



## MESL & NATIONAL MINIMUM WAGE ADEQUACY

---

### INTRODUCTION

The Vincentian Partnership for Social Justice (VPSJ) welcomes the opportunity to make this submission on the National Minimum Wage rate.

The Low Pay Commission has been tasked with considering a range of factors regarding economic, employment and competitiveness issues in making their recommendations on the National Minimum Wage rate. While these factors are important, the VPSJ regards it as vital that consideration also be given to the adequacy of the National Minimum Wage rate, the standard of living a minimum wage income enables, and the rights of the individual to an adequate standard of living.

The VPSJ's Minimum Essential Standard of Living (MESL) research establishes a negotiated social consensus on what people believe is required for households to have a minimum socially acceptable standard of living. The data specifies the minimum expenditure required to live and partake in Irish society at a standard of living which members of the public agree nobody should be expected to live below.

The MESL data uniquely provides an evidence based benchmark against which to assess the adequacy of minimum rates of pay, and shines a light on the extent to which individuals and households can afford a standard of living which enables participation in the social and economic norms of Irish society.

The MESL provides the evidence base for the Living Wage. The Living Wage rate for Ireland is calculated by the VPSJ's Minimum Essential Budget Standards research centre, in consultation with the Living Wage Technical Group, on the basis of the Minimum Essential Standard of Living research.

The recommendations made in this submission are based on the evidence and data established through the VPSJ's ongoing MESL research. This submission is based on the 2016 MESL data and analysis of income adequacy. The recently published Minimum Essential Standard of Living 2016 update report provides detailed analysis of the minimum expenditure and income needs of a range of representative household compositions.

Further information on the research, reports and working papers, and the detailed MESL expenditure and income needs of additional household types can be found on [www.budgeting.ie](http://www.budgeting.ie).

## NATIONAL MINIMUM WAGE

At a minimum, the National Minimum Wage rate should be based on the rationale that full-time employment will at least provide for an acceptable minimum standard of living. Having an income below this standard of living means doing without goods and services which are seen as essential for taking part in the norms of everyday life in Ireland.

Therefore, it is vital that the National Minimum Wage establishes an appropriate floor, providing a rate of pay which should enable an individual to have an acceptable minimum standard of living when engaged in full-time employment.

The Living Wage provides an evidence based rate which will meet this minimum threshold, on average, for a single person without dependents in full-time employment, establishing an acceptable floor which no-one should be expected to live below.

Social supports must work to smooth out the additional and different needs due to regional irregularities to ensure that a single rate of pay can provide an adequate floor across the country.

Wage rates cannot (and should not be expected to) take account of household composition, and the number of people dependent on a wage. Minimum rates of pay cannot provide for income adequacy in isolation. However, social welfare supports can work in conjunction with an appropriately set minimum wage floor to ensure the minimum wage can provide households with dependents an acceptable minimum standard of living.

## THE LIVING WAGE

The Living Wage provides the appropriate rate for an earnings floor that enables an acceptable minimum standard for those without dependents. The MESL research has been instrumental in the development of the Living Wage, providing the evidence base for its calculation. The rate is calculated on the basis of meeting the average minimum income needs of a single adult in full-time employment, without dependents, across the country.

The Living Wage is based on the concept that work should enable a decent standard of living, and that low pay employers should take a greater responsibility for ensuring the living standards of their employees.

However, families with children in low paid employment need additional assistance, and it is not reasonable to expect wages alone to meet the minimum needs of households in this position. It is vital that the level of in-work social welfare support enables minimum rates of pay to stay at feasible levels, while ensuring an MESL is achievable for all families.

Unlike the National Minimum Wage, the Living Wage is an evidence based rate of pay which is grounded in social consensus. It is derived from Consensual Budget Standards research, which establishes the cost of a Minimum Essential Standard of Living in Ireland today.

## MINIMUM NEED & INCOME ADEQUACY

The VPSJ's MESL research has repeatedly demonstrated the inadequacy of the National Minimum Wage (NMW) for Single Adult households and many household compositions with children, in a wide array of housing and employment scenarios. In conjunction with benchmarking the inadequacy of the NMW against the cost of an acceptable standard of living, the Minimum Income Standard approach shows the range of scenario & household specific gross salary rates which would be required to enable an MESL.

The MESL 2016 Update Report<sup>i</sup> provides details on the inadequacy of household income for multiple household types and compositions, when earning the National Minimum Wage in a variety of employment and housing scenarios.

The MESL expenditure needs of households with children vary by the household type (One or Two Parent), number and age of children, employment pattern of the adults (effecting childcare needs) and housing tenure (e.g. differential rent versus market rent).

There is a vital role for social supports (both income and services) to support those in lower paid / low hour employment unable to secure an adequate income from work. And also to provide for the multiplicity of varying needs of households with children.

- › The MESL 2016 Update Report demonstrates the effect of housing tenure on the minimum expenditure and income needs, contrasting the position of identical household compositions when paying differential rent (e.g. social housing) and market rent (90% of the average rent in Dublin).

*Tables on pages 14 – 18, at the end of this submission, present the MESL Expenditure and Gross Salary need for a set of illustrative household types, when in full-time employment and residing in either social housing or private rented accommodation.*

- › The vital role of the in-work supports such as Family Income Supplement and One-Parent Family Payment are examined in a recent MESL Working Paper<sup>ii</sup>; the analysis presented highlights the impact of steep tapering and withdrawal rates of these supports which can result in notable rises in salary above the NMW resulting in modest changes in net household income (and in some cases decreasing income with higher salaries).

