98.50
€95.24-€101.58	€58.90	€68.50	€110.01-€120.00	€62.60	€77.50	€110.01-€120.00	€67.40	€90.60	€110.01-€120.00	€69.80	€93.80	€69.80	€93.80
€101.59-€107.93	€56.20	€65.40	€120.01-€130.00	€59.00	€73.00	€120.01-€130.00	€63.90	€85.90	€120.01-€130.00	€66.30	€89.10	€66.30	€89.10
€107.94-€114.28	€53.40	€62.30	€130.01-€140.00	€55.40	€68.50	€130.01-€140.00	€60.40	€81.20	€130.01-€140.00	€62.80	€84.40	€62.80	€84.40
€114.29-€120.63	€50.70	€59.20	€140.01-€150.00	€51.80	€64.00	€140.01-€150.00	€56.90	€76.50	€140.01-€150.00	€59.30	€79.70	€59.30	€79.70
€120.64-€126.97	€47.90	€56.10	€150.01-€160.00	€48.20	€59.50	€150.01-€160.00	€53.40	€71.80	€150.01-€160.00	€55.80	€75.00	€55.80	€75.00
€126.98-€133.32	€45.20	€53.00	€160.01-€170.00	€44.60	€55.00	€160.01-€170.00	€49.90	€67.10	€160.01-€170.00	€52.30	€70.30	€52.30	€70.30
€133.33-€139.67	€42.40	€49.90	€170.01-€180.00	€41.00	€50.50	€170.01-€180.00	€46.40	€62.40	€170.01-€180.00	€48.80	€65.60	€48.80	€65.60
€139.68-€146.02	€39.70	€46.80	€180.01-€190.00	€37.40	€46.00	€180.01-€190.00	€42.90	€57.70	€180.01-€190.00	€45.30	€60.90	€45.30	€60.90
€146.03-€152.37	€36.90	€43.70	€190.01-€200.00	€33.80	€41.50	€190.01-€200.00	€39.40	€53.00	€190.01-€200.00	€41.80	€56.20	€41.80	€56.20
€152.38-€158.72	€34.20	€40.60	€200.01-€210.00	€30.20	€37.00	€200.01-€210.00	€35.90	€48.30	€200.01-€210.00	€38.30	€51.50	€38.30	€51.50
€158.73-€165.07	€31.40	€37.50	€210.01-€220.00	€26.60	€32.50	€210.01-€220.00	€32.40	€43.60	€210.01-€220.00	€34.80	€46.80	€34.80	€46.80
€165.08-€171.41	€28.70	€34.40	€220.01-€230.00	€23.00	€28.00	€220.01-€230.00	€28.90	€38.90	€220.01-€230.00	€31.30	€42.10	€31.30	€42.10
€171.42-€177.76	€25.90	€31.30	€230.01-€240.00	€19.40	€23.50	€230.01-€240.00	€25.40	€34.20	€230.01-€240.00	€27.80	€37.40	€27.80	€37.40
€177.77-€184.11	€23.20	€28.20	€240.01-€250.00	€15.80	€19.00	€240.01-€250.00	€21.90	€29.50	€240.01-€250.00	€24.30	€32.70	€24.30	€32.70
€184.12-€190.46	€20.40	€25.10	€250.01-€260.00	€12.20	€14.50	€250.01-€260.00	€18.40	€24.80	€250.01-€260.00	€20.80	€28.00	€20.80	€28.00
€190.47-€196.81	€17.70	€22.00	€260.01-€270.00	€8.60	€10.00	€260.01-€270.00	€14.90	€20.10	€260.01-€270.00	€17.30	€23.30	€17.30	€23.30
€196.82-€203.16	€14.90	€18.90	€270.01-€280.00	€5.00	€5.50	€270.01-€280.00	€11.40	€15.40	€270.01-€280.00	€13.80	€18.60	€13.80	€18.60
€203.17-€210.00	€11.90	€15.60	Over €280.00	Nil	Nil	€280.01-€290.00	€7.90	€10.70	€280.01-€290.00	€10.30	€13.90	€10.30	€13.90
€210.01-€220.00	€7.50	€10.80				€290.01-€300.00	€4.40	€6.00	€290.01-€300.00	€6.80	€9.20	€6.80	€9.20
€220.01-€230.00	€4.60	€6.00				Over €300.00	Nil	Nil	€300.01-€310.00	€3.30	€4.50	€3.30	€4.50
€230.01-€240.00	€1.70	€0.90							Over €310.00	Nil	Nil	Nil	Nil



Over €240.00			Nil			Nil									
State (Contributory) Pension where your personal rate is based on a yearly average of less than 20 contributions															
Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	Spouse/partner's gross weekly income/earnings	Age 65 or under	Age 66 or over	
Rate per week			Rate per week			Rate per week			Rate per week			Rate per week			
Up-€88.88	€107.70	€116.30	Up-€100.00	€113.10	€129.80	Up-€100.00	€119.00	€150.00	Up-€100.00	€123.00	€154.70	€123.00	€154.70	€123.00	€154.70
€88.89-€95.23	€102.70	€111.00	€100.01-€110.00	€107.00	€122.80	€100.01-€110.00	€113.20	€142.90	€100.01-€110.00	€117.20	€147.60	€117.20	€147.60	€117.20	€147.60
€95.24-€101.58	€97.70	€105.70	€110.01-€120.00	€100.90	€115.80	€110.01-€120.00	€107.40	€135.80	€110.01-€120.00	€111.40	€140.50	€111.40	€140.50	€111.40	€140.50
€101.59-€107.93	€92.70	€100.40	€120.01-€130.00	€94.80	€108.80	€120.01-€130.00	€101.60	€128.70	€120.01-€130.00	€105.60	€133.40	€105.60	€133.40	€105.60	€133.40
€107.94-€114.28	€87.70	€95.10	€130.01-€140.00	€88.70	€101.80	€130.01-€140.00	€95.80	€121.60	€130.01-€140.00	€99.80	€126.30	€99.80	€126.30	€99.80	€126.30
€114.29-€120.63	€82.70	€89.80	€140.01-€150.00	€82.60	€94.80	€140.01-€150.00	€90.00	€114.50	€140.01-€150.00	€94.00	€119.20	€94.00	€119.20	€94.00	€119.20
€120.64-€126.97	€77.70	€84.50	€150.01-€160.00	€76.50	€87.80	€150.01-€160.00	€84.20	€107.40	€150.01-€160.00	€88.20	€112.10	€88.20	€112.10	€88.20	€112.10
€126.98-€133.32	€72.70	€79.20	€160.01-€170.00	€70.40	€80.80	€160.01-€170.00	€78.40	€100.30	€160.01-€170.00	€82.40	€105.00	€82.40	€105.00	€82.40	€105.00
€133.33-€139.67	€67.70	€73.90	€170.01-€180.00	€64.30	€73.80	€170.01-€180.00	€72.60	€93.20	€170.01-€180.00	€76.60	€97.90	€76.60	€97.90	€76.60	€97.90
€139.68-€146.02	€62.70	€68.60	€180.01-€190.00	€58.20	€66.80	€180.01-€190.00	€66.80	€86.10	€180.01-€190.00	€70.80	€90.80	€70.80	€90.80	€70.80	€90.80
€146.03-€152.37	€57.70	€63.30	€190.01-€200.00	€52.10	€59.80	€190.01-€200.00	€61.00	€79.00	€190.01-€200.00	€65.00	€83.70	€65.00	€83.70	€65.00	€83.70
€152.38-€158.72	€52.70	€58.00	€200.01-€210.00	€46.00	€52.80	€200.01-€210.00	€55.20	€71.90	€200.01-€210.00	€59.20	€76.60	€59.20	€76.60	€59.20	€76.60
€158.73-€165.07	€47.70	€52.70	€210.01-€220.00	€39.90	€45.80	€210.01-€220.00	€49.40	€64.80	€210.01-€220.00	€53.40	€69.50	€53.40	€69.50	€53.40	€69.50
€165.08-€171.41	€42.70	€47.40	€220.01-€230.00	€33.80	€38.80	€220.01-€230.00	€43.60	€57.70	€220.01-€230.00	€47.60	€62.40	€47.60	€62.40	€47.60	€62.40
€171.42-€177.76	€37.70	€42.10	€230.01-€240.00	€27.70	€31.80	€230.01-€240.00	€37.80	€50.60	€230.01-€240.00	€41.80	€55.30	€41.80	€55.30	€41.80	€55.30
€177.77-€184.11	€32.70	€36.80	€240.01-€250.00	€21.60	€24.80	€240.01-€250.00	€32.00	€43.50	€240.01-€250.00	€36.00	€48.20	€36.00	€48.20	€36.00	€48.20
€184.12-€190.46	€27.70	€31.50	€250.01-€260.00	€15.50	€17.80	€250.01-€260.00	€26.20	€36.40	€250.01-€260.00	€30.20	€41.10	€30.20	€41.10	€30.20	€41.10
€190.47-€196.81	€22.70	€26.20	€260.01-€270.00	€9.40	€10.80	€260.01-€270.00	€20.40	€29.30	€260.01-€270.00	€24.40	€34.00	€24.40	€34.00	€24.40	€34.00
€196.82-€203.16	€117.70	€20.90	€270.01-€280.00	€3.30	€3.80	€270.01-€280.00	€14.60	€22.20	€270.01-€280.00	€18.60	€26.90	€18.60	€26.90	€18.60	€26.90
€203.17-€210.00	€12.30	€16.20	Over €280.00	Nil	Nil	€280.01-€290.00	€8.80	€15.10	€280.01-€290.00	€12.80	€19.80	€12.80	€19.80	€12.80	€19.80
€210.01-€220.00	€7.80	€11.00				€290.01-€300.00	€3.00	€8.00	€290.01-€300.00	€7.00	€12.70	€7.00	€12.70	€7.00	€12.70
€220.01-€230.00	€3.30	€6.30				Over €300.00	Nil	Nil	€300.01-€310.00	€1.20	€5.60	€1.20	€5.60	€1.20	€5.60
€230.01-€240.00	€1.00	€1.00							Over €310.00	Nil	Nil	Nil	Nil	Nil	Nil
Over €240.00	Nil	Nil													



2.4.5 In-work benefits

Family Income Supplement

- *Brief description*

Family Income Supplement (FIS) a weekly tax-free payment available to married or unmarried employees with children. It gives extra financial support to people on low pay.

- *Eligibility conditions*

You will not qualify for FIS if you are only self-employed, you must be an employee to qualify. You must have at least one child who normally lives with you or is financially supported by you. Your child must be under 18 years of age or between 18 and 22 years of age and in full-time education. You must be working 19 or more hours per week (or 38 or more hours per fortnight). Spouse/partner's weekly hours worked can be combined with the applicants to meet this condition. To qualify for FIS, your net average weekly family income must be below a certain amount for your family size, see Table 28 below for the income limits for 2006-2011.

- *Benefit amount*

The FIS you receive is 60% of the difference between your net family income and the income limit which applies to your family. The items counted as income are:

- Your/your spouses'/partners assessable earnings i.e. gross pay minus tax, employee PRSI and superannuation (also the income levy upon its introduction in 2010)
- Any extra income you or your spouse/partner have from employment (such as pay for overtime, bonuses, allowances or commission)
- Any income you or your spouse/partner may have from self-employment
- Income from occupational pensions
- Income you or your spouse/partner may have including social welfare payments
- Rental Income from the letting of property or land (the capital value is not assessed)

The following payments **do not** count as family income:

- Child Benefit
- Carer's Allowance
- Guardian's payments
- Supplementary Welfare Allowance
- Domiciliary Care Allowance
- Foster Child Allowance
- Income from casual employment by the Health Service Executive (HSE) as a home help
- Income from a charitable organisation

See Table 28 for the income limits between 2006 and 2011.



