

## Key Points

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The aspirations and commitments to building social solidarity, improving wellbeing, and achieving greater social inclusion set out in the Programme for Government and Roadmap for Social Inclusion are laudable. It is clear that a cornerstone of achieving these inter-related goals is ensuring a minimally adequate income.

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The VPSJ acknowledges that the adjustments required to achieve adequate levels of social welfare support are significant, and even more so in the current context. However, the evidence of the households which have the greatest risk of income inadequacy, poverty and deprivation is inescapable, and the needs of these households are even more acute in the current context.

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To make progress towards the target of adequacy, an evidence-based response is required. The over-arching goal should be the achievement of adequate social welfare rates which provide sufficient income. It is recommended that resources are focused on the households with the greatest risks: households with older children and working-age households headed by one adult.

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The VPSJ recommends setting a five-year programme of core social welfare rate adjustments, establishing a roadmap for the creation of a social welfare system which is built on the principle of providing an adequate income. This is an ambitious aim and will require the following annual increases up to 2026:

- €9.80 working-age Personal Rate<sup>i</sup>
  - €2.10 Qualified Child Increase for children under 12
  - €10.00 Qualified Child Increase<sup>ii</sup> for children aged 12 and over
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The employment of young adults has been severely impacted throughout the pandemic, as we enter recovery the restoration of the full rate JA for 18 to 24 year olds should be progressively realised. It is recommended that in 2022 the rate is increased to €150 per week for 18 to 22 year olds, and the entitlement to the full rate of JA is restored for 23 and 24 year olds. The full rate of JA should be progressively extended to younger groups in subsequent years.

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Work toward improved public transport options for rural areas, to enable an MESL without the need for (and cost of) a private car. This is crucial to enable people in rural areas to have an adequate income when reliant on social welfare, and particularly for older people to realise the full value of the free travel pass.

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The VPSJ recommends the re-instating of the 32-week season and maintaining the current Fuel Allowance rate of €28.00 per week. This would restore the 2010 purchasing power and provide a modest buffer against the current volatility in home energy prices.

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In-work social welfare supports (in conjunction with services) are vital for smoothing out the multiplicity of varying additional and different needs of households with children. It is essential that income thresholds and eligibility criteria are reviewed in line with adjustments to the National Minimum Wage and changes in core social welfare rates.

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# Introduction

The **Vincientian Partnership for Social Justice** (VPSJ) welcomes the opportunity to make this submission to the Department of Social Protection presenting evidence-based policy recommendations.

The crisis arising from COVID-19 and its impact on individuals, families, society, jobs and the economy presents many challenges. The ESRI<sup>iii</sup> have warned of the potential for a sharp increase in child poverty due to the economic effects of COVID-19. The significant level of COVID-19 related job losses has mostly impacted on younger and lower paid workers,<sup>iv</sup> this creates the potential for long-term negative effects on the earnings and employment of the groups effected.<sup>v</sup>

Prior to this crisis the reality was one of over 695,000 people living below the at-risk of poverty threshold, including over 210,000 children, and over 105,000 people with a job but remaining 'at risk of poverty'.<sup>vi</sup> Furthermore, social welfare rates were inadequate to meet the minimum needs of many household types, as measured by the VPSJ's Minimum Essential Standard of Living (MESL) research. This fact was implicitly recognised when the Pandemic Unemployment Payment (PUP) was set at €350 per week.

The Programme for Government<sup>vii</sup> makes a welcome commitment to protecting core weekly social welfare rates and recognising the importance of secondary benefits and supports. It also commits to the implementation of the Roadmap for Social Inclusion to 'improve outcomes for those who are struggling on low incomes' (2020: 75). The Programme also sets a mission to improve the wellbeing of Irish people and society, while the Roadmap makes it clear that poverty and social exclusion are the antithesis of wellbeing.

The Roadmap for Social Inclusion<sup>viii</sup> further develops the understanding of poverty and social exclusion and defines social inclusion as 'having access to sufficient income, resources and services to enable [people] to play an active part in their communities and participate in activities that are considered the norm for people in society generally' (2020: 5). This is a clear recognition that the improvement of wellbeing and achievement of social inclusion require adequate income.