## SUMMARY OF RELEVANT DATA

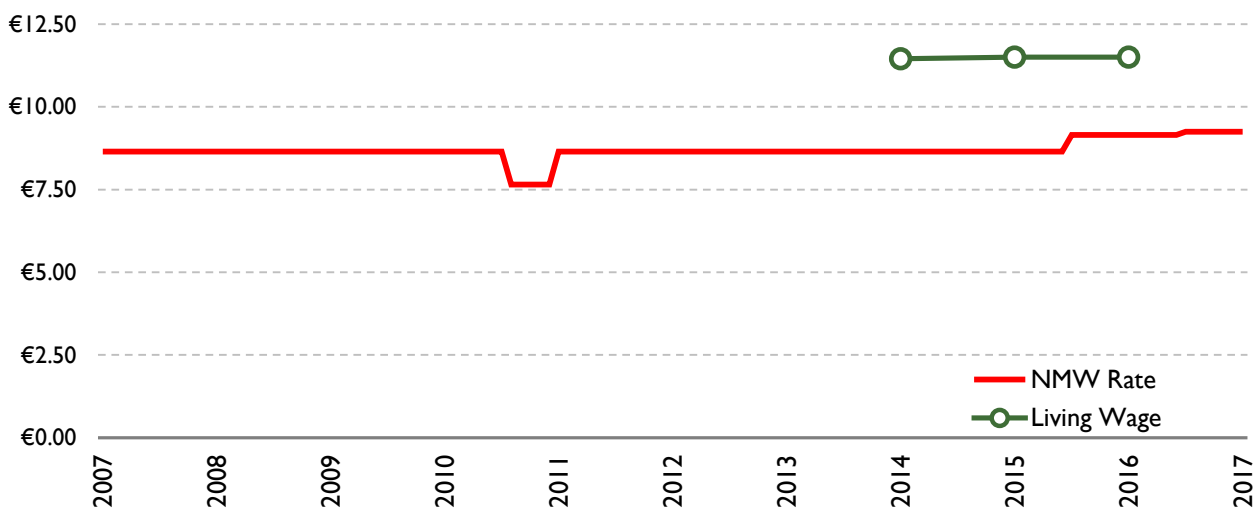
The following provides context on the:

- › The NMW rate and the Living Wage rate
- › Changing costs of a Minimum Essential Standard of Living
- › Increases in private rent housing costs
- › The adequacy of the National Minimum Wage rate
- › Forecasting the position for the 2017 rate of €9.25 per hour

## LIVING WAGE & NMW RATE

The Living Wage is the gross salary needed, on average, for a single person in full-time employment to afford an acceptable minimum standard of living. While earning the Living Wage rate (currently €11.50 per hour) will not guarantee an adequate income for individuals and households in all circumstances, it provides a base for policy and social supports to build from.

Graph 1 NMW and Living Wage rate, by year



At a minimum, the National Minimum Wage rate should be based on the rationale that full-time employment will at least provide for an acceptable minimum standard of living. The Living Wage provides the rate which will meet this minimum threshold.

The NMW in 2016 of €9.15 per hour, was €2.35 below (or 79.5% of) the 2016 Living Wage rate of €11.50 per hour. The 2017 increase of the NMW to €9.25 per hour, brings the minimum wage to €2.25 below (or 80.4% of) the 2016 Living Wage rate.

The ongoing increase in overall minimum living costs, as outlined below, mean it is likely that the Living Wage rate will increase in 2017, widening the gap between the NMW and the Living Wage again.

A summary of the calculation of the Living Wage rate is provided in the appendix.

## CHANGING COSTS OF AN MESL

**The core cost of an MESL cost is 4.6% higher in 2016 than the recession low point of 2010.**

The MESL household expenditure budget is more concentrated on basics such as food, electricity and home heating, than that of the average household. Consequently the cost of an MESL changes at a different rate than that indicated by the average CPI rate.

The MESL research has tracked the changes in the cost of an MESL against the headline CPI inflation rate, and has found that the CPI headline inflation rate tends to under-estimate changes

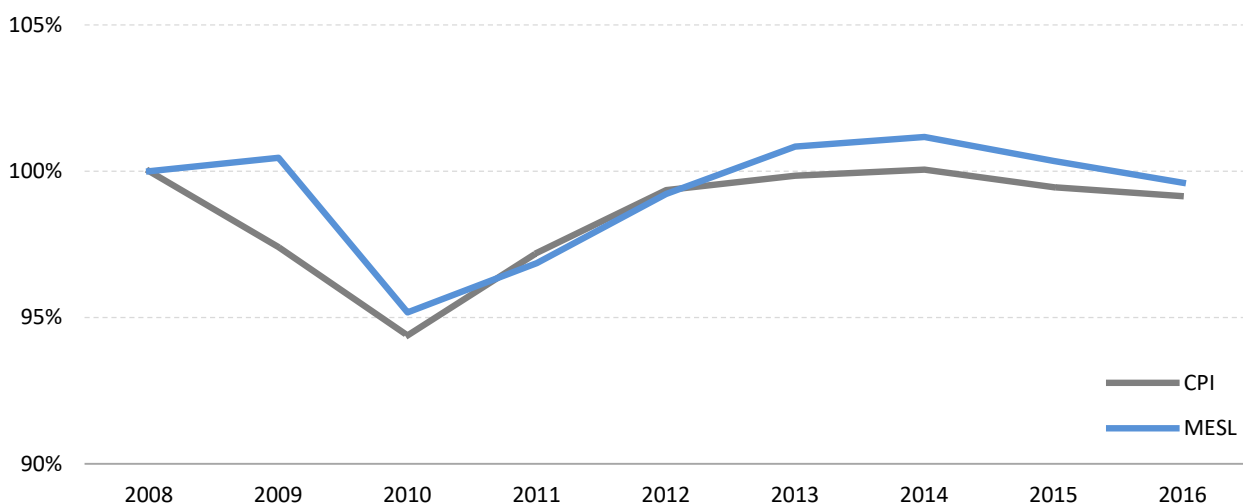
in the cost of an MESL. The disparity between changes in the MESL and the CPI index re-enforces the point made by the CSO, that the CPI is not a cost of living index<sup>iii</sup>, and echoes the findings of a recent ESRI paper demonstrating the different (higher) rate of inflation experienced by households on lower incomes when compared to the national average<sup>iv</sup>.