- ***EUROMOD notes:***

This benefit has a relatively low take-up rate (see Callan and Keane, 2008). Therefore, adjustment for non take-up is made in the model by assuming only a certain proportion (33% based on earlier estimates) of those eligible actually claim it, using a random allocation.

The non-take up adjustment for FIS can be easily omitted from model calculations by switching off the corresponding function in the policy sheet (bwkmt_ie) or by setting the master switch for non take-up off in the spine (i.e. policy nontakeup_ie).

2.4.6 Universal Payments

2.4.6.1 Child Benefit

- ***Brief description***

Child Benefit (previously known as Children's Allowance) in 2006 was payable to the parents or guardians of children under 16 years of age, or under 19 years of age if the child is in full-time education. It is a universal payment. From January 2010, Child Benefit was no longer paid in respect of children aged 18. During 2009, the full rate was paid for the month children turn 18 and half rate will be paid from the following month. From January 2010 the full rate was paid for the month children turn 18 but no payment was made after that. The same rate is paid for the first and second child, a higher rate is paid for the third and subsequent children.

- ***Eligibility conditions & Income Test***

None, universally paid to families with children.

- ***Benefit amount***

First and second child receive a rate of €150 per month. Third and subsequent children receive a rate of €185 per month. See Table 28 for the 2007-2011 rates.

2.4.6.2 Early Childcare Supplement

- ***Brief description***

The Early Childcare Supplement (ECS) payment was introduced in 2006. The payment is a universal, non-means tested, non-taxable payment for all children less than six years of age (i.e. ceases on their sixth birthday), effective from April 2006. The limit up to which the ECS is payable reduced from 6 years to 5 years, 6 months effective January 2009. The payment was subsequently abolished effective November 2009.

- ***Eligibility conditions & Income Test***

None, universally paid to families with children.

- ***Benefit amount***

€1,000 per annum in 2006/07, paid in four €250 instalments. The rate increased to €1,100 in 2008 and reduced to €498 in May 2009.



2.5 Social contributions

Social insurance contributions in Ireland are known as Pay Related Social Insurance (PRSI). They are payable by individuals in work (both employed and self-employed). It is paid into the Social Insurance Fund which helps pay for Social Welfare benefits and pensions. A PRSI contributor is entitled to social insurance benefits subject to conditions on the class of PRSI paid and the number of contributions made. There are fixed ceilings on the amount of Social Insurance Contributions employees and employers have to pay in any year. When this ceiling is reached, further payments are not made while still covered for benefit. In general, PRSI contribution classes are decided by the nature of the employment and the amount of the employee's gross reckonable earnings in any week. Therefore, the employee's PRSI Class can vary from week to week if earnings change.

The PRSI contribution classes are further divided into subclasses. These subclasses represent different bands of weekly earnings and categories of people within each earnings band.

2.5.1 Employee social contributions

With very few exceptions, all employees pay PRSI whether working full-time or part-time. A weekly PRSI-free allowance applies to the employee's social insurance contribution. This does not affect the employer deduction. PRSI is calculated on the employee's reckonable earnings i.e. gross pay reduced by employee superannuation contributions. Public sector pension related deductions were also deducted in the computation of the base for employee PRSI in 2009 and 2010. In 2011, both employee superannuation and PRD were included in the base for employee PRSI.

Modified rate PRSI (Class A)

Most workers (minimum age 16 and maximum age 65) pay PRSI contributions as Class A and are covered for all social welfare benefits and pensions. It covers (in 2006) people in industrial, commercial and service-type employment who are employed under a contract of service with gross earnings of €38 per week or more from all employments; Civil and Public Servants recruited from 6th April, 1995 and participants on Community Employment schemes. Employees covered under most classes with reckonable weekly earnings of not more than €300, continue to be exempt from paying PRSI for that week. However, the employer's share of PRSI remains payable as normal. A PRSI weekly allowance (exemption limit) of €127 applied in 2006. An annual PRSI ceiling of €46,600 on reckonable earnings also applied. The relevant PRSI rate was 4% for Class A1 contributors. Voluntary contributions can also be made and PRSI credits are given in specific situations where a contributor is in receipt of social benefits. Table 28 shows the rates, exemption limit and earnings ceilings for 2006-2011. The employee PRSI ceiling was abolished in 2011.

Modified rate PRSI (Class B)

Some workers in the public sector do not have cover for all benefits and pensions so they pay a modified PRSI contribution. This class applies in most part to permanent and pensionable public and civil servants (public sector employees) recruited prior to 6 April 1995. These individuals paid zero PRSI in 2006 if weekly income was below €300, 0.9% on income between €300 and €440 excluding the first €26 per week and 2.9% on income above €440 subject to the annual pay ceiling of €46,600.



Class J

This class applies to people with reckonable pay of less than €38 per week and employees over 66 regardless of their income. Employees under this limit pay no social insurance.

- **EUROMOD notes:**

Due to data limitations, only class J can be identified and all other employees are assumed to belong to class A.

2.5.2 Employer social contributions

It is the employers responsibility to establish if employees are medical card holders, are aged 70 or over, are recipients of a Social Welfare Widow's/Widower's Pension, One-Parent Family Payment, Deserted Wife's Benefit/Allowance or a Widow's/Widower's Pension (or EU country equivalent), as they are exempt from Health Contribution irrespective of earnings.

Employer PRSI is also calculated on the employee's reckonable earnings (see above).

Standard rate PRSI (Class A)

In the case of Employer PRSI (Class A), the employer paid 8.5% on earnings up to €356 per week in 2006. Above €356 the rate for all earnings was 10.75%. There is no income 'ceiling' for employer PRSI.

Modified rate PRSI (Class B)

The employer (government) pays 2.01% on employee reckonable earnings in this class.

Class J (People with reckonable pay of less than €38 per week. Employees over 66 regardless of their income).

The rate of social insurance for employers under this class is 0.5%.

- **EUROMOD notes:**

Due to data limitations, only class J can be identified and all other employees are assumed to belong to class A.

2.5.3 Self-employed social contributions

Generally, a self-employed person pays their social insurance at the same time they make their annual returns for tax purposes to the Revenue Commissioners.

Self-employed PRSI (Class S)

Self-employed people such as farmers, certain company directors, people in business on their own account and people with income from investments and rents are covered for pensions and Maternity and Adoptive Benefits and pay Class S. Some exceptions exist. Income on which



PRSI is calculated is on net self-employment income after superannuation and does not include benefits in kind. No exemption limit or upper income ceiling exists in for this category but income must exceed €3,174 per year to be liable PRSI on income below €440 (2006), €480 (2007), €500 (2008/09) per week was payable at 3%, with no upper ceiling and a minimum payment of €253 per annum (2006-2009). Once income exceeded €440 per week in 2006 the health levy then became payable (see section 2.5.4 below).

2.5.4 Other social contributions

The **Health Contribution levy** goes to the Department of Health and Children to help pay for health services. A number of groups do not have to pay the Health Levy:

- Everyone aged 70 or over
- Medical Card holders
- People who are getting Widow's/Widower's Pension, a One-Parent Family Payment or Deserted Wife's Allowance or a widow's pension from an EU country.

In 2006 the health contribution levy was 2% on income exceeding the weekly exemption limit (€440). Between 2007-2011(inclusive) the basic health levy rate was 2% with an exemption limit of €480 for 2007 and €500 for 2008/09. The basic health levy rate increased to 4% effective the 1st of January 2010 with the exemption limit remaining at €500 per week. In 2007/08 an additional 0.5% was payable on income above €1,925 per week. This additional rate doubled to 1% in 2009 while the income threshold above which this additional rate was payable fell to €1,443 per week.

Income for levies is calculated as net income (from self employment, investments and rents) after superannuation and capital allowances (in the case of self-employed individuals) and does not include benefits in kind or any social welfare payments. There is no ceiling on the amount of Health Contribution Levy payable. The unit of assessment is per individual employee.

Superannuation

In general, large employers in Ireland have occupational pension schemes, but many smaller employers throughout the country do not. There is no legal obligation on employers to provide occupational pension schemes for employee. You may be a member of an occupational pension scheme and also arrange a personal pension. A personal pension scheme (properly known as a Retirement Annuity Contract- RAC) is an arrangement by a self-employed person or an employee, generally a person who is not a member of an occupational pension scheme, to provide a pension on retirement or to surviving dependants on death. Personal Retirement Savings Accounts (PRSAs) are also available. These are designed to be used instead of occupational pension schemes by employers who do not wish to sponsor such schemes. They may also be used to supplement occupational scheme benefits. From 15th September 2003, employers must offer access to at least one standard PRSA to any employee who is not eligible to join an occupational pension scheme within 6 months of joining employment and must offer a PRSA for AVC purposes if there is no facility for AVCs within the scheme.

Occupational pension schemes may be contributory or non-contributory, funded or unfunded, defined benefit or defined contribution. In contributory schemes, both you and your employer pay contributions towards the scheme. In non-contributory schemes, you do not contribute but your employer does. A defined benefit scheme is one where the benefit entitlement is defined in some way by reference to earnings, length of service, an index or a fixed amount. A defined contribution scheme is one where the contribution is fixed by agreement but the benefits are



decided by reference to the value of the contributions paid under the scheme and are not fixed in advance. Occupational and personal pensions operate independently of the social welfare pension system. If you are a member of an approved pension scheme, you can get tax relief at your highest rate on your contributions to the scheme (see below). According to the Quarterly National Household Survey special module on pensions, pension coverage for workers aged between 20 and 69 was 54% in the first quarter of 2008. The pension coverage rate for female workers was 50% and the rate for males was 56%. Public sector workers recruited before April 1995 are not required to make pension contributions, those recruited after April 1995 however pay obligatory pension contributions. A rate of 6.5% is paid – 3% on gross salary and 3.5% on gross salary less twice the maximum rate of Social Welfare State Pension (Contributory) payable to a single person.

- **EUROMOD notes**

Superannuation payments are simulated in the model but based on relatively strong assumptions about which employees pay them and at which rate, which are imputed in the input dataset. For more details on the latter, see section 3.9.

A **Public Sector Pension Related Deduction (PRD)** was introduced with effect from 1st May 2009. It is a new level of pension contribution to be made by all public sector workers (i.e. those recruited pre and post 1995) and is therefore in addition to the pension contribution made by public sector workers recruited after April 1995. The PRD is deducted from gross income. The PRD has been subject to employee PRSI and the Universal Social Charge since the 1st January 2011.

Table 21. Public Sector Pension Related Deduction rates on annual gross earnings:

Income	PSPRD Rate
First €15,000 of earnings	exempt
Between €15,000 and €20,000	5%
Between €20,000 and €60,000	10%
Above €60,000	10.50%

2.6 Personal income tax

2.6.1 Tax unit

The Irish income tax system operates as a ‘unified system’ that makes no distinction between earned and unearned income. The system provides that having ascertained the level of income for tax purposes, various personal allowances and reliefs are deducted to arrive at a figure that represents taxable income. The taxable income is then subjected to rates of tax at a standard rate and a high rate depending on the taxable income. Joint assessment of married couples was automatic prior to 2000 unless either spouse gave notice of election for *single assessment* to the Revenue Commissioners. Where *joint assessment* occurred the income of each spouse was taxed as if it was the income of just one individual but with the distinction that the bands of income chargeable at the lower rate of tax was doubled as compared to a single taxpayer. *Separate assessment* was also possible. The Irish Minister for Finance first put the concept of individualisation forward in his Budget 2000 speech. Since 2000, there is a limit on the degree of transferability of income tax bands between spouses.



2.6.2 Exemptions

A number of tax exemptions exist. These include scholarships, lottery winnings and income earned by writers, composers, visual artists and sculptors from the sale of their works is exempt from income tax in Ireland in certain circumstances.

