SOCIAL JUSTICE IRELAND

working to build a just society

Social Justice Ireland

Policy Briefing

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Budget Choices

Pre-Budget Submission, Budget 2027

Inside this issue

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A budget directed towards the Common Good must do four things in 2027. It must promote fairness and a more equitable distribution of the economic resources at Government's disposal. It must protect the most vulnerable and enhance resilience in the face of cost of living pressures, poverty and deprivation. It must address the deficits in our social infrastructure and services, not least of all housing, energy, healthcare and education. Finally, Budget 2027 must also prepare for the future and address the risks posed by an unsustainable fiscal policy.

The Common Good and Fairness

Social Justice Ireland welcomed the progressive profile of Budget 2026 in comparison with previous years. While increases in welfare payments last year, including those targeted at children, were welcome they were insufficient to compensate for the discontinuation of once-off measures which dominated previous budgets. Indeed, the deterioration in the relative standing of low- and middle-income households as a result of Budgetary policy from 2020-2025 presents a challenge to Government. It also points to Budgetary priorities for Budget 2027, to build on the small steps made in Budget 2026. We strongly encourage Government to do so.

Cost of Living Pressures and Resilience

Having fallen from a high of 7.8 per cent in 2022, inflation began rising again in 2026. Once again driven by conflict, this time due to war in the Middle East, and continued fossil fuel dependence, the annual rate of inflation stood at 3.6 per cent in May 2026. Within that headline figure, the price of certain essentials have risen at a faster pace, with transport increasing by 6.1 per cent and housing, water, electricity, gas and other fuels rising by 7.1 per cent. The CSO has previously noted that the impact of inflation is greatest for those households in the bottom twenty percent (bottom quintile) of the income distribution.

Previous measures in response to severe cost of living pressures provided untargeted universal supports. While recognising the need for intervention, *Social Justice Ireland* disagreed with this blanket approach. While we may all have been experiencing the same storm, those with greater resources were better equipped to weather it. Should the need arise again, Government must deliver a more sophisticated response that targets low income households.

More than reactive measures, ongoing enhancement of resilience is sorely needed. If we are to protect those most exposed to price shocks, then we must tackle poverty and invest in adequate incomes. Ad hoc increases to welfare payments, unrelated to other movements in the economy, fail to address income inadequacy in a strategic and sustained manner. Budget 2027 is an opportunity to commit to benchmarking and chart a pathway to index social welfare rates to average weekly earnings. (see pp 4, 9).

Invest in Infrastructure and Services

Securing the wellbeing and prosperity of Irish society does not depend solely on putting money away for the future, it requires investment today so that we are prepared and resilient when tomorrow's challenges present themselves. We must invest in sufficient services and infrastructure, in areas such as housing, public transport and healthcare. We must prepare for demographic change, invest in climate action, and get to grips for digitalisation. Budget 2027 must do so in a responsible and socially fair manner.

Policy Briefing is a regular publication issued by Social Justice Ireland. It addresses a wide range of current policy issues from the perspective of the common good.
Comments, observations and suggestions on this briefing are welcome: secretary@socialjustice.ie

Budgetary Stance and Proposals

Continued from Page 1

Proposed Stance: Fairness, Resilience and Future-Proofing

In many respects global volatility has become the new normal over the past decade. As mentioned, in spring of this year, price shocks, again driven by conflict, once more pushed up the cost of living. In the context of ongoing geopolitical uncertainty, *Social Justice Ireland* believes that Budget 2027 should reflect fairness and the protection of the most vulnerable. Any Government measures to alleviate energy-driven cost of living pressures must be targeted and prioritise those most exposed: low-income households.

At present, while the public finances are in surplus, the underlying fiscal position is in deficit when windfall corporate revenues are excluded (see p3). A sudden or rapid reduction in these receipts would expose Ireland to the risk of a return to austerity. Therefore, *Social Justice Ireland* proposes that the forthcoming Budget be taken in two parts:

- In Budget 2027 and in the coming years, Government should move towards investing once-off windfall tax receipts in one-off projects. This revenue and capital spend should then be accounted for separately from the "normal" Budget.
- At the same time, Government must move to a position where recurring expenditure is resourced from increased recurring revenue.

The relationship between recurring revenue and current spending should then be presented using the regular budget process. This would ensure full transparency of the budgetary process and avoid any sudden major shortfall in revenue as windfall tax receipts reduce over time.