The total core cost of an MESL (excludes housing and categories of expenditure which may vary by employment pattern such as childcare, and also the effect of secondary benefits such as a medical card).

The core MESL cost has decreased in 2016. The average change in the core MESL cost from 2015 to 2016 is -0.7%, this follows a similar decrease in 2015 to give a cumulative change of -1.6% over the two years from 2014 to 2016.

Despite the recent reduction, the core MESL cost is still 4.6% higher in 2016 than the recession low point of 2010.

**Graph 2 Cumulative change in Core MESL and CPI, 2008 to 2015**

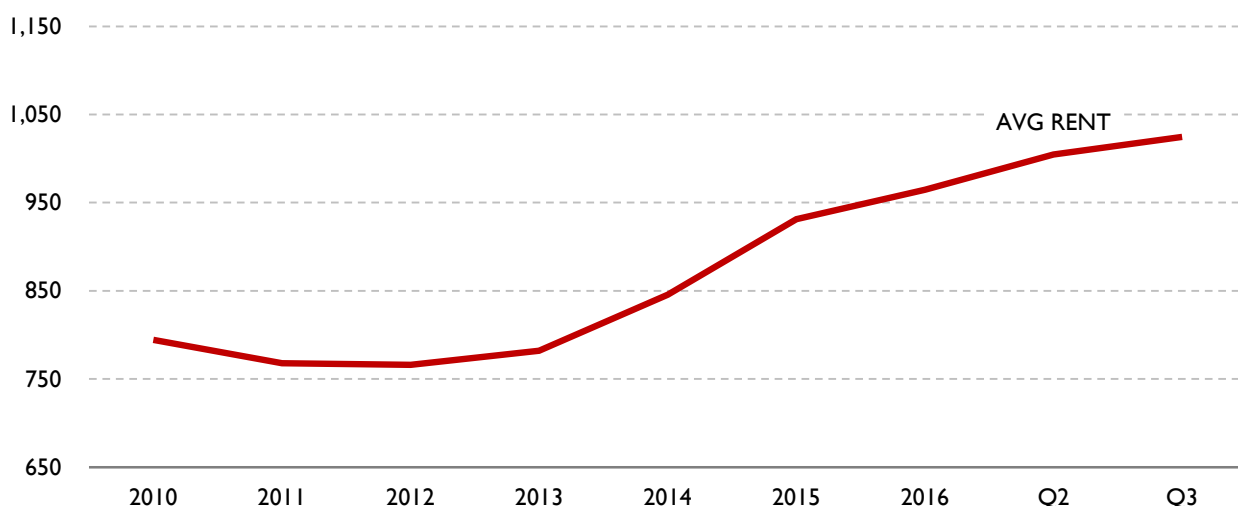


## INCREASING HOUSING COSTS

Looking beyond the core MESL costs, private rents have increased each year since 2012 (as measured by the CPI), with increases of 8% to 10% in each of the last three years. The increases from 2014 to 2016 cumulatively amount to an average increase in rents of 30.1%.

The CSO note that the decrease in mortgage interest payments (-7.6%) is a primary contributor to overall the negative inflation rate. This is despite a national average increase in private rents of 9.2%, as the greater proportion of households with a mortgage, compared to those in private rented housing, meant that increasing rents only partially offset the effect of decreasing mortgage interest on the overall average CPI inflation rate.

**Graph 3 Average Rent, 1 Bed Dwelling, Dublin<sup>v</sup>**



In the last year rents in the Dublin area increased by 10.9% for a one bed dwelling, 9.3% for a two-bed dwelling and 8.9% for a three-bed dwelling<sup>v</sup>. Such increases have led to dramatic rises in the overall cost of an MESL for households unable to access social housing and a differential rent.

There has been an average 3.0% increase in the overall cost of an MESL (including private rent<sup>vi</sup> and childcare) in the last year, and a 7.7% increase since 2010.

## NATIONAL MINIMUM WAGE ADEQUACY

While the rate of the National Minimum Wage (NMW) did not increase above €8.65 per hour from July 2007 until the increase to €9.15 per hour in January 2016, the net income from the NMW fluctuated with adjustments to PAYE Income Tax and the Universal Social Charge.