2.6.3 Income Tax Exemption and Marginal Relief

Income tax is zero for those whose income falls below the relevant (age-specific) income tax exemption limit. For those with incomes above the exemption limit, but below twice the exemption limit, income tax liability is the minimum of

- income tax as calculated under the ordinary income tax system
- the “marginal relief rate” times income *less* the income tax exemption limit

In the case of married couples, either spouse can be aged over 65 to qualify as a couple for the higher limit. From 2008 onwards, the system of income tax exemption limits/marginal relief applies only to individuals aged over 65 or couples containing an individual aged over 65.

The exemption limits are increase by €575 for each of the first two qualifying children that a claimant proves has lived with him/her at any time during the tax year and by €830 per child for each subsequent child. The definition of a “qualifying child” is a child who:

- (i) is born in the year of assessment, or
- (ii) is under 18 years of age at the commencement of the year of assessment, or
- (iii) if over 18:
 - a) is in full time education, or
 - b) is permanently incapacitated and was incapacitated before reaching the age of 21, and
 - c) is a child of the claimant of in the custody of the claimant and is maintained at the expense of the claimant.

Marginal relief is available where the total income exceeds the above limits but is less than twice the specified amount. This marginal relief restricts the maximum amount of tax payable to 40% of the amount by which the individual’s total income exceeds the exemption limit.

Table 22. Marginal Relief Parameters

	2006	2007	2008	2009	2010	2011
Income Tax Exemption Limit (€, annual)						
<i>Single & Widowed</i>						
Under 65	5,210	5,210	n/a	n/a	n/a	n/a
65 and over	17,000	19,000	20,000	20,000	20,000	20,000
<i>Married Couples</i>						
Under 65	10,420	10,420	n/a	n/a	n/a	n/a
65 and over	34,000	38,000	40,000	40,000	40,000	40,000
Exemption Limit Increase for child dependant						
First and second child	575	575	575	575	575	575
Third and subsequent child	830	830	830	830	830	830
Marginal relief rates	40%	40%	40%	40%	40%	40%



2.6.4 Tax allowances

Here, we define tax allowances as any amount subtracted from pre-tax income (including social insurance contributions).

Tax Relief on Pension Contributions (superannuation)

You are entitled, subject to certain limits, to have the amount that you contribute to a pension (superannuation, private pensions, Public Sector Pension Related Deduction) deducted from your gross income before that income becomes liable to tax. In effect, tax relief is given at the marginal rate of tax.

The maximum pension contributions, in any one year, for which you are entitled to tax relief, is related to your age and is expressed as a percentage of your gross income (gross pay for tax purposes). The maximum gross income figure for relief purposes was €254,000 in 2006, €262,382 in 2007, €275,239 in 2008, €150,000 in 2009/2010 and €115,000 in 2011. Prior to the 1st January 2011 PRSI was not paid on pension contributions. Since the 1st January 2011 PRSI and the Universal Social Charge is payable on pension contributions.

Table 23. Relief Limits for Pension Contributions

Age	% of Net Relevant Earnings
Under 30 years	15%
30 – 39 years	20%
40 - 49 years	25%
50 - 54 years	30%
55 – 59 years	35%
60 years and over	40%

Mortgage Interest Relief

Mortgage interest relief is a tax relief based on the amount of mortgage interest that you pay in a given tax year for your principal private residence. It is implemented as tax relief at source (TRS), making it in effect a refundable tax credit. The annual ceiling on the amount of interest that can be allowed on a mortgage in 2006 was €4,000 for single first time buyers and €8,000 for married first time buyers. These figures were doubled in 2007. The relief was available to all first-time buyers who were in the first seven years of their mortgage. The ceiling for non-first-time buyers in 2006 was €2,540/€5,080 single/married. These doubled to €3,000/€6,000 single/married in 2007.

Since 2009 Mortgage Interest Relief is available for the first seven years of a qualifying loan only, see Table 28 for the maximum reliefs available. The tax relief is at source. For you to qualify for tax relief on mortgage interest repayments, the interest must relate to money that you have borrowed to purchase, repair or improve your sole or main residence, situated in Ireland.



Table 24. Mortgage Interest Relief, January 2009 onwards

First Time Buyers							
Status	Ceiling	Rate of Relief Year 1 & 2	Max. relief available	Rate of Relief Year 3, 4 & 5	Max. relief available	Rate of Relief Year 6 & 7	Max. relief available
Single	€10,000	25%	€2,500	22.5%	€2,250	20%	€2,000
Married/Widowed	€20,000	25%	€5,000	22.5%	€4,500	20%	€4,000
Non-First Time Buyers							
Status	Ceiling	Rate of Relief	Max. relief available				
Single	€3,000	15%	€450				
Married/ Widowed	€6,000	15%	€900				

• **EUROMOD notes:**

Due to data limitations, everyone with mortgage interests was assumed to be a non-first time buyer in the first seven years of their mortgage.

Trade Union Subscriptions (not simulated)

An annual flat rate allowance of €350 at the standard rate of tax 20% (tax credit €70) is available for Trade Union subscriptions paid. The full allowance is available annually regardless of the actual amount of the subscription paid.

Health/Medical Expenses Relief (not simulated)

You may claim tax relief for certain medical expenses incurred by you, on your own behalf or on behalf of another person. Most medical expenses, with some exceptions e.g. routine dental and ophthalmic care, qualify for relief. Prior to 1st January 2009 tax relief was available at your highest rate of tax, from 1st January 2009 it is only available at the standard rate of tax (20%). No limit to medical expenses is in place.

Health Insurance (Medical insurance tax credit) (not simulated)

Tax relief for medical insurance premiums paid is granted at source. Subscribers will pay a reduced premium (80% of the gross amount) to the authorized medical insurer. This reduction is the same as giving tax relief at the standard rate of tax (20%). Additional age related tax credits in respect of those over the age of 60 that help to meet their higher claims costs were introduced in August 2009.

Tuition Fees (not simulated)

Tax relief is available for certain tuition fees up to a maximum of €5,000 per annum. Up to the year 2006 inclusive, an individual could claim tax relief on fees paid in respect of Third Level



courses on his/her own behalf or on behalf of a spouse, child or person in respect of whom the individual is/was the legal guardian. With effect from 2007 onwards, the required relationship has been abolished and an individual can claim tax relief on fees paid for Third Level courses as long as he/she has paid the qualifying fees.

2.6.5 Tax base

Taxable income is arrived at by taking gross income minus tax allowances and other exemptions (such as medical expenses etc): employment and self-employment income, interest income and dividends, rental income, private and occupational pensions, maintenance payments and various social welfare schemes. Table 25 below documents the various schemes and whether or not they are taxable.

Table 25. Tax status of Benefits

Universal Payments	
Child Benefit	Not taxable
Early Childcare Supplement (introduced 2006)	Not taxable
Non-Contributory	
Blind Persons Pension	Taxable
Carers Allowance	Taxable
State (non-contributory) Pension	Taxable
Pre-retirement allowance	Not taxable
Deserted Wives Allowance	Taxable
One Parent Family Payment	Taxable
Widows (non-contributory) pension	Taxable
Supplementary Welfare Allowance	Not taxable
Guardian's Payment (non-contributory)	Taxable
Disability Allowance	Not taxable
Jobseeker's Allowance	Not taxable
Farm Assist	Not taxable
Domiciliary Care Allowance	Not taxable
Widowed parent grant	Not taxable
Back to work allowance	Not taxable
Back to enterprise allowance	Not taxable
Back to education allowance	Not taxable
Back to school clothing & footwear allowance	Not taxable
Part time job incentive scheme	Not taxable
Bereavement grant	Not taxable
Contributory	
Carers Benefit	Taxable
Disablement Benefit	Taxable
Illness Benefit*	Taxable
Invalidity pension	Taxable
Injury Benefit	Taxable

Continued...



State (Contributory) pension	Taxable
State (Transition) Pension	Taxable
Widows (Contributory) pension	Taxable
Jobseeker's Benefit*	Taxable (first €13 per week excluded)
Deserted Wives Benefit	Taxable
Maternity Benefit	Not taxable
Adoptive Benefit	Not taxable
Health and Safety Benefit	Not taxable
Guardian's Payment (Contributory)	Taxable
In-Work Benefit	
Family Income Supplement	Not taxable
Other Benefits	
Fuel Allowance	Not taxable
Electricity Allowance	Not taxable
Gas Allowance	Not taxable
Telephone Allowance	Not taxable

*Increases for a child dependent are not taxable under the Jobseeker's Benefit and Illness Benefit schemes.

2.6.6 Tax schedule and tax credits

Income taxation is graduated, with progressively higher marginal tax rates applying to higher income brackets. In 2006 two income tax rates existed, a lower rate of 20% and a top rate of 42%. The annual standard rate band for a single person was €32,000; €36,000 for a one parent family; €41,000 for a married, one-earner couple (M1E) and €64,000 for a married, two-earner couple. Income above this annual level was liable at the higher income tax rate. If only one spouse has taxable income, all tax credits and the standard rate band will be given to him or her. If both spouses have taxable income, they can decide which spouse is to be the assessable spouse and request their local Revenue office to allocate the tax credits and the standard rate band between them in whatever way they wish. (PAYE tax credit and employment expenses are non-transferable). The extent to which the standard rate band is transferable can be calculated as the difference between the M1E and single person bands, divided by the single person band i.e., $(41000-32000)/(32000)=9000/32000=28.125\%$). Tax credits are non-refundable. In order of calculation, tax credits operate at the end of the tax calculation procedure, whereas tax allowances operate at the beginning of the tax calculation process i.e. before the tax schedule in the case of allowances and after the tax schedule in the case of credits.

Table 28 documents the relevant tax rates and income bands for the years 2006-2011.

Personal tax credit

The tax-free amount per person was €1,630 in 2006. See Table 28 for 2007-2011 amounts.

PAYE Tax Credit

If you are in employment, tax on your income is deducted by your employer on behalf of the Revenue Commissioners. This system of deduction is known as the Pay As You Earn (PAYE) system. All PAYE taxpayers are entitled to a tax credit known as the PAYE Tax Credit. If you



are married and taxed under joint assessment, then you and your spouse may both claim the PAYE Tax Credit. In 2006 the annual PAYE tax credit was 1,490. The PAYE Tax Credit cannot exceed the individual's PAYE income at the Standard Rate. See Table 28 for 2007-2011 amounts.

Widowed Tax credit

This tax credit was valued at €500 in 2006. The conditions for receiving this tax credit stipulate that the individual is widowed. It comes into play the year following the death of a spouse.

Lone parent tax credit

An eligibility condition must be satisfied that the individual taxpayer is a single/lone parent and there must be a dependent child (child under 18 years of age or over 18 years of age if in full time education or permanently incapacitated) living in the household. The annual value of this tax credit in 2006 was €1,630 (per person).

Age tax credit

A person claims this allowance where they or their spouse is at least 65 years of age during the year of assessment. The tax credit is doubled for married couples who have opted for Joint Assessment or Separate Assessment if either spouse is 65 at any time during the tax year. In 2006, this tax credit was €250.

Rent Tax Credit

This credit can be claimed by individuals paying for private rented accommodation. The relief due differs by age and marital status and is only available at the standard rate of tax subject to a maximum rent level. See Table 28 for the relevant maximum rent tax credit amounts between 2006 and 2011. It is transferable between spouses.