As well as taking the Budget in two parts, *Social Justice Ireland* proposes that Budget 2027 should outline a clear plan for the investment of short-term windfall revenues in the long-term interests of Irish society, as well as for their eventual withdrawal.

In light of population growth and the challenges identified in the Department of Finance's 2025 Future Forty report, as well as the anticipated withdrawal of windfall revenues over the long-term, Government should use Budget 2027 to outline a clear plan for broadening the tax base and increasing sustainable revenue. We must be realistic about how much will need to be spent on our social infrastructure and services both in future and to address existing deficits. *Social Justice Ireland's* proposed overarching fiscal framework is that Government set a per capita tax-take target. This would link Ireland's overall level of taxation to population size and the related demand on resources.

In this briefing we lay out a range of taxation measures that would contribute to broadening the tax base. The tax measures we have proposed here would yield €4.1bn in 2027, as a step towards reaching the overall tax-take target (see pp 5-7).

Packages Proposed for Budget 2027

In the following pages *Social Justice Ireland* sets out a series of proposals (and costings) to address all the issues identified here. Proposals for the reform of taxation are also set out. These are the choices we believe Government should make in Budget 2027.

In the face of global energy uncertainty and cost of living pressures, any Government supports must be targeted and prioritise those most exposed: low-income households

Major Packages Proposed include:

Housing: €627m net package including an increase in stamp duty for transfers of property exceeding €1m, an end to the Help to Buy Scheme and investment in homelessness prevention. A further €2.2bn to be invested from windfall receipts for the construction of social housing. (p. 8)

Just Transition: €278m net package including biodiversity, Just Transition and the Circular Economy, and an aviation tax on commercial flights. A further €500m of windfall revenue is to be invested in our energy infrastructure. (p. 14)

Social Welfare: €726m investment core welfare payments and moving towards benchmarking, extending the fuel allowance and raising the living alone allowance. (p. 9)

Healthcare, carers and disability: €384m investment prioritising social and community care, disability, and mental health. A further €300m for Sláintecare infrastructure from windfall receipts. (p. 11)

Children and Families: €842m investment in an increase to Child Benefit, the child support payments, Early Childhood Care and Education, and child protection. (p. 12)

Rural, Regional and Community Development: €143m investment prioritising the regional development and transition, rural transport, PPNs and community and voluntary efforts. (p. 10)

Education: €276m investment in areas such as reducing class sizes, increasing special needs places, adult literacy, DEIS, skills development, community education, and higher education. (p. 12)

Pensions and Older People: €111m investment prioritising adequacy of pensions, and investment in social and home care. (p. 13)

Overseas Development and International Protection: €208m investment in ODA, to move towards the UN target of 0.7per cent of national income, and international protection. (p. 16).

Taxation Reform (p. 5-6): +€2,161m

- Changes to income taxes - €233m
- Increases to capital and corporation taxes - €1,928m

Overall impact of* Social Justice Ireland *proposals

Following our own proposal to split the Budget in two and account for both parts separately, and using the most recent projection of the General Government Balance for 2027, we outline the Budgetary impact of our proposals:

General Government Balance 2027:	€ 9,014m
Excluding fund transfers:	€ 1,905m
Proposed one-off (windfall) expenditure:	€ 2,987m
Proposed recurring expenditure:	€ 3,527m
Revenue from proposed tax measures:	€ 4,110m
Proposed draw-down from the ICN Fund:	€ 500m
Net Impact of *Social Justice Ireland* proposals:	+ € 0.5m

Budget Context & Fiscal Stance

There are seven different contexts for Budget 2027. Individually and collectively, these frame the choices that Government must make. They are, in no particular order:

(i) A Fiscal Context: where the Government is running a large budget surplus driven by short-term revenue linked to full-employment, consumption linked to recent income tax cuts, and windfall revenue from a small number of multi-national companies in the pharma and tech sectors.

Table 3.1 outlines the recent figures from the Department of Finance's *Annual Progress Report* (April 2026). The reported impact of estimated windfall receipts from corporate taxation is stark; that is revenue over and above the normal taxation that would arise from corporate activities. These are expected to reach €20 billion in 2026 and reflect windfall gains to the state triggered by the OECD BEPS reforms of international corporate taxation and a slow but overdue realignment of corporate profits with corporate activities. In the medium-term these revenues will shift from Ireland to other states where the activity and profits arise.