As our society begins the recovery from the pandemic it is crucial that the wellbeing of all is ensured, and that those on inadequately low incomes (whether already living with inadequate income when entering this crisis or those newly reliant on state income supports due to COVID-19) are supported through the measures taken in Budget 2022.

Decisions made now can make progressive steps towards benchmarking social welfare rates against the cost of a Minimum Essential Standard of Living and so ensure that all households are supported to live with dignity at a socially acceptable minimum level, providing for wellbeing and social inclusion.

## MESL – an evidence-based adequacy benchmark

The VPSJ's Minimum Essential Standard of Living (MESL) research works with members of the public in deliberative focus groups to reach consensus on what is the minimum people need to live and partake in Irish society. It is a standard of living which people agree no one should be expected to live below. It represents the minimum required to meet physical, social and psychological needs, and enable a life with dignity.

The research is iterative, working through multiple phases of deliberative focus groups, to establish a negotiated social consensus on what people regard as essential for households to have a minimum, but socially acceptable,

standard of living. In this way the MESL is a tangible measure, grounded in lived experience and derived from social consensus, of what is required for participation, dignity and avoiding poverty.

The MESL research operationalises the concepts which underpin the Irish Government definition of poverty and social inclusion, the human right to an adequate standard of living, and the key principle set out in the European Pillar of Social Rights that all have a right to an adequate minimum income which enables a life with dignity. It translates these concepts and ideals into a practical indicator, specifying the average weekly cost of the goods and services deemed necessary to enable a socially acceptable minimum standard of living. In effect it provides a unique measure of what is required to avoid poverty, enable participation and inclusion, and live a life with dignity. In this way, the MESL data provides an evidence-based benchmark to assess the adequacy of social welfare rates.

This submission draws on the analysis in the 2021 MESL assessment of minimum expenditure and income needs, to inform evidence-based policy recommendations.<sup>ix</sup>

## MESL assessment of social welfare adequacy

The findings from the 2021 MESL assessment of social welfare income adequacy are consistent with previous years. This analysis has found that while the position of social welfare dependent households has improved over recent years, households with older children and households headed by one adult consistently have the greatest risk and depth of income inadequacy.

The concentration of deep income inadequacy in these household types is due to the current structures of the social welfare system underestimating the minimum needs and costs for one adult headed household relative to two adult headed households, and older children relative to younger children. This highlights systemic issues in the accepted equivalence scales which inform the relativities between social welfare rates of payment. This submission outlines recommended adjustments to address the issues which contribute to this persistent deep income inadequacy.

The VPSJ aspires for an acceptable minimum standard of living for all, whether dependent on social welfare, in paid employment, or engaged in a caring role. It is recognised that this is a goal that can only be progressively realised through a combination of measures. Firstly, ensuring the adequacy of income supports, benchmarking rates of payment against minimum living costs, while also addressing systemic issues which contribute to current gaps in provision. And secondly, the parallel development of robust services that reduce minimum living costs.

The annual budget presents the opportunity for taking substantive measures towards achieving a social welfare system that ensures minimum income adequacy and enables a life with dignity. The VPSJ welcomed the introduction of the higher rate of QCI for older children as demonstrating an evidence-based approach towards the setting of social welfare rates. This measure signposts the consideration which must be given to the relativities which underpin social welfare rates of payment, and the need for similar evidence-based steps to rebalance rates of support for one adult headed households.

The current working-age adult personal rate (€203) is now in its third year, this represents a lost period for progressing towards income adequacy. Conversely, there have been significant evidence-based improvements to other supports. These include increases in the QCI rates for children both under 12 and crucially children aged 12 and over, improvements in the purchasing power of the Fuel Allowance, and continued enhancement of the Living Alone Allowance.

However, households with children will continue to face income inadequacy when the adult rates are insufficient. Working-age adults without children, including the younger adults whom are amongst those most affected by the job losses which occurred during the pandemic, are also in need of an adequate income. The recovery from the pandemic must be inclusive, and work towards ensuring income adequacy for all.