Home Carer's Tax credit

A Home Carer's Tax Credit is a tax credit given to married couples (who are jointly assessed for tax) where one spouse works in the home caring for a dependent person (the dependent person must not be a spouse). Where this tax credit is claimed the Home Carer is not entitled to the extended Standard Rate Cut Off Point normally given to married couples where both spouses are in receipt of income. If only one spouse has income or the Married Standard Rate Cut Off Point is sufficient to cover the combined income of both spouses then this issue doesn't arise. However if this is not the case the couple will receive whichever is the more beneficial treatment. They should be a child for whom Child Benefit is payable, a person aged 65 years or over or a person who is permanently incapacitated by reason of mental/physical infirmity. The dependent person must normally reside with the married couple or if they are relatives they must reside next door, on the same property or within two kilometres of the claimant). In 2006 it stood at a maximum of €770 (this figure is €900 from 2008 on). A Home Carer's Tax Credit can be claimed when the married couple is jointly assessed for tax, one spouse works in the home caring for one or more dependent people and the home carer's own income (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) is below €5,080 in the tax year they are claiming for. If income exceeds €5,080 (2006-2011) the tax credit is reduced by one half of the income of the home carer that exceeds this limit up to the maximum of €6,620 in 2006/2007 and



a maximum of €6,880 from 2008 to 2010. For example if in 2006 the claimant earned €6,000 the home carers credit would be reduced by:

$$(\text{Income of home carer} - 5,080) / 2 \text{ i.e. } (6,000 - 5,080) / 2 = €460$$

and the home carers credit would be the rate payable minus half of the income limit exceeded i.e. $770 - 460 = €310$.

- **EUROMOD notes:**

Where a couple is eligible both to increased standard tax band and Home Carer’s Tax Credit, the model calculates (joint) tax liability in both cases and chooses the combination with smaller liability.

2.7 Other taxes

In 2009 an **Income Levy**, effectively an extra tax on income was introduced. For the self employed gross income is determined after deduction of legitimate expenses directly associated with the performance of the business. Employee pension contributions are not exempt from the income levy. Exclusions from the definition of gross income include social welfare income, payments made in lieu of social welfare payments (Community Employment Scheme, Job Initiative Scheme), and income from interest on savings that is subject to deposit interest retention tax (D.I.R.T.). Occupational/private pensions are liable for the income levy. Full medical card holders are also exempt from the income levy. No levy is payable if gross income is below €15,028 per annum (€289 per week). All income is liable for the levy once this exemption limit is reached. Individuals aged 65 or over are not liable for the levy if their income is below €20,000 per annum (€385 per week). Also exempt are married couples where at least one spouse is aged 65 or over and joint income is below €40,000. The income thresholds and rates are as follows:

Table 26. Employee Income Levy Thresholds and Rates:

Per Year	Per Week	Per Month	Rate *
Up to €100,100	Up to €1,925	Up to €8,342	1%
From €100,101 to €250,120 inclusive	From €1,926 to €4,810 inclusive	From €8,343 to €20,844 inclusive	2%
In excess of €250,120	In excess of €4,810	In excess of €20,844	3%

*Applicable to payments made from 1st January 2009 to 30th April 2009 inclusive

Per Year	Per Week	Per Month	Rate **
Up to €75,036	Up to €1,443	Up to €6,253	2%
From €75,037 to €174,980 inclusive	From €1,444 to €3,365 inclusive	From €6,254 to €14,582 inclusive	4%
In excess of €174,980	In excess of €3,365	In excess of €14,582	6%

**Applicable to payments made on or after 1st May 2009



Table 27. Self-Employed Income Levy Thresholds and Rates:

Income	Income Levy Rate
On first €75,036	1.67%
On next €25,064	3%
On next €74,880	3.33%
On next €75,140	4.67%
On balance	5%

In 2011, a **Universal Social Charge (U.S.C.)** was introduced and replaced the Income Levy and Health Contribution/Levy. The USC is payable on gross income and pension contributions (superannuation). The USC is not payable if a person's annual gross income is below €4,004. Once income goes above this threshold the USC is payable on all gross income. The rates are as follows:

- 2% on the first €10,036
- 4% on the next €5,980
- 7% on the balance.

However the rate is capped at 4% for those on low incomes, who qualify for the means-tested full medical card regardless of their gross income, and for those aged 70 or over. There is a surcharge of 3% on these individuals who have income from self-employment that exceeds €100,000 in a year, regardless of age. Income exempt of the USC: All social welfare payments (including income from Community Employment Schemes, and back to Education Allowances). Income already subjected to Deposit Interest Retention Tax. The pension-related deduction is subject to the Universal Social Charge. Any deduction for the Universal Social Charge does not reduce gross pay for PAYE/PRSI purposes or for means testing of benefits.



2.8 Summary of Social Welfare, Taxation and Social Insurance Parameters

Table 28. Summary of social welfare, taxation and social insurance parameters, 2006-2011 (€)

	2006	2007	2008	2009	2010	2011
SOCIAL WELFARE (weekly unless otherwise stated)						
Universal Payments						
Child Benefit (monthly) - Rate 1 -1st & 2nd Child	150	160	166	166	150	140
Child Benefit (monthly) - Rate 2 -3rd & subsequent children 2006-2010; 3rd child only 2011	185	195	203	203	187	167
Child Benefit (monthly) - Rate 3 -4th & subsequent children in 2011	n/a	n/a	n/a	n/a	n/a	177
Early Childcare Supplement (annual)	1,000	1,000	1,100	498	n/a	n/a
Non-Contributory						
Blind Persons Pension <65 *	165.8	185.8	197.8	204.3	196	188
Blind Persons Pension >65 *	182	200	n/a	n/a	n/a	n/a
Adult qualified increase <65	110	123.3	131.3	135.6	130.1	124.8
Adult qualified increase >65	120.3	132.2	140.1	135.6	130.1	130.1
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Carer's Allowance <65	180	200	214	220.5	212	204
Carer's Allowance >65 #	200	218	232	239	239	239
Adult qualified increase	n/a	n/a	n/a	n/a	n/a	n/a
Child qualified increase ~	16.8	22	24	26	29.8	29.8
State Pension (Non-Contributory) * #	182	200	212	219	219	219
Adult qualified increase	120.3	132.2	140.1	144.7	144.7	144.7
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Pre-Retirement Allowance	165.8	185	197.8	204.3	196	196
Adult qualified increase	110	123.3	131.3	135.6	130.1	130.1
Child qualified increase ~	16.8	22	24	26	29.8	29.8

Continued...



	2006	2007	2008	2009	2010	2011
Deserted / Prisoner's Wife's Allowance <65	165.8	185.8	197.8	204.3	196	188
Deserted / Prisoner's Wife's Allowance >65 * #	182	200	212	212	219	219
Child qualified increase	19.3	22	24	26	29.8	29.8
One-Parent Family Payment <65	165.8	185.8	197.8	204.3	196	188
One-Parent Family Payment >65	182	200	n/a	n/a	n/a	n/a
Child qualified increase	19.3	22	24	26	29.8	29.8
Widow/er's (Non-Contributory) Pension <65	165.8	185.8	197.8	204.3	196	188
Widow/er's (Non-Contributory) Pension >65 * #	182	185.8	n/a	n/a	n/a	n/a
Supplementary Welfare Allowance	165.8	185.8	197.8	204.3	196	186
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase	16.8	22	24	26	29.8	29.8
Guardian's Payment (Non-Contributory)	138	158	170	176.5	169	161
Disability Allowance *	165.8	185.8	197.8	204.3	196	188
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Jobseeker's Allowance (for over 25's or under 25 with a child dependant from 2010 on)	165.8	185.8	197.8	204.3	196	188
Adult qualified increase (for over 25's or under 25 with a child dependant from 2010 on)	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Jobseeker's Allowance 18-21 years of age	n/a	n/a	n/a	n/a	100	100
Adult qualified increase	n/a	n/a	n/a	n/a	100	100
Child qualified increase ~ reduced rates do not apply if child dependant present	n/a	n/a	n/a	n/a	n/a	n/a
Jobseeker's Allowance 22-24	n/a	n/a	n/a	n/a	150	144
Adult qualified increase	n/a	n/a	n/a	n/a	130.1	124.8
Child qualified increase ~ reduced rates do not apply if child dependant present	n/a	n/a	n/a	n/a	n/a	n/a

Continued...



	2006	2007	2008	2009	2010	2011
Farm Assist	165.8	185.8	197.8	204.3	196	188
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Contributory						
Carer's Benefit	180.7	200.7	214.7	221.2	213	205
Adult qualified increase						
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Disablement Pension	196.9	216.9	228.9	235.4	227	227
Adult qualified increase						
Child qualified increase						
Incapacity Supplement *	165.8	185.8	197.8	204.3	196	196
Adult qualified increase	110	123.3	131.3	135.6	130.1	130.1
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Illness Benefit	165.8	185.8	197.8	204.3	196	188
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Invalidity Pension <66*	171.3	191.3	203.3	209.8	201.5	193.5
Invalidity Pension >66 *	193.3	209.3	223.3	230.3	230.3	230.3
Adult qualified increase <66	122.2	136.5	145.1	149.7	143.8	138.1
Adult qualified increase >66	149.3	173	200	206.3	206.3	206.3
Child qualified increase ~	19.3	22	24	26	29.8	29.8
Injury Benefit	165.8	185.8	197.8	204.3	196	188
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase ~	16.8	22	24	26	29.8	29.8
State Pension (Contributory/Transition)	193.3	209.3	223.3	230.3	230.3	230.3
Adult qualified increase <66	128.8	139.5	148.8	153.5	153.5	153.5
Adult qualified increase >66 # *	149.3	173	200	206.3	206.3	206.3
Child qualified increase ~	19.3	22	24	26	29.8	29.8

Continued...



	2006	2007	2008	2009	2010	2011
Widow/er's (Contributory) Pension / Deserted <66	171.3	191.3	203.3	209.8	201.5	193.5
Widow/er's (Contributory) Pension / Deserted >66 # *	193.3	209.3	223.3	230.3	230.3	230.3
Child qualified increase	21.6	22	24	26	29.8	29.8
Jobseeker's Benefit	165.8	185.8	197.8	204.3	196	188
Adult qualified increase	110	123.3	131.3	135.6	130.1	124.8
Child qualified increase	16.8	22	24	26	29.8	29.8
Deserted Wife's Benefit <66	171.3	191.3	203.3	209.8	201.5	193.5
Deserted Wife's Benefit >66 # *	193.3	209.3	223.3	230.3	230.3	230.3
Child qualified increase	21.6	22	24	26	29.8	29.8
Maternity Benefit (minimum/maximum rate)	182.6-265.6	207.8-280	221.8-280	230.3-280	225-270	225-270
Adoptive Benefit	182.6-265.6	207.8-280	221.8-280	230.3-280	225-271	225-271
Health and Safety Benefit	165.8	185.8	197.8	204.3	196	196
Adult qualified increase	110	123.3	131.3	135.6	130.1	130.1
Child qualified increase ~	16.8	22	24	26	29.8	29.8
Guardian's Payment (Contributory)	138	158	170	176.5	169	161
In-Work Benefit						
<u>Family Income Supplement:</u> (amount received =60% of the difference between your net family income and the income limit which applies to your family, which depends on number of children)						
Minimum payment	20	20	20	20	20	20
Minimum hours worked per week to be eligible	19	19	19	19	19	19
Net income limits (depends on number of children), see below	465-905	480-905	490-1,170	500-1,250	506-1,298	506-1,298
Income limit for FIS, 1 child	465	480	490	500	506	506
Income limit for FIS, 2 children	510	550	570	590	602	602
Income limit for FIS, 3 children	565	625	655	685	703	703
Income limit for FIS, 4 children	630	720	760	800	824	824
Income limit for FIS, 5 children	705	820	870	920	950	950
Income limit for FIS, 6 children	775	910	970	1,030	1,066	1,066

Continued...