Removing these expected windfall revenues from corporation tax, the underlying budget position is one where the state is expected to record a significant budget deficit of €10.8bn in 2026 and even greater deficits in 2027 and 2028. The unsustainability of this position is of major concern; at a time of full-employment, strong consumption and economic growth the existence of an underlying budget deficit raises major questions. The 2024 Irish Fiscal Advisory Council (IFAC, June 2024 p5) report put it well, asking "if underlying surpluses are not being run now that the economy is strong, when would they be run?"

The current precariousness and narrowness of Ireland's taxation base places the state in a very risky position, one Budget 2027 cannot continue to ignore. Over many years *Social Justice Ireland* has highlighted the inadequacy of the Ireland's overall taxation level (see p6). Currently, Ireland's fiscal policy is unsustainable and in the longer-term it is a recipe for austerity.

(ii) New Expenditure Ceilings: which were included in the Government's *Medium Term Fiscal and Structural Plan* published in December 2025. This limits gross voted spending in Budget 2027 to €125.5 billion (current expenditure of €105.2 billion and capital expenditure of €20.3 billion). Although this sets a limit on Budget spending, the ceiling can be raised if funded through the collection of additional taxation revenues (see p5).

(iii) Uncertainty: where the threats from geopolitical instability (in the Middle East, Ukraine, and Israel/Palestine) and trade disputes with the United States retains the potential to have further effects on economic activity, living costs and living standards across 2027.

(iv) Soaring Energy Costs: which look set to escalate throughout the next few months if the US/Israel-Iran war and associated disruption continues. These will not only impact broader economic activity, and overall price levels, but will also impact hardest on the lowest income households in our society who are most exposed and least able to face these additional basic living costs.

(v) International Commitments and Targets: where Ireland has agreed to achieve net zero greenhouse gas emissions by 2050 with an interim target of a 50 per cent reduction by 2030 (versus 1990 levels). Where Ireland is signed up to meeting, and supporting other countries to meet, the UN's 17 Sustainable Development Goals (SDGs) by 2030. And, where Ireland is committed to adhering to national and EU level fiscal rules controlling the growth in annual Government expenditure.

(vi) An Economy Context: where the Irish economy is increasingly divided between a booming yet unsteady international sector and a more fragile domestic economy. Both are also impacted by ongoing shifts in world trade and a realignment of the international political order.

(vii) A Social Context: where persistent deficits in public services and social infrastructure combine with ongoing challenges in inequality, participation and living standards to leave more and more in our society struggling. Most notably, the living standards of individuals and households dependent on welfare payments continue to fall back relative to the rest of Irish society.

Social Justice Ireland's proposed stance

Social Justice Ireland believes that Budget 2027 should be guided by one core principle, that ***the measures adopted prioritise the protection of the most vulnerable groups in our society***. Reflecting this approach, *Social Justice Ireland* proposes that:

- Budget 2027 outlines a medium-term plan of one-off investments in our social and physical infrastructure funded from one-off windfall corporate taxation revenues; and
- Budget 2027 adopts recurring taxation and expenditure measures which prioritise the protection of the most vulnerable groups in our society while addressing the unsustainability of current fiscal policy approaches.

Ireland's current fiscal policy is unsustainable and in the longer -term it is a recipe for austerity

Table 3.1 Department of Finance Fiscal Projections, April 2026

	2026	2027	2028
General Government Revenue €m	153,000	161,255	170,485
General Government Expenditure €m	143,800	152,240	163,830
General Government Balance €m	**+9,197**	**+9,014**	**+6,669**
of this			
Windfall Corporate taxes €m	*20,000*	*21,300*	*23,000*
Government Balance without windfalls €m	**-10,803**	**-12,286**	**-16,331**
Annual transfers to Savings Funds €m	6,502	7,109	7,344

Source: Department of Finance (2026: 34, 55). **Note:** There are small differences with Department of Finance figures due to rounding.

Cost of Living - Time to Address Income Adequacy

Since 2022, Ireland has experienced a series of energy shocks, resulting in a prolonged spike in energy prices and subsequent knock-on impacts for households and businesses. This has led to a sustained increase in energy and food inflation over this period, eroding income gains for low and middle-income households, reducing their purchasing power.