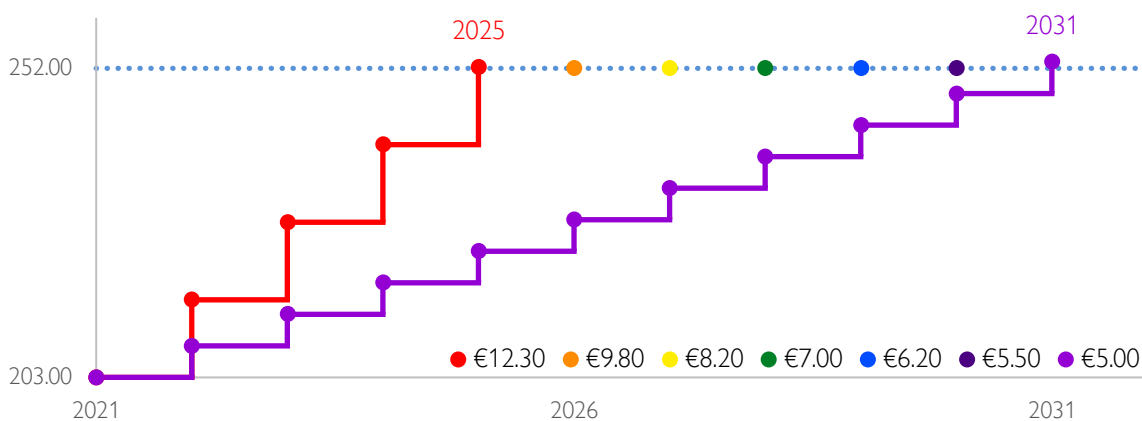
The recommendations below outline the adjustments required to current social welfare rates to reduce income inadequacy, and ultimately realise evidence-based social welfare rates which can provide an adequate minimum income which enables a life with dignity.

## Primary working-age social welfare rates

The current rate of €203 per week provides for 80.6% of the minimum expenditure requirements of a working-age urban single adult. In this situation the average weekly MESL costs are €252<sup>x</sup>, the personal rate is €49 short of the minimum required. When the Christmas Bonus is included in the calculation the average weekly shortfall reduces to €45.

The progressive realisation of an adequate social welfare rate will require a series of annual increases over several years to close this gap. The magnitude of the steps taken will determine how many years it will take, but consistent tranches of increases to the personal rate can bring the core social welfare rates to an adequate level. Based on the current MESL costs, the point at which adequacy could be reached is illustrated below, showing the consistent levels of increase required for the next four to ten years.

Graph 1 Projected annual adjustments required to reach adequate social welfare rate



To reach adequacy by 2025, an annual increase of €12.30 would now be required, conversely steady increases of €5 per year would stretch the timeframe until at least 2031<sup>x</sup>. The timeframes presented are provisional and will require adjustment in line with changes in minimum living costs.

The shortest timeframe possible is of course preferable, but the need for practicality of implementation and pragmatic considerations to balance other budgetary constraints are acknowledged. However, the potential counter-cyclical effect of significant increases in core social welfare rates lends a strong economic argument in favour of decisive action and a shorter timeframe.

On balance the VPSJ recommends the setting of a commitment to the achievement of income adequacy by 2026. This is an ambitious aim and would require annual increases of €9.80 to the weekly personal rate from 2022 to 2026, and commensurate adjustments to the qualified child rates.

## Qualified Adult

Single adult headed households of working-age show greater incidence and depth of income inadequacy than two adult headed households, when dependent on social welfare. This is the case for both working-age single adult households and one parent households.

In the MESL analysis one parent household compositions are found to show greater incidence and depth of income inadequacy than equivalent two parent compositions. One parent households also show the highest rate of older child deep income inadequacy. Also, unlike in households headed by two adults, there is a notable incidence of deep inadequacy in one parent households with only younger children.

The current structure of the social welfare system implicitly regards a couple as requiring 1.66 times the income support of a single headed household. Analysis of the MESL data finds that the minimum needs<sup>xii</sup> of the adult in a couple headed household cost 1.5 times that of an equivalent one adult headed household with children.

