

## **Budget 2021 – Key Updates**

Below we have outlined the main changes in Budget 2021 which may impact on one-parent families. If you have any further queries please call the askonefamily helpline Monday-Friday on 01 6629212 or email [support@onefamily.ie](mailto:support@onefamily.ie).

### **In-work Supports**

- Working Family Payment threshold – €10 increase in weekly threshold for families with up to three children from January 2021
- Working lone parents will no longer lose their One-Parent Family Payment (OFP) when their employment income exceeds the current €425 weekly limit. However, you will still have to satisfy a means test and meet any other conditions for OFP outlined by the Department. This limit of €425 will be removed from April 2021
- Tax relief on remote working expenses has been extended for workers where employer does not contribute to these costs. Broadband costs fully allowed and other expenses wholly and exclusively required for work to be allowed
- No changes to general income tax credits and bands
- The ceiling of the second USC rate band will be increased from €20,484 to €20,687 to support those on minimum wage
- Illness Benefit – number of ‘waiting days’ will reduce from 6 days to 3 days for all new applications from the end of February 2021

### **Social Welfare Supports**

- A Christmas Bonus of 100% will be paid in December 2020 to recipients of long-term Social Welfare payments and on an exceptional basis this year to recipients of the Pandemic Unemployment Payment and equivalent recipients of Jobseeker’s Payments who have been on these payments for four months or more
- Fuel Allowance will increase by €3.50 to €28.00 per week from January 2021
- Carer’s Support Grant to be increased by €150 to €1,850 per year from June 2021
- Increases for Qualified Children - €5 weekly increase for children age 12 and over and €2 weekly for children up to age 12 for all weekly social welfare payments from January 2021

- Basic rates of social welfare payments will remain the same in 2021 but you may receive increases for dependent children or other secondary benefits like Fuel Allowance
- Parent's Benefit increases from 3 to 5 weeks for children born or adopted from 1 November 2019. Change will take effect in 2021, date to be confirmed
- Disability Allowance – earnings disregard will be increased by €20 per week to €140 from June 2021
- Newly widowed parents with dependent children will receive a grant of €8,000 from January 2021 – an increase of €2,000

### **Self Employed Supports**

- Self-employed workers – can earn up to €480 a month from casual work and keep their Pandemic Unemployment Payment (PUP)
- Funding for €1,000 COVID-19 Enterprise Support Grant for self-employed - doubled from €12 million to €24 million
- The Part-Time Job Incentive scheme to be made available to the self-employed who intend to resume their business but can only do so intermittently or on a limited/reduced basis when they leave the PUP
- Self-employed income tax credit to rise by €150 to €1650
- Self-employed workers can delay 2019 income tax and 2020 preliminary tax payments to Revenue for one year without interest or penalties

### **Education Supports**

- €50 million one-off hardship fund will be made available in the coming year to third level students to help compensate for the move towards greater online learning. This will be paid to recipients of SUSI grants and students who have paid the Student Contribution Fee and will equate to approximately €250 per student
- Postgraduate SUSI Grant increased to €3,500 per year and income threshold raised to €54,240 (from €31,500) from September 2021