Social Justice Ireland welcomed the Programme for Government commitment to "continue the focus on addressing poverty and social exclusion". We also welcome the Government's commitment to run progressive Budgets. When considering measures to address cost of living pressures in Budget 2027, Government must deliver investment in social infrastructure, develop a broad and stable tax base, and prioritise the protection of vulnerable groups if it is to deliver on its commitment to deliver progressive budgets.

The current cost of living and energy crisis has made the challenge of making ends meet a feature of the day-to-day life for many households across Irish society and across much of the income distribution. Households on the lowest incomes, through good and bad economic times, struggle to live life on a low income. The most recent CSO SILC data shows that 12.6 per cent of the population were at risk of poverty in 2025.

Without temporary cost of living measures, 14.9 per cent of the population (an additional 125,548 people) would have been living in poverty. Short-term transfers masked a shift towards greater poverty levels in 2025, as in 2023 and 2024, particularly among older people. The SILC data points to the long term economic and social impact of rising prices on households on the lowest incomes

CSO SILC Deprivation data shows that more than one third of households experiencing deprivation were in arrears on utility bills, one in three single adult households with children were in arrears on utility bills; and three in ten (31 per cent) single-adult households with children went into debt to meet ordinary living expenses.

This gives an insight into the prolonged impact of cost of living pressures on low income households. The impact of inflation is greatest for those households in the bottom four deciles of the income distribution. These households are very exposed to the nature of the current cost-of-living crisis as they spend a greater proportion of their income on food and energy.

As inflation persists, policy will need to more impactfully target these households and further assist with the growing living cost challenges they face. Sustained action is required to support vulnerable households who can't afford the basics, and a long-term approach to the persistent problem of households who are unable to make ends meet is required.

Decisions around measures to address the rising cost of energy and the knock on impact on the cost living must be focused on income adequacy and improving the situation of those who are most impacted by the rising costs. That should begin with an immediate commitment to benchmark core social welfare rates to average earnings. As the data shows, although one-off measures provided temporary relief to some households, they are not an adequate response to persistent challenges with poverty and inadequate income.

Cost of living challenges are an issue of adequate income. Households on fixed or low incomes are already fully stretched financially and have endured almost four years of increased costs in the basics – food, energy and housing. Adequate levels of social welfare are essential; Budget 2027 should set out a pathway to indexation, commencing with a benchmark to 27.5 per cent of average weekly earnings. Table 3 sets out how this could be achieved over two budgets, in line with Actions 39 and 40 of the new Roadmap for Social Inclusion 2026-2030.

Table 1: Minimum Disposable Income Required to Avoid Poverty in 2026

Household containing:	Weekly line	Annual line
1 adult	€377.70	€19,708
1 adult + 1 child	€502.34	€26,212
1 adult + 2 children	€626.98	€32,716
1 adult + 3 children	€751.62	€39,219
2 adults	€626.98	€32,716
2 adults + 1 child	€751.62	€39,219
2 adults + 2 children	€876.26	€45,723
2 adults + 3 children	€1,000.90	€52,227
3 adults	€876.26	€45,723

Source: Social Justice Ireland calculation based on CSO SILC and earning data

Table 2: Benchmarking Social Welfare Payments for 2026 (€)

Year	AWE	27.5% of AWE
2022	€883.59	€242.99
2023	€918.31	€252.54
2024	€968.25	€266.27
2025	€1,011.34	€278.12
Start of 2026	**1,011.34**	**278.12**

Notes: Earnings data from CSO Earnings and Labour Costs database.

AWE: Average Weekly Earnings

Table 3: Pathway to achieving 27.5% AWE benchmark

Budget	Proposed SW Increase	Proposed SW Rate
2027	€15	€269
2028	€10	€279

Taxation - Choices for Budget 2027

Budget 2027 offers an opportunity for the Government to reform some aspects of the current taxation system in the interests of enhancing fairness and sustainability. On this page we outline a series of reforms for Budget 2027 while on the next page (p6) we present a more extensive agenda for reforming the taxation system.

Avoiding regressive tax measures

Recent reports have highlighted Ireland's vulnerability to geopolitical uncertainty, changes to international corporate tax rules, and demographic shifts that will place increasing pressure on public finances in the years ahead. Given these challenges alongside Ireland's substantial infrastructure and public service needs, reductions in income taxes, indirect taxes, excise duties and levies represent poorly targeted measures and should be avoided. One such example is the **reduced VAT rate applied to catering and hairdressing services. Reversing this alone would raise an additional €680m in a full year**.