	2006	2007	2008	2009	2010	2011
Income limit for FIS, 7 children	845	1,020	1,090	1,160	1,202	1,202
Income limit for FIS, 8 children or more	905	1,090	1,170	1,250	1,298	1,298
Other Benefits						
Widowed parent grant (one off payment)	2,700	4,000	6,000	6,000	6,000	6,000
Back to enterprise allowance	100% of previous social welfare payment in year 1, reduces by 25% up to year 4.					
Back to education allowance	75% of previous social welfare payment in year 1, reduces by 25% up to year 3.					
Back to school clothing & footwear allowance: Age 2-11	120	180	200	200	200	200
Back to school clothing & footwear allowance: Age 12-17 or 18-22 if in full-time education	190	285	305	305	305	305
Part time job incentive scheme	105	117.7	125	129.4	124.1	124.1
Adult qualified increase	69.1	75.9	79.9	81.5	78.2	78.2
Bereavement grant	635	850	850	850	850	850
Fuel Allowance	14	18	18	20	20	20
Electricity Allowance (monthly)	30	43	43	45	40.7	40.7
Telephone Allowance - landline (monthly)	40.82	40.82	25.9	26	26	26
Telephone Allowance - mobile (monthly)	0	0	25.9	26	26	26
Respite Care Grant (annual)	1200	1500	1700	1700	1700	1700
Constant Attendance Allowance	180.7	200.7	214.7	221.2	213	213
Living Alone Allowance	7.7	7.7	7.7	7.7	7.7	7.7
Over 80 Allowance	10	10	10	10	10	10
TAXATION						
Standard tax rate	20%	20%	20%	20%	20%	20%
Top tax rate	42%	41%	41%	41%	41%	41%
Standard rate band, single (annual)	32,000	34,000	35,400	36,400	36,400	32,800
Standard rate band, married one earner (annual)	41,000	43,000	44,400	45,400	45,400	41,800
Standard rate band, married two earner (annual)	64,000	68,000	70,800	72,800	72,800	65,600
Standard rate band, lone parent (annual)	36,000	38,000	39,400	40,400	40,400	36,800

Continued...



	2006	2007	2008	2009	2010	2011
Tax Credits (annual):						
Personal tax credit	1,630	1,760	1,830	1,830	1,830	1,650
PAYE tax credit	1,490	1,760	1,830	1,830	1,830	1,650
Widowed Tax credit	500	550	600	600	600	540
Widowed Child tax credit	1,130	1,210	1,230	1,230	1,230	1,110
Lone parent tax credit	1,630	1,760	1,830	1,830	1,830	1,650
Age tax credit	250	275	325	325	325	245
Home Carers Tax credit (maximum)	770	770	900	900	900	900
Home Carers Tax Credit Maximum Income Limit	6,620	6,620	6,880	6,880	6,880	6,700
Trade Union Subscription	60	60	70	70	70	70
Rents tax credit single <55/>55	330/660	360/720	400/800	400/800	400/800	320/640
Rents tax credit widowed & married <55/>55	660/1320	720/1440	800/1600	800/1600	800/1600	640/1280
Guide Dog Allowance	825	825	825	825	825	825
Incapacitated Child Tax Credit	1,500	3,000	3,660	3,660	3,660	3,660
Blind Person's Tax Credit	1,500	1,760	1,830	1,830	1,830	1,830
Dependent Relative Tax Credit	80	80	80	80	80	80
Seafarers Allowance	6,350	6,350	6,350	6,350	6,350	6,350
SOCIAL INSURANCE						
PRSI rate private sector & public post 1995 (rate 1)	4	4	4	4	4	4
PRSI rate public sector, pre 1995 (rate 2) %	0.9	0.9	0.9	0.9	0.9	0.9
PRSI rate, self employed (rate 3) %	3	3	3	3	3	4
PRSI exemption limit (weekly, rate 1)	300	339	352	352	352	352
PRSI exemption limit (weekly, rate 2)-modified	25.4	25.4	25.4	25.4	25.4	25.4
PRSI exemption limit (weekly, rate 3)	none	none	none	none	none	none
PRSI ceiling (annual, rate 1 and 2)	46,600	48,800	50,700	75,036	75,036	none
PRSI self employed ceiling (annual)	none	none	none	none	none	none
LEVIES						
Health Levy (rate 1) %	2	2	2	2	4	n/a

Continued...



	2006	2007	2008	2009	2010	2011
Health Levy (rate 2) % ^	0	0.5	0.5	1	1	n/a
Health Levy exemption limit (weekly)	440	480	500	500	500	n/a
Health Levy Rate 2 threshold (weekly)	n/a	1,925	1,925	1,443	1,443	n/a
Income Levy rate 1 (paid on gross income <threshold 1 but > exemption limit)	n/a	n/a	n/a	2	2	n/a
Income Levy rate 2 (paid on gross income between thresholds 1& 2)	n/a	n/a	n/a	4	4	n/a
Income Levy rate 3 (paid on gross income exceeding threshold 2)	n/a	n/a	n/a	6	6	n/a
Income Levy, threshold 1 (annual, assuming gross income > exemption limit)	n/a	n/a	n/a	75,036	75,036	n/a
Income Levy, threshold 2 (annual)	n/a	n/a	n/a	174,980	174,980	n/a
Income Levy exemption limit (gross, annual), <65	n/a	n/a	n/a	15,028	15,028	n/a
Income Levy exemption limit (gross, annual) >=65	n/a	n/a	n/a	20,000	20,000	n/a
Universal Social Charge, income exemption limit (annual)	n/a	n/a	n/a	n/a	n/a	4,004
Universal Social Charge , rate 1 %	n/a	n/a	n/a	n/a	n/a	2
Universal Social Charge , rate 2 %	n.a	n.a	n.a	n.a	n.a	4
Universal Social Charge , rate 3 %	n.a	n.a	n.a	n.a	n.a	7
Universal Social Charge threshold 1 (annual, assuming gross income > exemption limit)	n.a	n.a	n.a	n.a	n.a	10,036
Universal Social Charge threshold 2 (annual)	n.a	n.a	n.a	n.a	n.a	16,016

* Indicates living alone allowance is payable under this scheme.

Indicates over 80 allowance is payable under this scheme

~ Indicates half child rate payable if claimant does not qualify for an increase for a dependant adult.

^ Payable in addition to rate 1 once the health levy rate 2 threshold is passed

n/a - not applicable



3. DATA

3.1 General description

The Irish EUROMOD dataset has been constructed with data from the European Union Statistics on Income and Living Conditions (EU-SILC) database, specifically the European User Data Base (UDB) version, which is compiled by Eurostat. The survey is carried out by the Irish Central Statistics Office and is a voluntary survey of private households beginning in 2003. The primary focus of SILC is the collection of information on the income and living conditions of different types of households in Ireland, in order to derive indicators on poverty, deprivation and social exclusion. Information is collected continuously throughout the year with the income reference period being the 12 months prior to interview. Information is collected from all household members on laptops. A two-stage sample design was used. This comprised of a first stage sample of 2,600 small areas selected at county level to proportionately represent eight strata reflecting population density. The eight population density stratum groups used were as follows:

- Cities
- Suburbs of Cities
- Mixed urban/rural areas bordering on the suburbs of Cities
- Towns and their environs with populations of 5,000 or over (large urban)
- Mixed urban/rural areas bordering on the environs of larger towns
- Towns and their environs with a population of 1,000 to 5,000 (other urban)
- Mixed urban/rural areas
- Rural areas

The second stage of sampling involved the random selection of sample and substitute households for each block. In cases where interviewers could not secure an interview from the sample household, they systematically approached up to three substitute households (in the same block as the sample household), in order to secure a SILC interview. The sample is of households living at private residential addresses. EU-SILC is a rotating panel that provides quality, timely cross-sectional information on household incomes and social exclusion.

The national team had access to a more detailed research micro data file (RMF). This was used at various points to validate the UDB data as described below.



Table 29. EUROMOD database description

EUROMOD database	IE_2008_a1
Original name	EU-SILC UDB
Provider	Eurostat
Year of collection	2008
Period of collection	Nov 2007-Dec 2008
Income reference period	12 months prior to the interview date
Sampling	A two-stage sample design was used (i) identification of blocks, (ii) random selection of households within each block
Unit of assessment	Household and Personal
Coverage	Private Households
Sample size	5,247 households; 12,551 individuals
Response rate	NA - substitutions made for non-responding households

3.2 Sample quality and weights

3.3 Non-response

In cases where interviewers could not secure an interview from the sample household, they systematically approached up to three substitute households (in the same block as the sample household), in order to secure a SILC interview. In this manner variations in response by region were controlled.

For longitudinal households (waves 2 on), base weights were calculated by firstly adjusting the personal weights from the previous year for non-response.

3.4 Weights

In accordance with Eurostat recommendation, CALMAR is used to calculate the household cross-sectional weights. Benchmark information is used to gross up the data to population estimates. The benchmark estimates are based on:

- Age by sex: Individual population estimates are generated from population projections from census data. Age is broken down into three categories: 0-14, 15-64 and 65+.
- Region: Household population estimates in each of the eight Irish NUTS3 regions are generated using Labour Force Survey (LFS) data.
- Household composition: Household composition estimates are also generated from the LFS. The following categories are used:

One adult, no children; Two adults, no children; Three or more adults, no children; One adult, one or more children; Two adults, one to three children; Other households with children



For the purposes of deriving household composition, a child was defined as any member of the household aged 17 or under.

Table 30 below shows descriptive statistics for the grossing up weight used.

Table 30. Descriptive Statistics of the Grossing-up weight

	IE_2008_a1
Number	12,516
Mean	353.42
Median	235.35
Maximum	7.46
Minimum	4,188.08
Max/Min	561.40
Decile 1	83.21
Decile 9	731.03
Dec 9 / Dec1	8.79

3.5 Item non-response and under-reporting

The second stage of sampling involved the random selection of sample and substitute households for each block. In cases where interviewers could not secure an interview from the sample household, they systematically approached up to three substitute households (in the same block as the sample household), in order to secure a SILC interview.

3.6 Data adjustments

This section summarises the most important adjustments performed to the UDB data to make it suitable for the purposes of EUROMOD. The majority of the changes that had to be made were to the income and benefit variables: this is discussed in further detail below.

3.7 Time Period

In the SILC data, the income reference period is the 12-month period prior to interview. All monetary amounts in the SILC are expressed in annual terms. These are converted into monthly terms (dividing by 12) for the EUROMOD database.

Some of the non-income and benefit data that is collected in the UDB relates to the ‘income reference period’ as opposed to the interview time-point e.g. PL070, PL072, PL080, PL085, PL087, PL090.

There were two age variables in the UDB, one relates to age at the time of interview (RX010) and the second is age at the end of the income reference period (RX020). When using age information we used RX020 as this was the age that was most relevant.



3.8 Dropped Observations

People with year of birth after the income reference period (37 cases) were excluded from EUROMOD’s database. See Table 31 for more details.

Table 31. Dropped Observations

Variable	Original Sample	Dropped	Final Sample	Reason For Dropping Observations
<i>Households</i>	5247	0	5247	
<i>Individuals</i>	12551	35	12516	35 Children born after the income reference period

3.9 Imputations and assumptions

This section summarises the most important adjustments performed to the UDB data to make it suitable for the purposes of EUROMOD. The majority of the changes that had to be made were to the income and benefit variables: this is discussed in further detail in the sections below.

3.9.1 Imputation of missing values

Missing values for citizenship (dcz) were imputed by using the min (mode) value of the household. Values still missing after that step were considered citizens of the country of residence. Missing values for ddi (disability dummy) were imputed by using the variable ph020 (suffer from a chronic (long-standing) illness or condition). Missing values for current educational status (dec) were imputed by using information about hours per week the child spends at pre-school (r1010) and compulsory (r1020) education. Highest education achieved by children is imputed according to the country system and according to their current education status (dec).

Missing values for when the highest level of education was achieved are imputed using the number of years typical for the a person's highest level of education (deh). Number of years of education is generated by using the person's age (rx010) if they are still in education (pe010) and the number of years typical for a person's highest level of education (deh) if they are no longer in education (pe010).