This is not because the second adult consumes less than the first, but instead that there are significant economies of scale available to two adult headed households which reduce the relative cost of the second adult in the household. This finding has been observed not only in Ireland but also in other countries with developed minimum budget standards research.<sup>xiii</sup>

To address this imbalance and move towards a social welfare system that adequately meets minimum needs, consideration must be given to the structure of the system and the relativities within it. It is proposed that resources should be focused on progressively increasing the working age Personal Rate to ultimately meet 100% of the MESL. Maintaining the current nominal value of the Qualified Adult rate will allow it to reduce in relative value, until it reaches 50 – 55% of the Personal Rate.

This rebalancing of the system's structures would then enable a focusing of resources on progressively realising adequacy for the Personal Rate and Qualified Child rates.

## Older children aged 12 and over

The MESL research has consistently identified older children as having additional and different needs distinct from children in younger age-groups. The cost of an MESL is highest for older children (aged 12 and over); €133 per week in 2021, this is 60% more than the minimum needs of younger children.

Over two-thirds of the higher MESL costs for older children are due to additional food, clothing, personal care and social inclusion costs. Under a fifth reflect the additional expenses associated with second level education.

Social welfare supports meet 62% of the MESL costs for an older child, compared to meeting at least 88% of MESL costs for younger children.

Deep income inadequacy, where social welfare meets less than 90% of MESL need, is found most frequently in household compositions with older children. Older children in one parent households are further impacted due to the additional deep inadequacy risk faced by one adult headed households.

In recognition of older children's additional needs a higher rate of Qualified Child Increase (QCI) for children aged 12 and over came into effect in 2019. This was built on in subsequent years, and the increases to the QCI for older children have contributed to a reduction in the incidence of deep income inadequacy for household types with children of this age-group.

While the current rate of QCI for older children continues to fall short of the cost of MESL needs, the measure represents the crucial evidence-based adjustments which are required to realise a minimally adequate income. Income adequacy can only be progressively realised through incremental steps which move towards adequate levels of support, as such it is essential that this progress continues.

For Budget 2022 the VPSJ recommends a further increase of €10.00 to the QCI for older children, to bring the rate to €55 per week in 2021. This is in conjunction with a €2.10 increase to the QCI for children under 12 and the adjustment to the adult personal rate.

## Recommendations

The over-arching goal should be the achievement of adequate social rates which provide sufficient income to allow social inclusion, wellbeing and a life with dignity. The VPSJ recommends setting out a programme of core social welfare rate adjustments to produce a roadmap towards the creation of a social welfare system which is built on the principle of providing an adequate income.

The progressive realisation of this goal will require consistent adjustments over several years. The VPSJ has previously recommended aligning this timeframe with the Roadmap for Social Inclusion and Programme for Government. At this point in time it does not seem that closing the gap in adequacy by 2025 is a realistic goal.

On balance the VPSJ recommends the setting of a commitment to the achievement of income adequacy by 2026. The table below presents the recommended adjustments to the working-age Personal Rate and Qualified Child rates and lays out the tranches of adjustments required to bring these core social welfare rates to an adequate level by 2026 (subject to annual adjustment in line with future fluctuations in MESL expenditure need).

	CURRENT	2022	2023	2024	2025	2026
Personal Rate	203.00	212.80	222.60	232.40	242.20	252.00
Qualified Adult	134.70	134.70	134.70	134.70	134.70	134.70
QCI, Under 12	38.00	40.10	42.20	44.30	46.40	48.40
QCI, 12 and over	45.00	55.00	65.10	75.10	85.10	95.10

This is an ambitious aim and will require the following annual increases up to 2026

- €9.80 working-age Personal Rate<sup>i</sup>
- €2.10 Qualified Child Increase for children under 12
- €10.00 Qualified Child Increase<sup>ii</sup> for children aged 12 and over

## Replacement Rates

For illustrative purposes the replacement rate is calculated for a single working-age adult in receipt of a social welfare payment with personal rate benchmarked at 100% of MESL need, €252 per week.

A single adult would have a replacement rate of 68.8% to 70.5% when earning the current National Minimum Wage (€10.20) and in full-time employment with 37.5 to 39 hours per week.

This replacement rate indicates a continued incentive to work in the context of adequate social welfare rates. It also highlights the continued need to ensure that both the rate of the National Minimum Wage and in-work supports (e.g. Working Family Payment) are maintained in relation to adjustments to social welfare rates.