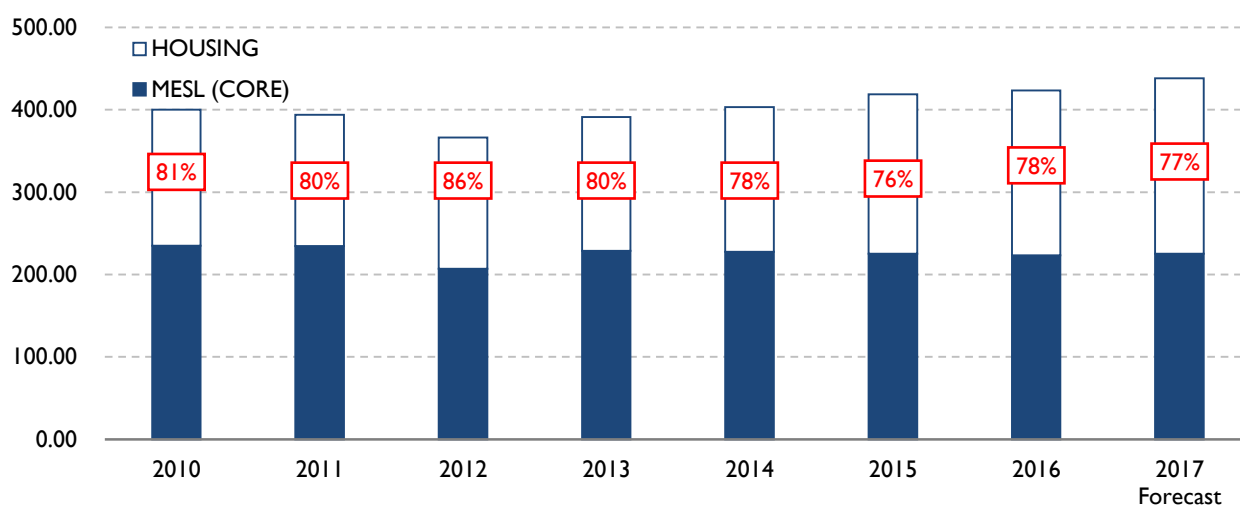
The €0.50 increase to the NMW rate in 2016, was a 5.8% increase in the rate but produced an increase of only 2.4% in net income compared to the position of a full-time minimum wage employee in 2010; when the salary rate would not be liable for income taxes.

The increase in the National Minimum Wage (NMW) rate of €0.10 brings the rate to €9.25 per hour in 2017. This remains €2.25 below the current Living Wage rate (€11.50 per hour); the NMW is 80% of the Living Wage.

The 10 cent increase to the hourly rate represents an adjustment of 1.01%; this may scarcely keep pace with the forecast inflation of 1% for 2017<sup>vii</sup>. However, for households already facing income inadequacy, and struggling to meet ever increasing rent costs, this rate increase is inadequate, and does not move toward the provision of adequate income and a Living Wage.

One adult in full-time (37.5 hour) minimum wage employment will have an increase in net income of €4.62 per week (1.39%), due to the combined effect of the increase to the NMW and reductions in USC.

**Graph 4 Single Adult, Urban, MESL Expenditure Need and Full-Time NMW Adequacy**



Housing costs increased by 10.9% for this household type (in Dublin) between 2015 and 2016, and this trend is continuing. The combination of inflation generally and increasing rents result in an increase in minimum expenditure need of €14.65 (3.46%) in 2017, for a single adult living and renting in Dublin.

In 2017 income inadequacy will likely deepen for a household in this scenario, with an income shortfall of over €100 per week. The NMW will provide for only three quarters of this household's MESL expenditure need.

Based on the current forecast MESL costs for 2017, a single adult would need to have over 57.8 hours of paid NMW employment per week in order to afford an MESL in Dublin in the coming year.

**Table I Single Adult MESL Expenditure Need & NMW Adequacy<sup>viii</sup>**

	2010	2011	2012	2013	2014	2015	2016	2017
								FORECAST
<b>MESL EXPENDITURE</b>								
MESL (CORE)	235.10	234.42	207.00	228.65	227.64	225.19	223.19	225.41
HOUSING	165.01	159.48	159.13	162.43	175.63	193.44	200.34	212.78
TOTAL MESL	400.11	393.90	366.13	391.08	403.27	418.63	423.53	438.18
<b>NMW INCOME</b>								
(Full-Time, 37.5 hours)								
Hourly Rate	8.65	8.65	8.65	8.65	8.65	8.65	9.15	9.25
GROSS SALARY	324.38	324.38	324.38	324.38	324.38	324.38	343.13	346.88
USC	0.00	-9.12	-9.12	-9.12	-9.12	-6.73	-5.67	-4.05
PRSI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PAYE	0.00	-1.41	-1.41	-1.39	-1.38	-1.38	-5.13	-5.88
NET	324.38	313.85	313.85	313.87	313.88	316.27	332.33	336.95
<b>INCOME ADEQUACY</b>								
Net Income - Total MESL	-75.73	-80.05	-52.28	-77.20	-89.39	-102.36	-91.21	-101.24
Net Income as % MESL	81%	80%	86%	80%	78%	76%	78%	77%

## CONCLUSION

This submission is intended to bring salient points on the cost of an acceptable minimum standard of living, the inadequacy of the current National Minimum Wage rate, and the Living Wage rate which sets a benchmark for an acceptable minimum earnings threshold, to the attention of the Low Pay Commission.

It is not the intention of this submission to advocate an immediate adjustment of the NMW rate to the Living Wage. Rather, the VPSJ recommends that the Commission consider setting a clear rationale for determining the appropriate level of the NMW, and set out clear a programme of rate adjustments which will see the progressive realisation of the National Minimum Wage becoming an evidence based earnings floor, i.e. providing a Living Wage.