Carbon Tax and fairness

The 2020 Finance Act set out annual carbon tax increases to reach €100 per tonne by 2030. While the scheduled increase was paused earlier this year, this should be implemented without further delay. **We believe that Budget 2027 should continue to abide by these commitments and increase the carbon tax by €7.50 per tonne as planned.** It should also commit to using the revenue raised to fund a series of accompanying targeted measures to protect those most affected by it, in particular low-income households and rural dwellers. This would generate **an additional €155m in a full-year** to reinvest in those accompanying targeted measures.

Increasing PRSI to strengthen the Social Insurance System

Strengthening social insurance is essential to making Ireland fairer, more resilient, and better prepared for the future. At present, Ireland's PRSI rates remain low by EU standards. For most employers the rate in Ireland is 11.25 per cent (increasing to 11.4 percent in October 2026) compared to an EU average of 21 per cent. While we welcome the increase of 0.1 percentage points in each of the last two budgets, this still does not adequately address the anticipated future shortfalls, especially with an ageing population. Budget 2027 should commence a process of **increasing all PRSI rates by 0.5pps a year for the next five years** (reaching 6.85 per cent and 13.9 per cent by late 2031). This will raise **almost €1 bn in 2027.** To facilitate businesses, the initial increase should be delayed until April 2027.

Taxing Empty Houses / Underutilised Land

We welcome the recent measures aimed at reducing vacancy and addressing inefficiencies arising from underutilised land and properties. Given the ongoing housing shortage, new construction alone will not be sufficient; existing resources must also be utilised more effectively. Thus, we propose that Budget 2027 should **reduce the occupancy period under the Vacant Homes Tax to six months and increase the rate to ten times the annual Local Property Tax.** Income from this measure would yield €2.9m. Also, to strengthen the impact of Residential Zoned Land Tax, we propose **increasing the rate to 5 per cent of the land's annual value, generating an additional €37.8m.** We also encourage the speedy implementation of the new Derelict Property Tax and encourage Government to retain the rate to at least 7 per cent of the commercial value of the site.

Limit the ability to carry losses forward

Social Justice Ireland believes that in Budget 2027, Government should reform the tax laws so that limits are placed on the ability of individuals and corporations to carry past losses forward and offset these against current profits/income. We suggest introducing **a rolling limit of 5 years on these losses** commencing from midnight on Budget day. Losses prior to this period would no longer be available to offset against profits or capital gains. While this initiative would bring greater fairness to the overall taxation system, we note it would have a disproportionate effect on banking institutions who carry significant, self-inflicted, losses from the economic crisis more than a decade ago. Consequently, we suggest that Budget 2027 would also extend and amend the current banking levy. Together **this proposal would yield an additional €100m in 2027**.

Reform the R&D tax credit

A tax break for companies engaged in research and development was introduced in 1997 and has been revised and reformed on a number of occasions including last year. A curious component of the current structure is that firms may claim a tax refund on unused R&D credits - i.e. where they have not paid sufficient tax to cover the refund amount. The use of this scheme has allowed a number of profitable firms to record zero or negative (or 'refunded') tax-paid amounts. This measure should **be removed from the structure of this tax break** in Budget 2027. **It would yield €472m in a full-year**.

Abolish the Special Assignee Relief Programme

The SARP was introduced in 2014 to provide a tax reduction to high earning individuals who locate to Ireland for work purposes (generally in MNCs in IT and the financial sector). Recipients must earn between €75,000 and €1m. Qualifying employees with income above €75,000 receive a reduction in their income tax liability. This subsidy was intended to boost the attractiveness of Ireland for foreign investment; however there is no evidence to suggest the scheme has achieved this or that it has induced any recent investment and relocations that would not have otherwise occurred. **The SARP should be abolished** in order to make the tax system fairer. This **would generate €56.3m** in 2027.