3.9.2 Imputed variables

Other key variables that are imputed are:

- Economic Status - imputed according to income type and age with remaining missing values set to ‘other’.
- Superannuation – Contributions to pensions deducted directly from wage are not known in the UDB data. A ‘residual’ method was used to impute superannuation. The difference between UDB gross and net earnings had tax, social insurance and any other relevant deductions as simulated in EUROMOD deducted from it. The residual was assumed to be superannuation. Random allocation among those with positive residual was used for those in the private sector so that the ratio of private sector workers paying superannuation matched that of the more detailed RMF SILC data. For those in the public sector, all those employed after 1995 are obliged to pay superannuation while it is voluntary for the rest. Therefore all those who started their work lives after 1995 have been identified as contributors and random assignment among those with a positive



residual so that the overall ratio of public sector workers paying superannuation matched that of the RMF SILC data. On the basis of imputed superannuation, (average) contribution rate was calculated for each individual as the ratio of superannuation to gross earnings.

- Financial Capital - Imputed by calculating investment income* average interest rate
- Civil servant status - The ‘civil servant’ variable (lcs) that is in the EUROMOD dataset is a ‘proxy’ measure. It is a crude public service dummy variable based on the European industrial activity classification codes (NACE). While crude, the distribution on this imputed variable lines up well with another external dataset (for example the National Employment Survey - CSO workplace dataset) that contains an actual public service dummy variable.

3.9.3 Imputation of individual benefit variables

In the UDB dataset, benefit variables are aggregated by function (e.g. old-age related, disability related etc). For example Jobseeker’s Benefit and Jobseeker’s Allowance do not exist as separate benefit variables within the UDB data but instead are aggregated, along with nine other benefit variables, into one unemployment-related benefit variable called ‘PY090G’. Thus, in order to construct the required EUROMOD benefit variables, we used both the national EU-SILC and Eurostat UDB data to disaggregate the most significant EUROMOD benefit variables and to combine others in the most accurate way. The decision on which individual EUROMOD benefit variables to create was based on the on numbers in receipt of the particular benefit, which we identified from the national SILC (RMF). If country-specific benefit variables did not exist as a single variable in the UDB they were created using various techniques depending on which technique was deemed to be most appropriate.

These include:

- Using the coefficients from a predicted probability of receipt using the more detailed SILC Research Microdata File.
- Random allocation to the relevant population if no more appropriate method was possible.

Table 32 documents which UDB variables were split and how.



Table 32. Benefit Disaggregation

UDB Variable	UDB Variable, description	EUROMOD Variable
hy050g	Family/Children Related Allowances	bch
		bma
		bwkmt
		bsa00
		bfalp
		bfaot
hy060g	Social Exclusion Not Elsewhere Classified	bsaot
		bsaab
hy070g	Housing Allowances	bho00
		bhout
		bhoht
py090g	Unemployment Benefits	yunsv
		buntr
		bunnc
		bunct
py130g	Disability Benefits	pdi
		bdict
		bdinc
py100g	Old-Age Benefits	pyr
		poals
		poapu
		poaps
		poact
		poanc
		psuwdnc
		bsaab
psuwdet		

3.10 Updating

The factors that are used to update monetary variables from are shown in. No other updating adjustments are employed.



Table 33. Updating factors

Index	Income Source/index type	Euromod Variables	2007-2008	2007-2009	2007-2010	2007-2011
Constructed by national team	Wages and salaries (rate)	yem	1.03	1.03	0.99	0.99
Constructed by national team	Self-employed income	yse	0.88	0.71	0.68	0.69
Constructed by national team	Farm income	n/a	0.88	0.71	0.68	0.69
Constructed by national team, based on personal rate of payment for main working age schemes	Social welfare payment rates	bch , bfalp, bsa00, bwkmt, bma, bfaot, bsaot, bhout, bhoht, bho00, bed, bhl, buntr, bunnc, bunct, bdict, bdinc, bsaab, poals, poapu, poaps, psuwdnc, pyr, poanc, poact, psuwdct, pdi	1.06	1.10	1.05	1.01
Based on CSO Consumer Price Index	Consumer price index	yivwg, yempv, ypp, yiy, yprrt, ypt, yot, yunsv, xmp, xpp, xhc, xhert, xhcmomi, xhcot	1.04	0.99	0.99	0.00



4. VALIDATION

4.1 Aggregate Validation

4.1.1 Validation of incomes inputted into the simulation

Table 34. Market Income-Number of recipients and Total Incomes

	Input	External	Ratio	Input	External	Ratio
	N	N		€m	€m	
	2007	2007	2007	2007	2007	2007
Original income						
Employment income -total	1,784,011	2,079,124	0.86	54276.00	67,402.84	0.81
Self-employment income	343,536	286,324	1.20	10,445.80	19,433.43	0.54
	2008	2008	2008	2008	2008	2008
Employment income -total	1,784,011	2,061,751	0.87	55,909.70	70,824.87	0.79
Self-employment income	343,536	271,472	1.27	7,398.80	17,734.00	0.42
	2009	2009	2009	2009	2009	2009
Employment income -total	1,784,011	1,893,476	0.94	55,703.40	64,917.51	0.86
Self-employment income	343,536	257,980	1.33	7,398.80	14,673.50	0.50
	2010	2010	2010	2010	2010	2010
Employment income -total	1,784,011	na	na	53858.00	na	na
Self-employment income	343,536	na	na	7099.00	na	na

Source: Revenue Statistical Reports

Note: No external statistics available for 2010

Table 34 shows the numbers in receipt of employment and self employment income compared to external statistics. It also shows the total income received by these two groups. We can see that the EUROMOD data is low on both employee numbers and total income received. This is partly due to the fact that the official statistics are based on the total numbers paying income tax during the year. Pensioners in receipt of state and private pensions are liable for income tax on their pensions if they are above a certain level. These pensioners would therefore not fall into the 'employment income' group as defined by EUROMOD but are included in the external statistics above. We also know the SILC data under-represents of higher earners and we would therefore expect to be under the external statistics for employment income due to this reason also. While high on the numbers of self-employed the data is low on self employed income.



4.1.2 Non simulated taxes and benefits

Table 35. EUROMOD validation: taxes and benefits included but not simulated, [2007]

	Recipients/Payers (unit)			Expenditure/Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
Benefits						
Education allowances	95,466	na	na	286.4	na	na
Residual Family Allowances*	174,305	236,921	0.74	787.6	628.7	1.25
Rent and Mortgage Supplements	53,046	63,438	0.84	271	403.1	0.67
Fuel Allowance and Residual Housing Allowances**	285,384	295,795	0.96	158.8	158.3	1.00
Households Benefit Package^	438,019	1,018,858	0.43	367.7	313.0	1.17
Non-Irish Social Welfare Payments & Pensions	35,279	na	na	192.2	na	na
Charitable Organisation Amount and Exceptional Needs Payment \$	68,484	na	na	28	69.8	0.40
Education grant from FÁS	44,489	na	na	254.3	na	na

Notes: See below



Table 36. EUROMOD validation: taxes and benefits included but not simulated, [2008]

	Recipients/Payers (unit)			Expenditure/Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
Benefits						
Education allowances	95,466	na	na	304.8	na	na
Residual Family Allowances*	174,305	266,430	0.65	838.2	769.6	1.09
Rent and Mortgage Supplements	53,046	81,685	0.65	288.4	467.4	0.62
Fuel Allowance and Residual Housing Allowances**	285,384	300,000	0.95	168.9	170.0	0.99
Households Benefit Package^	438,019	na	na	391.3	340.2	1.15
Non-Irish Social Welfare Payments & Pensions	35,279	na	na	204.5	na	na
Charitable Organisation Amount and Exceptional Needs Payment \$	68,484	na	na	29.8	82.0	0.36
Education grant from FÁS	44,489	na	na	270.6	na	na

Notes: See below

Table 37. EUROMOD validation: taxes and benefits included but not simulated, [2009]

	Recipients/Payers (unit)			Expenditure/Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
Benefits						
Education allowances	95,466	na	na	314.7	na	na
Residual Family Allowances*	174,305	345,511	0.50	865.6	830.9	1.04
Rent and Mortgage Supplements	53,046	107,746	0.49	297.8	571.6	0.52
Fuel Allowance and Residual Housing Allowances**	285,384	318,000	0.90	174.5	199.6	0.87
Households Benefit Package^	438,019	1,120,087	0.39	404.2	358.4	1.13
Non-Irish Social Welfare Payments & Pensions	35,279	na	na	211.2	na	na
Charitable Organisation Amount and Exceptional Needs Payment \$	68,484	na	na	30.8	75.2	0.41
Education grant from FÁS	44,489	na	na	279.5	na	na

Notes: See below



Table 38. EUROMOD validation: taxes and benefits included but not simulated, [2010]

	Recipients/Payers (unit)			Expenditure/Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
Benefits						
Education allowances	95,466	na	na	302	na	na
Residual Family Allowances*	174,305	67,854	2.57	830.5	720.1	1.15
Rent and Mortgage Supplements	53,046	114,908	0.46	285.7	582.5	0.49
Fuel Allowance and Residual Housing Allowances**	285,384	370,000	0.77	167.4	228.8	0.73
Households Benefit Package^	438,019	1,161,310	0.38	387.7	367.9	1.05
Non-Irish Social Welfare Payments & Pensions	35,279	na	na	202.6	na	na
Charitable Organisation Amount and Exceptional Needs Payment \$	68,484	na	na	29.6	69.9	0.42
Education grant from FÁS	44,489	na	na	268.1	na	na

Notes:

*carers allowance and benefit, deserted wife contributory and non-contributory allowances, respite care, special diet supplement and guardians contributory and non contributory allowances - note number of recipients receiving back to school allowance, respite care and special diet supplement not available for external statistics. Back to school allowance recipient numbers were not available for 2010, these stood at 277,713 in 2009.

**smokeless fuel allowance, heat and household goods

^ free electricity allowance, free telephone rental allowance, free natural gas, free bottle gas refill allowance and free television licence

\$ Charitable Organisation Amount external statistics unknown

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

4.1.3 Simulated income tax

Table 39 to Table 42 show the validation results for simulated taxes and levies for 2007-2010. The number of income tax payers is slightly undersimulated until 2009. Comparing SILC data to external income distribution statistics shows an under-representation of higher earners. Income tax revenue is slightly over-simulated. The health levy ratio is close to one with slightly higher over-simulation in 2009. This may be due to the fact that the data is not reweighted to take account of the increase in unemployment over the time period 2007-2009. The Income levy introduced in 2009 is also over-simulated, likely due to this same reason.



Table 39. EUROMOD validation: income taxes and levies, [2007]

	Taxpayers (unit)			Revenue (€m)		
	EUROMOD	External source	Ratio	EUROMOD	External source	Ratio
	database			database		
Income Tax	1,288,161	1,380,674	0.93	12,479	13,572	0.92
Health Levy	1,129,815	1,107,461	1.02	1,097	1,107	0.99

Sources: Revenue Commissioners Statistical Report, Annual Social Welfare Services Statistical Information Reports

Table 40. EUROMOD validation: income taxes and levies, [2008]

	Taxpayers (unit)			Revenue (€m)		
	EUROMOD	External source	Ratio	EUROMOD	External source	Ratio
	database			database		
Income Tax	1,279,084	1,352,304	0.95	12,278	13,177	0.93
Health Levy	1,099,637	1,156,567	0.95	1,088	1,157	0.94

Sources: Revenue Commissioners Statistical Report, Annual Social Welfare Services Statistical Information Reports

Table 41. EUROMOD validation: income taxes and levies, [2009]

	Taxpayers (unit)			Revenue (€m)		
	EUROMOD	External source	Ratio	EUROMOD	External source	Ratio
	database			database		
Income Tax	1,279,641	1,204,433	1.06	10,403	10,697	0.97
Health Levy	1,026,192	1,156,567	0.89	1,929	1,890	1.02
Income Levy (since 1/5/2009)	1,439,768	1,138,000	1.27	1,309	1,138	1.15

Sources: Revenue Commissioners Statistical Report, Annual Social Welfare Services Statistical Information Reports

Table 42. EUROMOD validation: income taxes and levies, [2010]

	Taxpayers (unit)			Revenue (€m)		
	EUROMOD	External source	Ratio	EUROMOD	External source	Ratio
	database			database		
Income Tax	1,245,799	na	na	9,730	9,827	0.99
Health Levy	991,960	na	na	1,833	na	na
Income Levy	1,416,258	na	na	1,249	1,449	0.86

Sources: Revenue Commissioners Statistical Report, Annual Social Welfare Services Statistical Information Reports



4.1.4 Simulated social contributions

Table 43 to Table 46 show simulated social insurance contributions. No external statistics for employer social insurance contributor numbers are available. The reliability of the external statistics for the numbers of contributors is called into question. The external numbers seems very high relative to the EUROMOD simulated number of contributors. EUROMOD is in line, however with the weighted number of contributors according to the SILC RMF. The revenue amounts are more reassuring with a ratio closer to one than contributor numbers. Table 47 shows the numbers paying superannuation and the total amount contributed. No external comparison figures are available.