While issues regarding the efficacy of in-work social welfare supports and access to adequate affordable housing may not be directly within the remit of the Low Pay Commission it is important that the Commission be cognisant of these issues in their recommendations, and also of the effect of changes in the NMW rate on entitlement to social supports.

Social supports which reduce exceptional living costs (such as housing, childcare, health and transport), reviewing the tapering and withdrawal rates of in-work social welfare supports to ensure working more hours / earning a higher rate of pay results in being better off, are all vital measures which Government as a whole must address, in order to ensure progress toward enable an acceptable minimum standard of living for all people.

In regards to the appropriate rate of the National Minimum Wage, progressive steps towards ensuring the rate of pay is based on evidence and data and reflects the minimum needs and costs of individuals striving for an acceptable standard of living, are vital.

As such, the Low Pay Commission must set out a road map which sees the NMW rate moving toward an acceptable floor. The recent rate increases fail to provide any certainty into the future for either workers or employers.

---

<sup>i</sup> [www.budgeting.ie/publications/2016-mesl-update-report/](http://www.budgeting.ie/publications/2016-mesl-update-report/)

<sup>ii</sup> [www.budgeting.ie/publications/when-the-living-wage-is-not-enough/](http://www.budgeting.ie/publications/when-the-living-wage-is-not-enough/)

<sup>iii</sup> CSO, 2015. CSO Consumer Price Index Methodology. Published on-line  
[www.cso.ie/en/media/csoie/surveysandmethodologies/surveys/prices/documents/introductiontocpi2.pdf](http://www.cso.ie/en/media/csoie/surveysandmethodologies/surveys/prices/documents/introductiontocpi2.pdf)

<sup>iv</sup> Callan, T. & Colgan, B., 2015. ESRI Research Note: The Distributional Impact of Inflation: 2003-2014.  
[www.esri.ie/publications/the-distributional-impact-of-inflation-2003-2014/](http://www.esri.ie/publications/the-distributional-impact-of-inflation-2003-2014/)

<sup>v</sup> RTB Rent Index Data, accessed online: [www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent\\_index\\_statbank.asp](http://www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent_index_statbank.asp)

<sup>vi</sup> Based on 90% of the average Dublin rent for a dwelling size appropriate to the household composition.

<sup>vii</sup> Central Bank (2016) Quarterly Bulletin No.4 2016

<sup>viii</sup> Single Adult housing cost is based on private rented housing, at 90% of the average cost of a private rented one bedroom dwelling in Dublin, using RTB Rent Index data. Income calculations are based on full-time (37.5 hours) employment. The Medical Card means test is applied, following published HSE Medical Card guidelines; where eligibility is found MESL Expenditure need is adjusted to reflect reduced health costs and income calculations take account of reduced USC liability.

2017 Forecast MESL Expenditure is based on 2016 MESL adjusted for forecast inflation of 1%, and Q3 2016 average rent data was €1,024.48, 90% is €922.03.



## APPENDIX - THE LIVING WAGE

The Living Wage for the Republic of Ireland is calculated by the Minimum Essential Budget Standards research centre, on the basis of the VPSJ's MESL research. The rate is calculated following the approach first set out in 2014 in collaboration with the other members of the Living Wage Technical Group and detailed in the Living Wage Technical Document.

The Living Wage is based on the concept that work should provide an adequate income to enable individuals to afford a socially acceptable minimum standard of living. The Living Wage is the average gross salary which will enable full-time employed adults (without dependents) across Ireland to afford a socially acceptable minimum standard of living.

Unlike the National Minimum Wage, the Living Wage is an evidence based rate of pay which is grounded in social consensus. It is derived from Consensual Budget Standards research, which establishes the cost of a Minimum Essential Standard of Living in Ireland today.

The Living Wage is calculated as the average gross salary required for a Single Adult, working 39 paid hours per week, to afford a minimum acceptable standard of living across Ireland.

### **THE LIVING WAGE AND FAMILY LIVING INCOME**

The Living Wage Technical Group focused the calculation of a Living Wage for the Republic of Ireland on a single-adult household. In its examination of the methodological options for calculating a robust annual measure, the group concluded that a focus on a single-adult household was the most practical approach.

While the calculation of the Living Wage is based on a single adult household, the Living Wage Technical Group recognises that households with children experience additional and different costs which are relevant to any consideration of such households' standards of living.

To put the Living Wage rate in context, and demonstrate the additional income and social support needs of households with children, a range of Family Living Income needs are also calculated. These are updated and published in conjunction with the Living Wage rate, each year.

### **EVIDENCE BASED CALCULATION**

The calculation of the Living Wage for Ireland (and accompanying Family Living Incomes) is carried out by the VPSJ, applying the Minimum Essential Standard of Living (MESL) expenditure needs data and Minimum Income Standard (MIS) model.

The Living Wage calculations apply the MIS model to a set of agreed scenarios in order to calculate a single national average rate, and an accompanying range of Family Living Income needs, in a robust and transparent manner.

# CALCULATING THE RATES

## LIVING WAGE

The Living Wage is calculated as the average gross salary required for a Single Adult, working 39 paid hours per week, to afford a minimum acceptable standard of living across Ireland.

