

## **Budget 2023 – Key Updates**

One Family have outlined below the main changes in Budget 2023 announced on 27<sup>th</sup> September 2022, which may impact on people parenting alone. If you have any further queries, please call the askonefamily helpline Monday-Friday on 0818 662212 or 01 6629212 or email us at <a href="mailto:helpline@onefamily.ie">helpline@onefamily.ie</a>

## **Social Welfare Supports**

## Core Social Welfare Rates

- Maximum rate of all core weekly payments increases by €12 from January 2023 including <u>One-Parent Family Payment</u>, <u>Jobseeker's Transitional</u> <u>Payment</u>, Jobseeker's Allowance and Carer's Allowance.
- <u>Increase for a Qualified Child</u> rate of payment for dependent children aged 12 and over increases by €2, to €50, in all weekly payments from January 2023.
- Increase for a Qualified Child rate of payment for dependent children up to age 12 increases by €2, to €42, in all weekly payments from January 2023.
- Increase to Community Employment, Rural Social Scheme and Tús weekly top up of €5 from €22.50 to €27.50. Combined with the other rate increase, participants will see an increase of €17 per week from January 2023.
- €12 increase in Maternity/Paternity/Adoptive/Parent's Benefit from January 2023.

### **Bonus Payments**

- Return of full Christmas Bonus for those on <u>certain social welfare payments</u> has been confirmed. 100% Christmas Bonus will be paid in early December 2022.
- Autumn Cost of Living Double Payment will be paid in October 2022 to people receiving social welfare payments including One-Parent Family Payment, Jobseeker's Transitional Payment, <u>Jobseeker's Allowance</u>, Disability Allowance and Carer's Allowance.
- Double Payment of <u>Child Benefit</u> of €280 per child will be paid to all families with children in November 2022.
- All domestic electricity customers, regardless of income, will get €600 credit to help reduce electricity bills. The credit will be paid in 3 instalments of €200. The first payment will be made in November 2022, the second in January 2023 and the third electricity credit will be made in March 2023.



# **Working Family Payment**

- €500 Cost of Living Lump Sum Payment will be paid to all families in receipt of the Working Family Payment in November 2022.
- The Working Family Payment threshold will increase by €40 per week regardless of family size from January 2023. This means more people may qualify for the payment. If you already receive it, you may see a small increase in your weekly payment, depending on your net household income. Please note any increases in your net take home pay or social welfare payments will be included in the means test at your next review.

The new Working Family Payment income thresholds are:

One child- €591; Two children- €692; Three children- €793; Four children- €884; Five children- €1,010; Six children- €1,126; Seven children- €1,262 and Eight or more children- €1,358

#### Fuel Allowance

- Fuel Allowance weekly rate remains at €33 per week.
- From January 2023 the weekly means threshold increases by €80, to €200 plus the equivalent of the maximum <u>weekly rate</u> of Contributory Pension. This means that more people may qualify for the payment.
- Current recipients of Fuel Allowance will get an additional once-off payment of €400 this winter in November 2022.

# Supports for Carers & People with Disabilities

- €12 increase in the maximum weekly rate of <u>Carer's Allowance</u> & <u>Carer's Benefit</u> with proportionate increases for people receiving a reduced rate from January 2023.
- €500 Cost of Living Payment for people receiving <u>Carer's Support Grant</u> and €500 Cost of Living Disability Support Grant for those receiving a long-term Disability Payment will be paid in November 2022.
- €200 Lump Sum Payment for people with a disability receiving the Living Alone Allowance.
- <u>Domiciliary Care Allowance</u> will increase by €20.50 to €330 per month with effect from January 2023.
- The earnings limit on <u>Disability Allowance</u> will increase by €25 from €140 to €165 from January 2023.

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#### Childcare

• The Universal Childcare Subsidy will be increased from €0.50 per hour to €1.40 per hour from January 2023. This could mean a reduction in childcare fees of approximately €170 per month for a child attending fulltime, 45 hours per week. The universal subsidy available under the National Childcare Scheme to all children under 15, allows children availing of Tusla registered preschool and childcare to receive a subsidy to offset fees regardless of income or means.

# **Education- Primary & Third Level**

- From the 2023/24 academic year, schoolbooks for primary school children will be free.
- The <u>Student Contribution</u> is reduced from €3000 to €2000. This applies from the 2022/23 academic year. It will be reduced by a further €500 to €1,500 in the 2023/2024 academic year.
- The <u>income threshold</u> for a 50% reduction in the Student Contribution will increase from €55,000 per year, to €62,000 per year from next year.
- A double SUSI Student Grant payment will be paid in December 2022.
- The <u>Student Grant rates</u> will increase by between 10% and 14% from September 2023.
- The <u>Postgraduate Fee Grant</u> will increase by €500. A one-off increase of €1000 will apply this year.

#### **Taxation**

- National minimum wage up 80 cents to €11.30 per hour, effective from January 2023.
- The Personal, Employee and Earned Income tax credits will increase by €75 to €1,775 per year.
- The Home Carer Tax Credit will increase by €100 to €1,700.
- No increase in <u>Single Person Child Carer Credit</u> which remains at €1,650 per year.
- Single, widowed or surviving civil partners will have an increase of €3,200 in the income tax standard rate band cut-off point from €36,800 to €40,000. This means that anyone earning up to €40,000 will pay tax at the standard 20% rate. Any income over €40,000 will be taxed at the higher 40% rate. You may also qualify for Single Person Child Carer Credit which further increases the standard rate band by €4,000.

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- Those qualifying for the Single Person Child Carer Credit will have an increase of €3,200 in the income tax standard rate band cut-off point from €40,800 to €44,000.
- The ceiling of the 2% USC band will increase by €1,625 to €22,920. The change was made to ensure the salary of a full-time worker on the minimum wage will remain outside the higher rates of USC. The USC exemption for medical card holders stays in place.
- The carbon tax rate per tonne will increase from €41 to €48.50 from October 2022 for auto fuels, and for all other fuels from 1<sup>st</sup> May 2023. However, the price of petrol and diesel will not go up at the pumps after the Budget as the Government will offset this carbon tax increase with a reduction to zero of the National Oil Reserves Agency (NORA) levy.

## **Housing**

- Renters can claim a €500 rent tax credit for this year and subsequent years from January 2023. This only applies to private renters who are not currently receiving any other housing supports such as Housing Assistance Payment or Rent Supplement. The credit applies to each tenant rather than each tenancy. For rent you pay in 2022, you will be able to claim this credit early in 2023.
- The <u>Help to Buy</u> Scheme is extended until the end of 2024.

#### Health

- Extension of free GP care for children up to age aged 6 and 7 by the end of 2022.
- In-patient hospital fees will be removed for all patients from April 2023.
- Income limit for the <u>GP visit card</u> will be increased to include people on or below the median income of approximately €46,000 per year after tax from April 2023. This means more people will be eligible for a GP Visit Card.
- Free contraception, currently available to women aged between 17 and 24, will be extended to include women aged from 16 to 30 from 1st September 2023.
- IVF treatment will be available through the public health system for the first time. It is not expected to come into effect until later in 2023.

#### **Transport**

 Reduced fares of 20% on public transport are continuing until the end of 2023. The 50% price reduction on the Young Adult Leap Card remains until the end of 2023.

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