Table 43. EUROMOD validation: social contributions, [2007]

	Contributors (unit)			Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
employee SIC (excl health levy)	1,228,762	2,770,834	0.44	1,326	1,539	0.86
self-employed SIC (excl health levy)	297,365	361,769	0.82	317	421	0.75
investment/rental income SIC	736,916	n/a	n/a	95	n/a	n/a
employer SIC	1,784,011	n/a	n/a	5,556	5,944	0.93

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

Table 44. EUROMOD validation: social contributions, [2008]

	Contributors (unit)			Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
employee SIC (excl health levy)	1,224,543	2,761,819	0.44	1,379	1,634	0.84
self-employed SIC (excl health levy)	287,729	369,319	0.78	279	406	0.69
investment/rental income SIC	736,916	n/a	n/a	99	n/a	n/a
employer SIC	1,784,011	n/a	n/a	5,732	5,944	0.96

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

Table 45. EUROMOD validation: social contributions, [2009]

	Contributors (unit)			Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
employee SIC (excl health levy)	1,213,207	2,623,832	0.46	1,455	1,559	0.93
self-employed SIC (excl health levy)	271,617	338,300	0.80	224	315	0.71
investment/rental income SIC	736,916	n/a	n/a	94	n/a	n/a
employer SIC	1,784,011	n/a	n/a	5,382	5,290	1.02

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection



Table 46. EUROMOD validation: social contributions, [2010]

	Contributors (unit)			Revenue (unit)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
employee SIC (excl health levy)	1,185,271	n/a	n/a	1,397	1,377	1.01
self-employed SIC (excl health levy)	270,100	n/a	n/a	215	331	0.65
investment/rental income SIC	736,916	n/a	n/a	94	n/a	n/a
employer SIC	1,784,011	n/a	n/a	5,201	5,000	1.04

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

Table 47. EUROMOD validation: superannuation [2007-2010]

	Contributors (unit)			Revenue (€m)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
Superannuation, 2007	644,455	n/a	n/a	1222.8	n/a	n/a
Superannuation, 2008	644,455	n/a	n/a	1259.6	n/a	n/a
Superannuation, 2009	644,455	n/a	n/a	1254.9	n/a	n/a
Superannuation, 2010	644,455	n/a	n/a	1213.3	n/a	n/a

4.1.5 Simulated social benefits

Tables 48-52 show the simulated benefit recipient numbers and expenditure compared to the external statistics. When interpreting these results it is important to bear in mind the nature of the UDB data and the need to disaggregate variables into individual benefits. Another important point is that the external statistics for recipient numbers are based on recipients as at the 31st of December of the relevant year while the EUROMOD figures represent the number of recipients at any point during the year. While this shouldn't be an issue for payments that are likely to be received in the longer term (for example pensions) it is an issue for more transient payments such as maternity benefit etc. as shown in the tables below. This will also show discrepancies in the numbers of recipients of schemes such as Jobseeker's Benefit as people move to Jobseeker's Allowance over time. We can see from the 2007 table below that jobseeker recipient numbers in EUROMOD appear high relative to the external statistics which are a count at a particular point in time while the discrepancy in expenditure is smaller. Over time the ratio for Jobseeker's Benefit have fallen as unemployment rises in reality but stays constant in the model.

State pension (contributory) expenditure is high relative to the number of recipients. As documented in Section 2.4.2 the amount received depends on the number of PRSI contributions made. This is not known in the data so a full contribution history is assumed in the simulation. This will over-estimate the State Contributory Pension amount for those who do not have a full contribution history. External statistics show the total number of recipients/total expenditure. The SILC is a survey of private households only – therefore there is likely an underestimation of state pension recipients/expenditure relative to external statistics.

Due to the sample size smaller schemes (such as injury benefit) will be difficult to represent accurately.



Table 48. EUROMOD validation: simulated benefits, [2007]

	Recipients (unit)					Expenditure (€m)				
	EUROMOD database	External source	Ratio	SILC RMF	Ratio EM/RMF	EUROMOD database	External source	Ratio	SILC RMF	Ratio EM/RMF
widow's contributory pension	131,015	111,460	1.18	120,885	1.08	1,448	1,205	1.20	1,391	1.04
maternity benefit	38,474	20,948	1.84	35,256	1.09	135	258	0.52	199	0.68
invalidity pension	66,841	53,956	1.24	66,324	1.01	795	618	1.29	787	1.01
state pension (contributory)	177,037	237,599	0.75	191,135	0.93	2,619	2,755	0.95	2,603	1.01
state pension (transition)	1,794	5,851	0.31	2,921	0.61	25	79	0.32	31	0.82
<i>state pension (contr + transition)</i>	<i>178,830</i>	<i>243,450</i>	<i>0.73</i>	<i>194,056</i>	<i>0.92</i>	<i>2,644</i>	<i>2,834</i>	<i>0.93</i>	<i>2,634</i>	<i>1.00</i>
injury benefit	7,872	900	8.75	7,872	1.00	42	17	2.43	34	1.22
illness benefit	196,130	70,404	2.79	205,140	0.96	2,201	755	2.92	868	2.54
jobseeker's benefit	174,399	59,167	2.95	173,944	1.00	1,051	545	1.93	753	1.40
state pension (non-contributory)	129,219	97,726	1.32	91,881	1.41	1,352	920	1.47	1,002	1.35
widow's non-contributory pension	4,664	2,138	2.18	4,217	1.11	25	20	1.26	44	0.57
disability allowance	90,799	89,048	1.02	114,830	0.79	944	901	1.05	1,215	0.78
jobseeker's allowance	217,719	80,268	2.71	180,018	1.21	1,684	875	1.92	1,588	1.06
one parent family payment	108,109	85,084	1.27	105,401	1.03	1,129	962	1.17	1,100	1.03
supplementary welfare allowance	93,509	27,379	3.42	60,075	1.56	716	683	1.05	176	4.06
family income supplement	25,772	22,823	1.13	45,721	0.56	91	140	0.65	211	0.43
child benefit	639,997	579,612	1.10	683,032	0.94	2,339	2,233	1.05	2,874	0.81
early childcare supplement*	282,473	382,300	0.74	na	na	403	417	0.97	na	na
Total	2,564,653	2,170,113	1.18	2,282,706	1.12	19642	16217	1.21	17510	1.12

Notes: External source recipient numbers are at the 31st of December 2007 and may therefore differ from the total annual number of recipients

Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

* early childcare supplement not provided in the RMF



Table 49. EUROMOD validation: simulated benefits, [2007]

	Recipients (unit)			Expenditure (€m)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
widow's contributory pension	131,015	111,460	1.18	1,448	1,205	1.20
maternity benefit	38,474	20,948	1.84	135	258	0.52
invalidity pension	66,841	53,956	1.24	795	618	1.29
state pension (contributory)	177,037	237,599	0.75	2,619	2,755	0.95
state pension (transition)	1,794	5,851	0.31	25	79	0.32
injury benefit	7,872	900	8.75	42	17	2.43
illness benefit	196,130	70,404	2.79	2,201	755	2.92
jobseeker's benefit	174,399	59,167	2.95	1,051	545	1.93
state pension (non-contributory)	129,219	97,726	1.32	1,352	920	1.47
widow's non-contributory pension	4,664	2,138	2.18	25	20	1.26
disability allowance	90,799	89,048	1.02	944	901	1.05
jobseeker's allowance	217,719	80,268	2.71	1,684	875	1.92
one parent family payment	108,109	85,084	1.27	1,129	962	1.17
supplementary welfare allowance	93,509	27,379	3.42	716	683	1.05
family income supplement	25,772	22,823	1.13	91	140	0.65
child benefit	639,997	579,612	1.10	2,339	2,233	1.05
early childcare supplement	282,473	382,300	0.74	403	417	0.97

Notes: External source recipient numbers are at the 31st of December 2007 and may therefore differ from the total annual number of recipients
 Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection



Table 50. EUROMOD validation: simulated benefits, [2008]

	Recipients (unit)			Expenditure (€m)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
widow's contributory pension	131,015	112,237	1.17	1,541	1,299	1.19
maternity benefit	38,474	23,421	1.64	139	316	0.44
invalidity pension	66,841	53,725	1.24	844	686	1.23
state pension (contributory)	177,037	250,117	0.71	2,839	3,118	0.91
state pension (transition)	1,794	7,242	0.25	27	92	0.29
injury benefit	7,872	846	9.31	45	19	2.32
illness benefit	196,130	73,609	2.66	2,351	852	2.76
jobseeker's benefit	174,399	121,763	1.43	1,112	929	1.20
state pension (non-contributory)	129,295	97,784	1.32	1,438	973	1.48
widow's non-contributory pension	4,794	2,042	2.35	30	21	1.42
disability allowance	100,033	95,754	1.04	1,070	1,053	1.02
jobseeker's allowance	231,861	113,603	2.04	1,884	1,159	1.63
one parent family payment	110,526	87,840	1.26	1,218	1,067	1.14
supplementary welfare allowance	99,335	35,546	2.79	733	804	0.91
family income supplement	26,307	27,798	0.95	95	170	0.56
child benefit	639,997	596,108	1.07	2,428	2,454	0.99
early childcare supplement	282,473	398,700	0.71	443	477	0.93

Notes: External source recipient numbers are at the 31st of December 2008 and may therefore differ from the total annual number of recipients
 Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection



Table 51. EUROMOD validation: simulated benefits, [2009]

	Recipients (unit)			Expenditure (€m)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
widow's contributory pension	131,015	113,108	1.16	1,590	1,354	1.18
maternity benefit	38,474	23,294	1.65	140	331	0.42
invalidity pension	66,841	52,922	1.26	873	682	1.28
state pension (contributory)	177,037	265,102	0.67	2,932	3,368	0.87
state pension (transition)	1,794	8,378	0.21	28	105	0.27
injury benefit	7,872	726	10.84	46	21	2.20
illness benefit	196,130	77,665	2.53	2,441	920	2.65
jobseeker's benefit	174,399	160,122	1.09	1,156	1,734	0.67
state pension (non-contributory)	131,113	97,798	1.34	1,500	1,001	1.50
widow's non-contributory pension	4,794	1,998	2.40	35	21	1.64
disability allowance	100,652	99,576	1.01	1,122	1,143	0.98
jobseeker's allowance	236,529	203,248	1.16	1,981	2,005	0.99
one parent family payment	111,583	90,484	1.23	1,294	1,121	1.15
supplementary welfare allowance	108,738	42,775	2.54	815	970	0.84
family income supplement	32,435	25,963	1.25	128	167	0.77
child benefit	639,997	602,932	1.06	2,428	2,495	0.97
early childcare supplement	258,426	348,200	.74	173	248	0.70

Notes: External source recipient numbers are at the 31st of December 2009 and may therefore differ from the total annual number of recipients
Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection



Table 52. EUROMOD validation: simulated benefits, [2010]

	Recipients (unit)			Expenditure (€m)		
	EUROMOD database	External source	Ratio	EUROMOD database	External source	Ratio
widow's contributory pension	131,015	114,579	1.14	1,572	1,336	1.18
maternity benefit	38,474	23,456	1.64	136	324	0.42
invalidity pension	66,841	50,766	1.32	843	640	1.32
state pension (contributory)	177,037	280,419	0.63	2,936	3,452	0.85
state pension (transition)	1,794	10,206	0.18	28	108	0.26
injury benefit	7,872	835	9.43	45	18	2.52
illness benefit	196,130	81,253	2.41	2,364	943	2.51
jobseeker's benefit	174,399	123,457	1.41	1,119	1,285	0.87
state pension (non-contributory)	131,893	97,179	1.36	1,505	977	1.54
widow's non-contributory pension	4,794	1,977	2.43	34	19	1.75
disability allowance	100,652	101,111	1.00	1,085	1,110	0.98
jobseeker's allowance	230,015	261,850	0.88	1,740	2,810	0.62
one parent family payment	113,105	92,326	1.23	1,303	1,110	1.17
supplementary welfare allowance	108,640	37,413	2.90	787	951	0.83
family income supplement	36,609	28,223	1.30	157	186	0.85
child benefit	625,252	591,432	1.06	2,090	2,213	0.94

Notes: External source recipient numbers are at the 31st of December 2010 and may therefore differ from the total annual number of recipients
Sources: Annual Social Welfare Services Statistical Information Reports, Dept of Social Protection

4.2 Income distribution

All income distribution results presented here are computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions. The weights in the OECD equivalence are: first adult=1; additional people aged 14+ = 0.5; additional people aged under 14 = 0.3.

4.2.1 Poverty

The EUROMOD and external statistics for the standard Eurostat measure of poverty risk (the percentage of individuals living in households with equivalised income below the 60% of national equivalised median income threshold) have a ratio of close to one between 2007-2008. External statistics show a larger number falling below this 60% threshold in 2009/2010. This likely reflects the rise in unemployment (and hence fall in incomes) captured in the external statistics but not in the EUROMOD statistics as unemployment rates are held constant. The other measures are also close to external statistics when we look at the 50%/70% measures of median income but the results diverge when looking at the percentage living below 40%.



Table 53. EUROMOD validation: poverty rates at different poverty lines, [2007]

percentage of individuals below:	EUROMOD	External source	Ratio
40% of median equivalent income	1.3	3.6	0.36
males	1.3	3.2	0.41
females	1.4	4.0	0.35
50% of median equivalent income	7.4	8.9	0.83
males	7.2	8.3	0.87
females	7.5	9.5	0.79
60% of median equivalent income	17	17.2	0.99
males	15.9	16.0	0.99
females	18.1	18.5	0.98
70% of median equivalent income	27.3	26.2	1.04
males	26.1	24.6	1.06
females	28.6	27.8	1.03

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

Table 54. EUROMOD validation: poverty rates at different poverty lines, [2008]

percentage of individuals below:	EUROMOD	External source	Ratio
40% of median equivalent income	1.4	2.6	0.54
males	1.5	2.5	0.60
females	1.3	2.8	0.46
50% of median equivalent income	6.8	8.1	0.84
males	6.8	7.8	0.87
females	6.8	8.4	0.81
60% of median equivalent income	16.1	15.5	1.04
males	15.2	14.5	1.05
females	17	16.4	1.04
70% of median equivalent income	26.7	25.6	1.04
males	25.3	24.0	1.05
females	28.1	27.2	1.03

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

Table 55. EUROMOD validation: poverty rates at different poverty lines, [2009]

percentage of individuals below:	EUROMOD	External source	Ratio
40% of median equivalent income	0.9	3.3	0.27
males	1.2	3.3	0.36
females	0.7	3.2	0.22
50% of median equivalent income	5	7.3	0.68
males	5	7.6	0.66



females	4.9	7.0	0.70
60% of median equivalent income	13.4	15.0	0.89
males	12.6	14.9	0.85
females	14.1	15.1	0.93
70% of median equivalent income	23.9	24.4	0.98
males	22.6	22.9	0.99
females	25.1	25.9	0.97

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

Table 56. EUROMOD validation: poverty rates at different poverty lines, [2010]

percentage of individuals below:	EUROMOD	External source	Ratio
40% of median equivalent income	1.2	4.8	0.25
males	1.4	4.8	0.29
females	0.9	4.9	0.18
50% of median equivalent income	4.9	7.8	0.63
males	4.9	7.8	0.63
females	4.9	7.8	0.63
60% of median equivalent income	13	16.1	0.81
males	12.5	15.9	0.79
females	13.6	16.2	0.84
70% of median equivalent income	24.2	25.4	0.95
males	23.1	24.3	0.95
females	25.3	26.4	0.96

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

Tables 57-60 show the percentage of individuals below 60% of median equivalent income by age group for 2007-2010. Poverty rates tend to match well in the early years. Over time the EUROMOD poverty rate for the 16-24 age group tends to be lower than external statistics. This may be due to the fact that youth unemployment rates increased sharply over this time period which would not be taken into account in the EUROMOD data.



Table 57. EUROMOD validation: poverty rates by age groups, [2007]

Percentage of individuals below 60% of median equivalent income	EUROMOD	External source	Ratio
Population			
0-15	19.9	19.1	1.04
16-24	14.7	17.9	0.82
25-49	11.8	11.1	1.06
50-64	19.2	18.8	1.02
65+	26.4	28.3	0.93

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.
Sources: Eurostat

Table 58. EUROMOD validation: poverty rates by age groups, [2008]

Percentage of individuals below 60% of median equivalent income	EUROMOD	External source	Ratio
Population			
0-15	19	17.9	1.06
16-24	13.7	14.9	0.92
25-49	11.5	11.4	1.01
50-64	18.2	16.8	1.08
65+	23.9	21.1	1.13

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.
Sources: Eurostat

Table 59. EUROMOD validation: poverty rates by age groups, [2009]

Percentage of individuals below 60% of median equivalent income	EUROMOD	External source	Ratio
Population			
0-15	16.9	17.8	0.95
16-24	11.2	17.3	0.65
25-49	9.7	11	0.88
50-64	15.3	16.2	0.94
65+	17.1	16.2	1.06

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.
Sources: Eurostat



Table 60. EUROMOD validation: poverty rates by age groups, [2010]

Percentage of individuals below 60% of median equivalent income	EUROMOD	External source	Ratio
Population			
0-15	17.3	19.9	0.87
16-24	11.9	19.4	0.61
25-49	10.3	13.6	0.76
50-64	15.2	17	0.89
65+	10.7	10.6	1.01

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

4.2.2 Income inequality

The Gini coefficient is lower in EUROMOD relative to the external source as is the income quintile ratio (s80/s20). This is down to the fact that simulated disposable income is higher for the bottom decile and lower for the top decile relative to the external statistics (as can be seen in the decile shares of national equivalised income shown below). Mean and median income figures compare relatively well.

Table 61. EUROMOD validation: income inequality, [2007]

	EUROMOD	External source	Ratio
Gini Coefficient	0.277	0.313	0.88
Income quintile ratio (S80/S20)	4.00	4.8	0.83
Share of National Equivalised Income by Decile:			
Decile 1	4.1	3.4	1.20
Decile 2	5.2	4.8	1.09
Decile 3	6.0	5.8	1.04
Decile 4	7.1	6.8	1.05
Decile 5	8.3	7.8	1.07
Decile 6	9.6	9	1.06
Decile 7	11.1	10.7	1.03
Decile 8	12.0	12.4	0.97
Decile 9	14.5	14.8	0.98
Decile 10	22.1	24.5	0.90
Mean income (equivalised)	26,500	25,988	1.02
Median income (equivalised)	23,741	22,065	1.08

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat



Table 62. EUROMOD validation: income inequality, [2008]

	EUROMOD	External source	Ratio
Gini Coefficient	0.272	0.299	0.91
Income quintile ratio (S80/S20)	4.00	4.4	0.91
Share of National Equivalised Income by Decile:			
Decile 1	4.2	3.6	1.16
Decile 2	5.3	5.1	1.04
Decile 3	6.1	6	1.02
Decile 4	7.2	6.9	1.04
Decile 5	8.3	8.1	1.03
Decile 6	9.6	9.1	1.05
Decile 7	11.1	10.5	1.05
Decile 8	12.3	12.2	1.01
Decile 9	14.3	14.6	0.98
Decile 10	21.8	23.9	0.91
Mean income (equivalised)	27,243	25,989	1.05
Median income (equivalised)	24,492	22,995	1.07

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

Table 63. EUROMOD validation: income inequality, [2009]

	EUROMOD	External source	Ratio
Gini Coefficient	0.25	0.288	0.87
Income quintile ratio (S80/S20)	4.00	4.2	0.95
Share of National Equivalised Income by Decile:			
Decile 1	4.4	3.6	1.23
Decile 2	5.6	5.2	1.09
Decile 3	6.5	6.2	1.05
Decile 4	7.5	7	1.07
Decile 5	8.5	8.1	1.05
Decile 6	9.7	9.4	1.03
Decile 7	10.9	10.6	1.02
Decile 8	12.3	12.4	0.99
Decile 9	14.2	14.6	0.97
Decile 10	20.5	22.9	0.89
Mean income (equivalised)	25,368	25,990	0.98
Median income (equivalised)	23,188	22,445	1.03

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions. Sources: Eurostat



Table 64. EUROMOD validation: income inequality, [2010]

	EUROMOD	External source	Ratio
Gini Coefficient	0.253	0.332	0.76
Income quintile ratio (S80/S20)	4.00	5.3	0.75
Share of National Equivalised Income by Decile:			
Decile 1	4.4	2.8	1.56
Decile 2	5.6	4.9	1.15
Decile 3	6.4	5.7	1.12
Decile 4	7.4	6.5	1.14
Decile 5	8.6	7.8	1.10
Decile 6	9.6	8.9	1.08
Decile 7	10.8	10.3	1.05
Decile 8	12.4	11.9	1.04
Decile 9	14.3	15	0.95
Decile 10	20.6	26.2	0.78
Mean income (equivalised)	24,548	25,991	0.94
Median income (equivalised)	22,364	19,882	1.12

Notes: Computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions.

Sources: Eurostat

4.3 Summary of “health warnings”

- It is not possible to reconstruct individual benefit information exactly as in national SILC by splitting aggregate benefit variables in UDB SILC. There will be inevitably some bias due to benefit splitting therefore.
- Care should be taken in interpreting results for small sub-groups due to small sample sizes.
- The weights do not control for the increase in unemployment in Ireland over the time period in question (2007 seasonally adjusted standardised unemployment rate was 4.5%; by 2010 it had risen to 13.6%. Source: CSO).
- There is under-representation of people with higher incomes in the SILC survey.
- A full social insurance contribution history is assumed for those in receipt of contributory benefits. This will over-estimate the amount actually received for those with less than a full PRSI contribution history.
- A number of benefits are part-simulated, i.e. where eligibility is based on observed receipt in the input data, which itself may be an approximation if it has been imputed on the basis of aggregate UDB benefit variables.



5. REFERENCES

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- *Sources for data descriptions*

<http://www.cso.ie/en/releasesandpublications/healthandsocialconditions/archive/>

- *Sources for tax-benefit descriptions/rules*

Social Welfare Rates, Guidelines and Validation Statistics:

<http://www.welfare.ie/EN/Policy/ResearchSurveysAndStatistics/Pages/StatInfoReportsIndex.aspx>

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<http://www.revenue.ie/en/about/publications/annual-reports.html>

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<http://www.budget.gov.ie/budgets/2011/2011.aspx>