Future adjustments to the National Minimum Wage rate, and reducing the gap between the Minimum and Living Wage would further improve this replacement rate, and ensure that the benefits of taking up employment are maximised for those who transition from social welfare to paid employment.

## Young Adults

The 2020 restoration of the full Personal Rate to adults aged 25 was a welcome step towards equalising the treatment of all adults. The extension of the full Jobseeker's Allowance (JA) rate to adults aged 18 – 24, when living independently and in receipt of a state housing support, was also positive. However, as outlined above the current Personal Rate does not adequately meet the cost of an MESL for a single working-age adult.

For adults aged under 24, not living independently the reduced rate of Jobseeker's Allowance (JA) remained at €112.70 in 2021. This rate of payment meets 75% of urban MESL need, in the context of the adult continuing to live in the parental family home. An individual in this scenario requires significant financial support from their family to afford an MESL.

The VPSJ recommends progressive restoration of entitlement to the full rate for those aged 18 to 24. As an interim step, the rate for this age-group should at least enable an adequate income when living in the family home. Therefore, it is recommended that in 2022 the rate is increased to €150 per week for 18 to 22 year olds, and the entitlement to the full rate of JA is restored for 23 and 24 year olds. The full rate of JA can then be progressively extended to younger groups in subsequent years.

## Older People

Over recent years improvements in the State Pension rate have improved the position of all pensioner household types examined in the MESL analysis. While pensioner couple households tend to demonstrate income adequacy when reliant on the state pension, a pensioner living alone has tended to show greater vulnerability to income inadequacy. In 2017 an urban pensioner living alone household type moved to income adequacy when reliant on the Non-Contributory Pension and living in social housing; the first time since 2010.

The Living Alone Allowance makes a vital contribution towards supporting the group of older people which have a higher risk of poverty and have tended to demonstrate income inadequacy. The €5 increases to the Living Alone Allowance in 2020 and 2021 were significant improvements, focusing resources on measures which support the group of older people more at risk of income inadequacy. These built on the previous 2015 increase in the Living Alone Allowance and introduction of the Telephone Support Allowance in 2018.

In 2021, the improved rates of payment have added an average €6.89 per week to household income for an older person living alone. The Non-Contributory Pension, and secondary supports, now provide an income that is 6.6% above the MESL need when in an urban area and living in social housing.

Deep income inadequacy continues for the older person living alone household type when in a rural area. Due to additional needs in a rural area, primarily transport, the Non-Contributory State Pension (and secondary supports) meet only 82.2% of MESL costs for a rural older person living alone.<sup>xiv</sup>

An urban based pensioner household can utilise the free travel pass to meet most of their minimum transport needs on public transport, supplemented by the occasional use of a taxi. For rural households a car is a necessity due to the inadequacy of public transport. The need for a car adds an additional €67 per week to the MESL budget for a lone pensioner in a rural area.

Lack of access to adequate public transport and the resulting need for a car result in income inadequacy for the pensioner living alone household type in a rural area. Improved public transport services are key to addressing this deep inadequacy. If the need for a car was removed, thereby reducing MESL costs, the current state pension rate would be adequate for pensioner living alone household types in both rural and urban areas.

The VPSJ recommends that work towards providing adequate public transport for rural areas should be a priority. This service is essential to enable an MESL without the need for (and cost of) private transport. This is of importance for allowing rural older people realise the full value of the free travel pass and enabling income adequacy when dependent on the state pension.

## Fuel Allowance

Coming into 2021 rising energy prices were forecast to drive inflation by both the Dept of Finance<sup>xv</sup> and the Central Bank<sup>xvi</sup>. The latest Central Bank<sup>xvii</sup> forecast continues to indicate that the HICP will increase by 0.8% over 2021, with rising energy prices driving half of the increase in inflation.