One Living Wage rate for the entire country is calculated. However, the cost of a minimum standard varies across different parts of the country, due for example to the different costs of housing and different transport needs. To take account of these variations, the Living Wage calculations define four regions, calculating the differing expenditure need in each. The single national Living Wage rate is produced on the basis of an average of these four regions, weighting each region in proportion to its labour force population.

The Living Wage approach provides a method to distil the multiple MIS rates into a central rate of pay. This approach builds on the MIS model and methodology, and its calculation follows a clearly stated and transparent process.

To calculate the national rate, the following steps are carried out, and the final national average rate arrived at:

- The weekly core cost a Minimum Essential Standard of Living for a working age Single Adult household type is established for four regions across the Republic of Ireland (defined in the Living Wage calculations)
- The appropriate minimum standard housing cost is identified for the household type in each region
- Having established the full minimum expenditure need for the household type in each region, the Minimum Income Standard salary rate required to afford that standard of living is calculated for each region
- The Living Wage rate is calculated from this range of regional MIS rates by producing an average wage requirement. The average is weighted by the proportion of the labour force resident in each of the four regions defined in the Living Wage calculations.

## EXPENDITURE – THE COST OF A MESL

MESL expenditure budgets are compiled for each of the four regions defined for the Living Wage calculations. The four regions are:

- Dublin     Dublin City & Suburbs, and other towns in Dublin County
- Cities     The City & Suburbs of Cork, Galway, Limerick & Waterford
- Towns     All towns with a population of 5,000 and above (excluding those towns in Dublin)
- Rural     All towns & villages with a population of under 5,000 and all other rural areas

The Urban Minimum Essential Standard of Living expenditure data is used for the calculations in three of the four Living Wage regions: Dublin, Cities and Towns.

The Urban dataset was compiled with a focus on Dublin based household types. However, the pricing for the majority of goods and services was conducted in retailers that are national chains; consequently, the Dublin expenditure data is generally applicable to other Urban areas.

The Rural Minimum Essential Standard of Living expenditure dataset identifies the additional and different expenditure needs of households in rural areas, small villages and towns across Ireland. This expenditure data is used for the calculations in the Rural / Rest of Ireland region.

## HOUSING

The MESL expenditure data does not specify a housing cost, rather when examining a particular scenario an appropriate housing cost is included in the overall minimum expenditure budget. The Living Wage and the Family Living Income housing costs are based on a proportion of the average cost of Private Rented accommodation. The Private Residential Tenancies Board (PRTB) average rent index is the source for the housing costs.

For the Single Adult household type the housing cost is based on the average cost of a one-bedroom dwelling. The average for all property types is used. Given that high rents can distort the average, the Living Wage Technical Group decided to base the calculation on a proportion of the reported average. The Living Wage housing cost is 90% of the average monthly rent.

For the Family Living Income the cost is also based on 90% of the average monthly rent of an appropriately sized dwelling. For household compositions with one child, the cost is based on a two-bed dwelling. For compositions with more than one child the cost is based on a three-bed dwelling.

## TRANSPORT

Transport needs are based on the requirements identified in the MESL research. It establishes the type and cost of transport required for an acceptable minimum standard of living in Urban and Rural areas.

For Dublin and Cities transport costs are based on the use of Public Transport only.

In the Towns region the transport costs are based on private transport. The MESL expenditure data includes the overall cost of a car for urban households living in areas where the available public transport is inadequate.

The MESL expenditure data also includes the overall cost of a car for rural household types, as the available public transport service in rural towns & villages is found to be inadequate for enabling a minimum standard of living.

## MINIMUM INCOME STANDARD CALCULATIONS

The Living Wage calculations use the Minimum Income Standard (MIS) method, establishing the gross salary required by a household type in order for the household's net income (salary net of tax plus any social welfare entitlements) to afford the MESL expenditure costs identified.

The MIS calculations establishes the amount of earned income that is required to afford the MESL expenditure requirement established for each household type, by region, given the current structure of the taxation and social welfare systems.

### **EMPLOYMENT PATTERN ASSUMPTIONS**

The Living Wage rate is calculated on the basis of full-time employment, with the assumption of 39 hours in the working week. The Family Living Income calculations are based on all adults in the household being employed full-time (39 hours per week).

For the calculation of the annual value of the hourly and weekly gross salary, we assume 52.14 weeks in the year – the number of days in a non-leap year (365) divided by the number of days in a week.

The Living Wage is expressed in terms of an hourly figure. However, this hourly rate will only provide a true Living Wage when it is paid in the context of regular, consistent, full-time employment.

# LIVING WAGE CALCULATION TABLE

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	55.23	55.23	55.23	51.19
Clothing	9.83	9.83	9.83	7.32
Personal Care	13.04	13.04	13.04	7.15
Health	4.11	4.11	4.11	4.06
Household Goods	13.88	13.88	13.88	15.52
Household Services	6.60	6.60	6.60	11.09
Communications	9.39	9.39	9.39	9.39
Social Inclusion & Participation	38.01	38.01	38.01	45.96
Education	4.96	4.96	4.96	4.71
Transport	32.70	25.82	48.98	53.32
Housing	200.34	123.25	112.15	74.25
Household Energy	27.99	27.99	27.99	35.24
Personal Costs	7.66	7.66	7.66	8.40
Insurance - <i>Home</i>	2.23	2.23	2.23	2.03
Insurance - <i>Health</i>	11.75	11.75	11.75	11.75
Insurance - <i>Car</i>	...	...	16.01	8.86
Savings & Contingencies	11.50	11.50	11.50	11.50
Total MESL Expenditure	449.23	365.26	393.33	361.74