Other Tax Reform Measures

We also propose the following taxation measures aimed at broadening the tax-base, increasing revenue, and creating a fairer system:

- introduce **Refundable Tax Credits** (for the two main income tax credits) at a cost of €210m;
- increase by 2% the **minimum effective tax rate paid by people earning €400,000+** (+€100m);
- increase the **PAYE and Earned Income tax credits** by €5 per week (-€712m);
- **standard rate all pension-related tax reliefs** (+€712m);
- **reduce earnings cap for private pensions contributions** to move towards funding a Universal Pension (+€52m);
- **standard rate discretionary (non-pension) tax expenditures costing €5m+** (+€55m);
- increase **Capital Gains Tax from 33% to 35%** (+€175m);
- increase **Capital Acquisitions Tax from 33% to 36%** (+€85m);
- increase **stamp duty** on **non-residential property** from **7.5% to 8%** (+€36m); and on **residential property transfers:** over €1m from **2% to 3%** (+€6m) and over €1.5m from **6% to 7%** (+€5m);
- **restore the Non Principal Private Residence (NPPR)** charge on second homes at a rate of €200 a year (+€106m);
- increase **in-shop/online betting duty** to 3% (+€55m);
- introduce a **financial transactions tax** (FTT) (+€350m);
- compliance: allocate **€45m to Revenue**.

Priorities for Taxation Reform in Budget 2027

The experience of the last two decades has highlighted the centrality of taxation in budget deliberations and to policy development. Taxation plays a key role in shaping Irish society through funding public services, supporting economic activity, and redistributing resources to enhance the fairness of society. Consequently, it is crucial that clarity exist with regard to both the objectives and instruments aimed at achieving these goals.

As we have outlined elsewhere having 'Just Taxation' is a key component of *Social Justice Ireland's* guiding vision and policy framework. Consequently, *Social Justice Ireland* believes that it is important that the Budget should strategically approach taxation issues with the objectives of prudently using the available resources, continuing to build a fairer and more sustainable taxation system, and acknowledging the unavoidable need for Ireland to raise more sustainable and recurring tax revenue.

On this page we present a series of reforms necessary to establish a just taxation system. The accompanying chapter in our annual socio-economic review *Social Justice Matters 2026* (also available on our website) details our belief that Government's key policy priorities in this area should be to:

- increase the overall tax-take;
- adopt policies to broaden the tax base; and
- develop a fairer taxation system.

Overall, our views are driven by principles of fairness, sustainability, and the need for structural reform.

Increasing the overall tax-take

Social Justice Ireland believes that, over the next few years, policy should focus on increasing Ireland's tax-take. The current abnormal levels of corporation taxation, and other short-term unsustainable taxation revenue flows, (see p3) have left the state very exposed to a severe fiscal event. Put simply, the state is not collecting sufficient resources to sustainably provide current levels of public services and supports. And, as we have highlighted elsewhere in this document, ongoing public service deficits in many areas will necessitate new investment and spending in the years ahead. Consequently, an increase in the amount of tax sustainably collected by the exchequer is a question of how, rather than if. We warmly welcomed the opening recommendation of the 2022 Commission on Taxation and Welfare which made a similar point.

In other publications, we have outlined the details of our proposal for a national tax-take target set on a per-capita basis. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels. It also incorporates an adjustment for current windfall corporation tax revenues. The target argues for overall tax revenue equivalent to €15,000 per capita in 2017 terms, with that target growing in line with annual growth in GNI*.

In 2026 the updated per capita tax target is €29,247 and compares to expected tax revenue of €22,709; meaning that the current tax system has a shortfall of approximately €6,500 per person (€35 billion overall). While this figure looks large, it should be understood in the context of current windfall taxes from corporations, which are being mostly spent (see p3), dramatically reduced income tax levels over recent years (see p7), a narrow tax base, and persistent deficits in the provision of public services and infrastructure. Gradually increasing the overall tax-take to this level would require a number of changes to the tax base and the current structure of the Irish taxation system. Budget 2027 should commence this process and shift the taxation system towards providing more sustainable sources of recurring revenue.