In the twelve months to March 2021 home energy prices increased by an average of 2.0%, however as the year has continued there has been further price inflation. In the months of April and May prices increased by a further 1.5% and 1.7%. In the 14 months home energy prices have increased by an average of 5.3%.<sup>xviii</sup>

The adjustments to the Fuel Allowance in recent years (extending the season to 28 weeks in 2019 and increasing the weekly rate in both 2020 and 2021) have restored much of the purchasing power of the support. Based on analysis of average fuel price developments from 2010 to 2021, in March of this year the Fuel Allowance would have required an annual value of €825 to restore the 2010 purchasing power and enable the same amount of energy to be purchased in 2021.

Given the current volatility of home energy prices households reliant on the Fuel Allowance need a buffer to ensure against the forthcoming uncertainty, as predicted by the Central Bank analysis.

The VPSJ recommends the re-instating of the 32-week season and maintaining the current Fuel Allowance rate of €28.00 per week. Extending the season will spread the support over a greater number of weeks to assist low-income households manage outgoings. This in conjunction with maintaining the current rate would restore the 2010 purchasing power and provide a modest buffer against further energy price increases.

## In-work social welfare supports

Employment should enable people to have a Minimum Essential Standard of Living for themselves and their families. Having an income below this standard of living means doing without goods and services which are seen as vital for taking part in the norms of everyday life.

Minimum rates of pay cannot provide for income adequacy in isolation. There is a vital role for in-work social welfare to smooth out the multiplicity of varying additional and different needs of households with children. Well designed in-work income supports (operating in tandem with the tax system) and services which reduce living costs (e.g. affordable childcare and access to adequate affordable housing) need to work effectively in conjunction with an appropriate minimum wage rate, to enable all households to achieve an MESL.



## One Parent households

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In recent years there have been notable increases to the earnings disregard in the One-Parent Family Payment (OFP) and Jobseekers Transitional (JST). This in conjunction with adjustments in the Qualified Child rates have improved the income position of one parent households when combining employment and social welfare supports.

Furthermore, the welcome removal of the €425 gross salary limit for the OFP addressed a long-standing issue which contributed to the creation of a significant 'poverty trap'. The removal of the income limit in April 2021 saw the end of the 'guillotine' effect in the eligibility criteria, while retaining a means test and tapering of the OFP.

### Jobseeker's Transitional

Unlike the OFP the JST payment cannot be claimed in conjunction with the Working Family Payment (WFP). When the JST was initially introduced it was often the case that where enough working hours were available WFP would provide a greater level of support than JST. This situation has changed as adjustments to the JST earnings disregard and increases to the QCI rates have improved the level of income support provided by JST.

When the youngest child in a one parent household reaches 14, the household is no longer eligible for JST creating the potential for a notable drop in net household income. JST and associated secondary benefits can provide a greater level of income support than WFP, for the same salary level. For example, in the case of a one parent household with one child, when in 19 hours of minimum wage employment JST net income is €44 higher than a WFP scenario. This difference increases to €53 with full-time (37.5 hour) minimum wage employment.

The tapering and withdrawal of income supports combined with increasing liability for USC and PRSI, impose a higher Marginal Effective Tax Rate (METR) in the case of WFP than in JST. The METR on a change from part-time (19 hours) to full-time (37.5 hours) employment is 63% when in receipt of Working Family Payment and 58% when in receipt of the Jobseeker's Transitional.

The VPSJ recommends that consideration is given to extending eligibility for the Jobseeker's Transitional payment until the youngest child reaches 18 or completes second level education.

## Working Family Payment

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The income limit for the Working Family Payment has been increased over recent years, with a €10 increase again in 2020. However, the threshold increase is limited to families with up to three children, the threshold for larger families has not been adjusted since 2016.

Larger family compositions have additional and different minimum needs compared to smaller compositions. It is important that the eligibility criteria for supports for larger households are maintained in line with adjustments to the criteria for smaller households.

## Back to School Clothing and Footwear Allowance

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There is an inconsistency in the treatment of income in the eligibility assessment for One Parent and Two Parent households. In addition to the different income limits for lone parent and two parent households the income sources disregarded includes Working Family Payment but does not include either One-Parent Family Payment or the Jobseeker's Transitional payment.

Consideration should be given to including OFP and JST in the income sources disregarded for assessing eligibility for the Back to School Clothing and Footwear Allowance.