## MINIMUM INCOME STANDARD

<b>Annual</b>				
Gross Salary	27,553.38	21,046.31	23,486.46	20,842.97
Net Salary	23,477.28	19,066.64	20,610.10	18,956.36
<b>Weekly</b>				
Gross Salary	528.45	403.65	450.45	399.75
Net Salary	450.27	365.68	395.28	363.57
<b>Social Welfare</b>				
Medical Card	GP Visit	GP Visit	GP Visit	GP Visit

## LIVING WAGE

Weighting	0.2922	0.0905	0.1986	0.4188
-----------	--------	--------	--------	--------

	ACTUAL	ROUNDED
LIVING WAGE – Gross per annum	23,346.82	23,345.00
LIVING WAGE – Gross per week	447.77	448.00
LIVING WAGE – Gross per hour	11.48	11.50

The table details the Minimum Essential Standard of Living (MESL) expenditure need for a Single Adult household type in each of the four Living Wage regions. The Minimum Income Standard (MIS) salary required to afford the cost of a MESL in each region is also presented.

The weighted average minimum gross salary need is calculated on the basis of the proportion of the labour force resident in each of the regions.

Rounded weights shown, unrounded data used in calculations. The product of rounded figures will produce a different result from that shown

<i>All Adults employed full-time</i>	TP 1	TP 2a	TP 2b	TP 3	TP 4	OP 1	OP 2a	OP 2b
<b>MESL EXPENDITURE NEED</b>								
MESL Core*	431.12	435.72	561.29	515.89	779.26	284.78	328.91	409.35
Childcare	217.56	241.15	54.81	458.71	109.61	54.81	241.15	54.81
Housing (Differential Rent)	63.22	61.92	61.52	75.52	69.71	66.39	81.43	68.57
Total MESL Expenditure	711.91	738.79	677.62	1,050.12	958.59	405.98	651.49	532.73
<b>MIS SALARY</b>								
Gross Salary 1	358.13	350.63	343.13	560.63	463.13	343.13	616.88	343.13
Income Tax <i>(joint assessment for TP)</i>	15.17	13.23	8.63	97.21	55.96	...	28.11	...
USC 1	6.12	5.90	5.67	12.20	11.88	5.67	13.89	5.67
PRSI 1	3.35	...	...	22.43	18.53	...	24.68	...
Gross Salary 2	358.13	350.63	343.13	560.63	463.13			
Income Tax 2								
USC 2	6.12	5.90	5.67	12.20	11.88			
PRSI 2	3.35	...	...	22.43	18.53			
Net Salary	682.14	676.22	666.27	954.79	809.48	337.45	550.21	337.45
<b>SOCIAL WEFLARE</b>								
Child Benefit	32.31	64.62	64.62	96.92	129.23	32.31	64.62	64.62
FIS	...	...	...	...	20.00	46.00	38.00	165.00
BSCFA	...	...	...	...	...	...	...	5.77
One-Parent Family						97.80	...	...
Fuel Allowance						11.25	...	...
Medical Card	GP Visit	Full	GP Visit	Full	GP Visit	Full	Full	Full
Total Income	714.45	740.84	730.88	1,051.71	958.71	524.81	652.82	572.84

## MINIMUM INCOME STANDARD

## URBAN - Social Housing

<i>All Adults employed full-time</i>	TP 1	TP 2a	TP 2b	TP 3	TP 4	OP 1	OP 2a	OP 2b
MESL EXPENDITURE NEED								
MESL Core*	431.12	435.72	561.29	515.89	779.26	284.78	328.91	409.35
Childcare	217.56	241.15	54.81	458.71	109.61	54.81	241.15	54.81
Housing (Differential Rent)	63.22	61.92	61.52	75.52	69.71	66.39	81.43	68.57
Total MESL Expenditure	711.91	738.79	677.62	1,050.12	958.59	405.98	651.49	532.73

## Weekly Household Disposable Income (Net Salary + Social Transfers)

Net Salary	682.14	676.22	666.27	954.79	809.48	337.45	550.21	337.45
Social Transfers	32.31	64.62	64.62	96.92	149.23	187.36	102.62	235.38
Medical Card	GP Visit	Full	GP Visit	Full	GP Visit	Full	Full	Full
Household Income	714.45	740.84	730.88	1,051.71	958.71	524.81	652.82	572.84

MINIMUM INCOME STANDARD, *per adult employed full-time*

MIS Annual Gross Salary, <i>per adult</i>	18,672.64	18,281.59	17,890.54	29,230.99	24,147.34	17,890.54	32,163.86	17,890.54
MIS Hourly Gross Salary, <i>per adult</i>	9.55	9.35	9.15	14.95	12.35	9.15	16.45	9.15
MIS - NMW	0.40	0.20	0.00	5.80	3.20	0.00	7.30	0.00
MIS as % NMW	104%	102%	100%	163%	135%	100%	180%	100%
Hours NMW, <i>per adult</i>	39.14	38.32	37.50	61.27	50.61	37.50	67.42	37.50

\* MESL Core adjusted for the effect of secondary benefits (e.g. Medical Card) and employment scenario