Reforming and broadening the tax base

Social Justice Ireland believes that there is merit in developing a tax package which places less emphasis on taxing people and organisations on what they earn by their own useful work and enterprise, or on the value they add, or on what they contribute to the common good. There are a number of approaches available to Government and our recent edition of *Social Justice Matters* (see ch 4) provides details of these proposals and areas we consider a priority including:

- Reforming Tax Expenditure / Tax Reliefs
- A Minimum Effective Tax Rates for Higher Earners
- A Minimum Effective Rate of Corporation Tax
- Increasing PRSI to strengthen the social insurance system
- Introducing a Site Value Tax
- Taxing Second Homes
- Taxing Empty Houses and Underdeveloped Land
- Taxing Windfall Gains
- Supporting a Financial Transactions Tax
- Continued implementation of the Carbon Tax

A Minimum Effective Rate of Corporation Tax

Social Justice Ireland believes that the issue of corporate tax contributions is principally one of fairness. Profitable firms with substantial incomes should make a contribution to society rather than pursuing various schemes and methods to avoid such contributions. Over recent years the OECD BEPS Pillar 2 proposals have been adopted for large firms (turnover above €750m) who will now pay an effective taxation rate of 15 per cent. This is welcome and should bring additional revenue, in the short-term, from 2026.

Budget 2027 should announce an extension of this measure to all corporate taxpayers over the next few years. We suggest this should be phased in, with a minimum effective rate of 10 per cent applying from 2027 and increasing by one percentage point a year after that until it reaches 15 per cent in 2032.

Revenue Commissioner data suggest that most firms are already above this level, and so any initial additional revenue will be minimal. However, this will increase to provide an additional €700m in 2028 and €1.4 billion per annum over 2029-32.

Developing a fairer taxation system

Social Justice Ireland believes that fairness should be a central objective of any forthcoming reform of the taxation system. Our recent edition of *Social Justice Matters* (see ch 4) highlights the following reforms that would greatly enhance the fairness of Ireland's taxation system (see also p5, p7):

- Standard Rating Discretionary Tax Expenditures
- Favouring Fair Changes to Income Taxes
- Introducing Refundable Tax Credits
- Reforming Individualisation
- Making the Tax System Simpler

Substantial Income Tax Cuts have Favoured Better Off

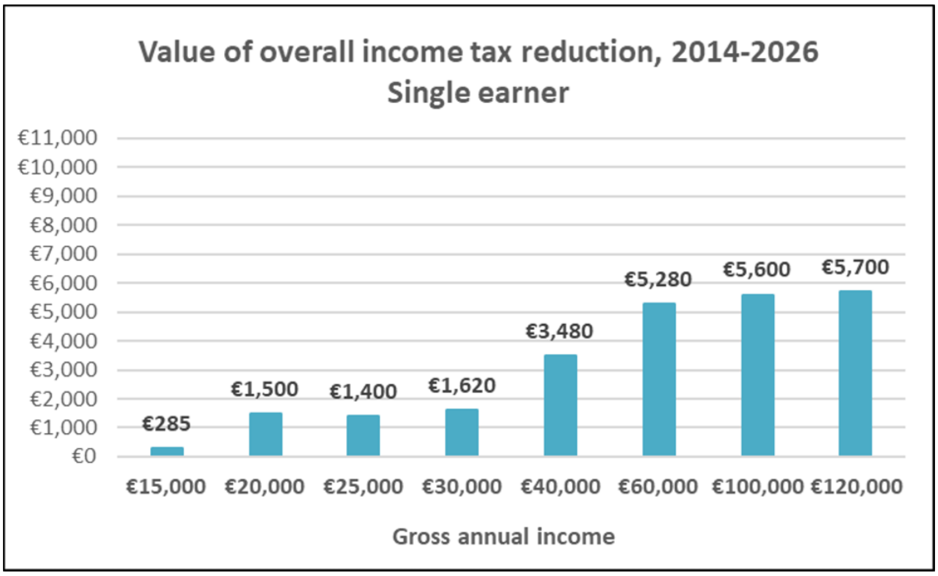
Budgets since the end of the last economic crisis have frequently given emphasis to providing reductions in income taxation. Some recent commentary has also suggested that income taxes are abnormally high and that some further income tax cuts are needed. However, in the context of Budget 2027 the evidence suggests otherwise.