## Notes

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- <sup>i</sup> The recommended adjustments to the working-age Personal Rate are based on reaching 100% of the MESL need of a working age single adult by 2026 (currently €252 per week when qualifying for a full medical card, living in an urban area and with housing costs based on the rent supplement tenant contribution of €32 per week.).
- <sup>ii</sup> The proposed QCI rates take account of the current level of Child Benefit, Back to School Clothing and Footwear Allowance, and assume entitlement to a full Medical Card.
- <sup>iii</sup> Regan, M. and Maître, B. (2020). Child Poverty in Ireland and the Pandemic Recession.  
[https://www.esri.ie/system/files/publications/BP202104\\_1.pdf](https://www.esri.ie/system/files/publications/BP202104_1.pdf)
- <sup>iv</sup> Central Bank (2021). Quarterly Bulletin: QB2 – May 2021.  
[www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q2-2021.pdf](http://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q2-2021.pdf)
- <sup>v</sup> Roantree, B., Maitre, B., McTague, A., and Privalko, I. (2021). *Poverty, income inequality and living standards in Ireland*. Dublin: ESRI and The Community Foundation of Ireland.  
<https://doi.org/10.26504/bkmnext412>
- <sup>vi</sup> Analysis of SILC 2019 data  
[www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2019/](http://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2019/)
- <sup>vii</sup> *Programme for Government: Our Shared Future*, published 2020  
<https://assets.gov.ie/130911/fe93e24e-dfe0-40ff-9934-def2b44b7b52.pdf>
- <sup>viii</sup> Government of Ireland (2020). *Roadmap for Social Inclusion 2020 – 2025*.  
<https://www.gov.ie/pdf/?file=https://assets.gov.ie/46557/bf7011904ede4562b925f98b15c4f1b5.pdf>
- <sup>ix</sup> The publication of the MESL 2021 data, report and analysis is forthcoming. It will be available on-line at:  
[www.budgeting.ie/publications/mesl-2021/](http://www.budgeting.ie/publications/mesl-2021/)
- <sup>x</sup> When qualifying for a full medical card and housing costs based on the rent supplement tenant contribution of €32 per week.
- <sup>xi</sup> Taking the Christmas Bonus (continuing to be paid at 100% of the normal weekly social welfare payment) into consideration would reduce the timeframe for €5 tranches to nine years. Given the larger increments under consideration in the shorter timeframes, the Christmas Bonus does not contribute enough to reduce the number of steps required.
- <sup>xii</sup> Based on urban MESL expenditure need, adjusted for Medical Card, and housing based on differential rent.
- <sup>xiii</sup> Hirsch, D., Concialdi, P., Math, A., Padley, M., Pereira, E., Pereirna, J., and Thornton, R. (2020). 'The Minimum Income Standard and equivalisation: Reassessing relative costs of singles and couples and of adults and children.' *Journal of Social Policy*, Cambridge University Press, 1–20. doi:10.1017/S0047279419001004.
- <sup>xiv</sup> When in receipt of the Contributory Pension income meets 85.5% of MESL need. For further detail see the MESL 2021 social welfare income scenarios - [www.budgeting.ie/publications/mesl-2021/](http://www.budgeting.ie/publications/mesl-2021/)
- <sup>xv</sup> Dept. of Finance (2020). *Budget 2021: Economic and Fiscal Outlook*.  
[budget.gov.ie/Budgets/2021/Documents/Budget/Budget%202021\\_Economic%20and%20Fiscal%20Outlook.pdf](http://budget.gov.ie/Budgets/2021/Documents/Budget/Budget%202021_Economic%20and%20Fiscal%20Outlook.pdf)
- <sup>xvi</sup> Central Bank of Ireland (2021). *Quarterly Bulletin: QB1 – January 2021*.  
[www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q1-2021.pdf](http://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q1-2021.pdf)
- <sup>xvii</sup> Central Bank of Ireland (2021). *Quarterly Bulletin: QB2 – May 2021*.  
[www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q2-2021.pdf](http://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2021/quarterly-bulletin-q2-2021.pdf)
- <sup>xviii</sup> Based on analysis of energy price developments, as measured in by the CPI Sub-Indices 'Electricity, gas and other fuels' data.