<i>All Adults employed full-time</i>	TP 1	TP 2a	TP 2b	TP 3	TP 4	OP 1	OP 2a	OP 2b	SA	CP
<b>MESL EXPENDITURE NEED</b>										
MESL Core*	431.12	435.72	561.29	515.89	779.26	284.78	328.91	409.35	240.24	381.03
Childcare	217.56	241.15	54.81	458.71	109.61	54.81	241.15	54.81	...	...
Housing (Private Rent)	255.36	270.44	270.44	270.44	270.44	255.36	270.44	270.44	200.34	200.34
Total MESL Expenditure	904.05	947.31	886.53	1,245.05	1,159.32	594.95	840.50	734.60	440.58	581.38
<b>MIS SALARY</b>										
Gross Salary 1	511.88	511.88	474.38	710.63	620.63	635.63	1,003.13	804.38	515.63	343.13
Income Tax <i>(joint assessment for TP)</i>	76.67	77.73	61.13	181.46	118.96	31.88	160.60	81.10	39.00	4.33
USC 1	14.56	10.74	12.50	16.70	20.54	14.45	25.47	19.51	14.76	5.67
PRSI 1	20.48	20.48	18.98	28.43	24.83	25.43	40.13	32.18	20.63	...
Gross Salary 2	511.88	511.88	474.38	710.63	620.63					343.13
Income Tax 2										4.33
USC 2	14.56	10.74	12.50	16.70	20.54					5.67
PRSI 2	20.48	20.48	18.98	28.43	24.83					...
Net Salary	877.01	883.60	824.67	1,149.54	1,031.56	563.88	776.93	671.59	441.23	666.24
<b>SOCIAL WEFLARE</b>										
Child Benefit	32.31	64.62	64.62	96.92	129.23	32.31	64.62	64.62		
FIS	...	...	...	...	...	...	...	...		
BSCFA	...	...	...	...	...	...	...	...		
One-Parent Family						...	...	...		
Fuel Allowance						...	...	...		
Medical Card	GP Visit	Full	GP Visit	Full	GP Visit	Full	Full	Full	GP Visit	None
Total Income	909.32	948.21	889.29	1,246.46	1,160.79	596.18	841.55	736.21	441.23	666.24



## MINIMUM INCOME STANDARD

## URBAN - Private Rented Housing

<i>All Adults employed full-time</i>	TP 1	TP 2a	TP 2b	TP 3	TP 4	OP 1	OP 2a	OP 2b	SA	CP
MESL EXPENDITURE NEED										
MESL Core*	431.12	435.72	561.29	515.89	779.26	284.78	328.91	409.35	240.24	381.03
Childcare	217.56	241.15	54.81	458.71	109.61	54.81	241.15	54.81	...	...
Housing (Private Rent)	255.36	270.44	270.44	270.44	270.44	255.36	270.44	270.44	200.34	200.34
Total MESL Expenditure	904.05	947.31	886.53	1,245.05	1,159.32	594.95	840.50	734.60	440.58	581.38

## Weekly Household Disposable Income (Net Salary + Social Transfers)

Net Salary	877.01	883.60	824.67	1,149.54	1,031.56	563.88	776.93	671.59	441.23	666.24
Social Transfers	32.31	64.62	64.62	96.92	129.23	32.31	64.62	64.62	...	...
Medical Card	GP Visit	Full	GP Visit	Full	GP Visit	Full	Full	Full	GP Visit	None
Household Income	909.32	948.21	889.29	1,246.46	1,160.79	596.18	841.55	736.21	441.23	666.24

MINIMUM INCOME STANDARD, *per adult employed full-time*

MIS Annual Gross Salary, <i>per adult</i>	26,689.16	26,689.16	24,733.91	37,051.99	32,359.39	33,141.49	52,302.94	41,940.11	26,884.69	17,890.54
MIS Hourly Gross Salary, <i>per adult</i>	13.65	13.65	12.65	18.95	16.55	16.95	26.75	21.45	13.75	9.15
MIS - NMW	4.50	4.50	3.50	9.80	7.40	7.80	17.60	12.30	4.60	0.00
MIS as % NMW	149%	149%	138%	207%	181%	185%	292%	234%	150%	100%
Hours NMW, <i>per adult</i>	55.94	55.94	51.84	77.66	67.83	69.47	109.63	87.91	56.35	37.50

\* MESL Core adjusted for the effect of secondary benefits (e.g. Medical Card) and employment scenario

## NOTES

### HOUSEHOLD TYPE & COMPOSITIONS

TP 1	Two Parents with One Child	an infant (aged under 1)
TP 2a	Two Parents with Two Children	one in pre-school & one in primary school (ages 3 & 6)
TP 2b	Two Parents with Two Children	one in primary school & one in secondary school (ages 10 & 15)
TP 3	Two Parents with Three Children	an infant, one in pre-school & one in primary school (ages under 6)
TP 4	Two Parents with Four Children	two in primary school & two in secondary school (ages 8, 11, 14 & 15)
OP 1	One Parent with One Child	in primary school (aged 6)
OP 2a	One Parent with Two Children	one in pre-school & one in primary school (ages 3 & 6)
OP 2b	One Parent with Two Children	one in primary school & one in secondary school (ages 10 & 15)

### PRIVATE RENT COSTS

Dwelling Size	Weekly Cost	90% of Avg Rent	Dublin Average Rent
One Bed	200.34	868.16	964.62
Two Bed	255.36	1,106.56	1,229.51
Three Bed	270.44	1,171.91	1,302.12

Data source:

PRTB Average Monthly Rent Report (Euro) by Location, Property Type and Number of Bedrooms - 2015Q4

Accessed 01/05/2016