



The helpline for people parenting alone,  
sharing parenting or separating.

## **Budget 2026 – Key Updates**

One Family has outlined below the main changes in Budget 2026 announced on 7th October 2025, 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 [helpline@onefamily.ie](mailto:helpline@onefamily.ie).

### **Social Welfare Supports**

#### Core Social Welfare Payments

- Maximum rate of all core weekly payments increases by €10 from January 2026 including [One-Parent Family Payment](#), [Jobseeker's Transitional Payment](#), [Jobseeker's Allowance](#) and Carer's Allowance. There will be proportionate increases for people getting a reduced rate of payment.
- The [Child Support Payment](#) (formerly Increase for a Qualified Child) for dependent children aged 12 and over increases by €16, to €78, in all weekly payments from January 2026.
- The Child Support Payment for dependent children up to age 12 increases by €8, to €58, in all weekly payments from January 2026.
- €10 increase in Maternity/Paternity/Adoptive/Parent's Benefit from January 2026.
- There were no changes made to [Child Benefit](#).
- An increase of €5 to €32.50 per week top-up from January 2026 for those participating in the Community Employment Programme, Rural Social Scheme and Tús. This is in addition to an increase of €10 for most weekly social welfare payments.
- Return of full Christmas Bonus for those on [certain social welfare payments](#) has been confirmed. 100% Christmas Bonus will be paid in early December 2025.
- [Back to School Clothing and Footwear Allowance](#) extended to children aged 2 and 3, who are eligible for this allowance. The rate of €160 per

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year for children under 12 and €285 for children aged 12-22 years remains unchanged.

- No changes to the income disregard for Jobseeker's Transitional Payment (JST) and One-Parent Family Payment which will remain at €165 per week. The disregard also continues to be unavailable to those in self-employment who receive JST.

### Working Family Payment

- The [Working Family Payment](#) threshold will increase by €60 per week regardless of family size from January 2026 in line with increases to the minimum wage. 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- €765; Two children- €866; Three children- €967; Four children-€1058; Five children- €1184; Six children- €1300; Seven children- €1436 and Eight or more children- €1532

### Fuel Allowance

- [Fuel Allowance](#) will increase by €5 to €38 per week from January 2026. This is paid from late September to April each year for a total of 28 weeks.
- Those getting the Working Family Payment will now automatically qualify for Fuel Allowance regardless of how much they earn or their household composition. This will be paid in March 2026 and backdated to January 2026.

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- People moving from Disability Allowance or Blind Pension to take up work from September 2026 will keep their Fuel Allowance for 5 years.

### Supports for Carers & People with Disabilities

- €10 increase in the maximum weekly rate of [Carer's Allowance](#), [Carer's Benefit](#) & [Disability Allowance](#) with proportionate increases for people receiving a reduced rate from January 2026.
- [Domiciliary Care Allowance](#) will increase by €20 to €380 per month with effect from January 2026.
- Carer's Allowance income disregard will increase by €375 to €1000 for a single person and by €750 to €2000 for a couple from July 2026. This is the amount of weekly assessable household income that is excluded from the means test.
- The income limit for Carer's Benefit will increase by €375 to €1,000 per week from July 2026.
- People with children getting Disability Allowance or [Blind Pension](#) will be eligible for the [Back to Work Family Dividend](#) when taking up employment and coming off their primary social welfare payment.

### **Childcare**

- 2,300 new Early Years places will be created through the Building Blocks Scheme, an expansion grant for existing childcare providers.
- No increases in childcare subsidies under the [National Childcare Scheme](#).

### **Education**

- The [Student Contribution](#) fee is permanently reduced by €500 from €3,000 to €2,500 for higher education students eligible for the [free fees](#)

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[initiative](#). The fee reduction will take effect at the start of the 2026/27 academic year. This replaces last year's temporary cost-of-living reduction of €1,000 which effectively means that students will have to pay €500 more than they did last year.

- Household income threshold for [SUSI grants](#) increasing to €120,000 per year for the 2026/27 academic year.
- Funding announced for 1,717 new Special Needs Assistant (SNA) posts and 1,042 new teaching posts.

## **Taxation**

- National minimum wage up 65 cents to €14.15 per hour, effective from January 2026.
- No increases to any tax credits in 2026.
- No increases to the [Single Person Child Carer Credit](#).
- No increases to the income tax standard rate cut-off point.
- The ceiling of the 2% USC band will increase by €1,318 to €28,700. 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.
- Petrol and diesel auto fuel prices will increase by approximately 2.5 cent per litre, effective immediately, due to an increased carbon tax. New carbon tax rate to be applied to other fuels such as coal, gas, home heating oil and briquettes, from 1 May 2026.
- Reduced 9% rate of VAT on gas and electricity bills to be extended to 31<sup>st</sup> December 2030.

## **Housing**

- [Rent Tax Credit](#) of €1,000 per year for an individual is being extended to 2026, 2027 and 2028. All conditions pertaining to the credit and the value

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of the credit remain the same. This only applies to private renters who are not living in social housing or currently receiving any other housing supports such as Housing Assistance Payment or Rent Supplement. The credit applies to each tenant rather than each tenancy.

- The current level of [Mortgage Interest Tax Relief](#) is being maintained for 2025 and extended to 2026 for primary private residences. For 2025, the relief will be calculated on the increase in interest paid in 2025 over interest paid in 2022. For 2026, the relief will be calculated at 50% of the increase in interest paid in 2026 over interest paid in 2022. Relief for both years will apply at the standard rate of income tax (20%) and all conditions pertaining to the relief and the value of the credit remain the same. The maximum amount you can be refunded per year from the Mortgage Interest Tax Credit is €1,250 per residence.
- No increases to Housing Assistance Payment (HAP) limits.

### **Pension Auto-Enrolment**

- While not announced as part of the Budget, starting 1 January 2026, contributions from employees, employers and the State will be collected through payroll for those in work as part of the planned [Pension Auto-Enrolment](#). People who do not have a pension scheme, earn more than €20,000 per year and are aged between 23 and 60 will be automatically enrolled into the new system. In 2026, the employee contribution will be 1.5% of gross salary, employer contribution 1.5% and the State tops it up by 0.5%.

*Last Updated 8<sup>th</sup> October 2025*

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