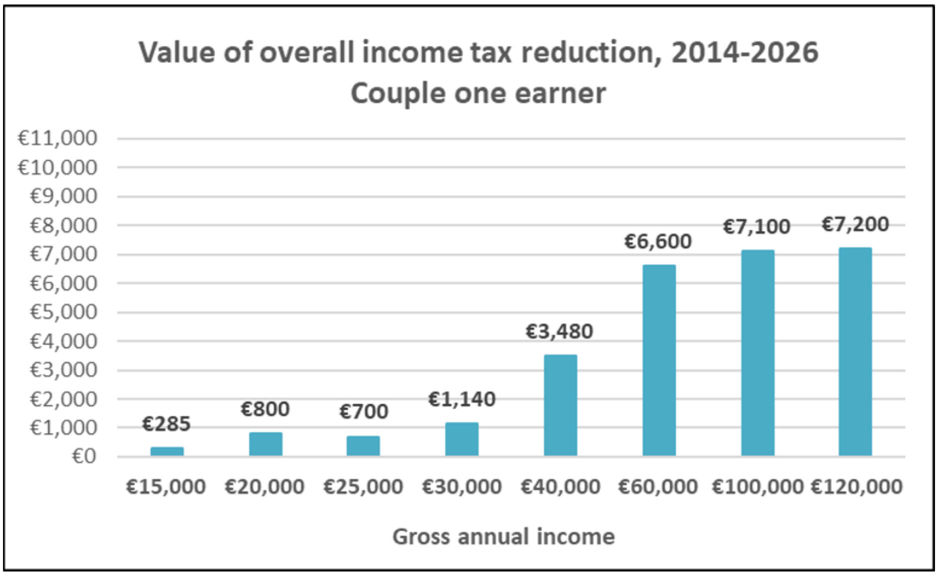
On this page we examine how all income tax changes, both decreases and increases, have impacted on households since 2014. We choose Budget 2014 as a starting point, as this is when the current wave of income tax reductions commenced following the economic crash.

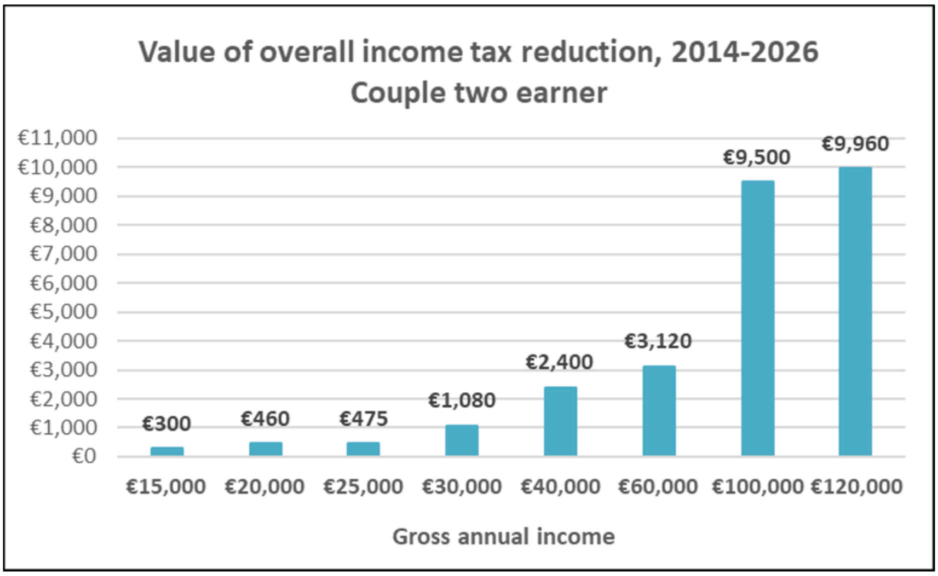
We provide the results over three diagrams and compare the total annual value of these reductions between 2014 and today (2026). The analysis captures changes to income tax rates, USC rates, social insurance rates and structures, and income tax credits. For example, a single earner with a gross income of €40,000 paid €9,920 in income taxes, employee PRSI and USC in 2014 and pays €6,440 in 2026; a reduction of €3,480. Similarly, a couple where both work and earn a combined €100,000 pay €9,500 less income tax in 2026 compared to 2014.

The analysis highlights a number of points. First, it provides evidence of the scale of the income tax reductions delivered over recent years; these are often overlooked, yet are substantial at the individual/household level and at the exchequer level. Second, the charts illustrate the distribution of these income tax decreases. As we have consistently highlighted in our annual budget documents the gains have been skewed to higher income earners and households.

Social Justice Ireland does not believe that this system of unfair income tax reductions should be continued in Budget 2027. As we show, there are other priorities.







Source for Charts: *Department of Finance Budget Documents - various years* and *Social Justice Ireland, Social Justice Matters 2026 - taxation annex.* **Notes:** All workers are assumed to be PAYE workers. For couples with 2 earners the income is assumed to be split 65%/35%. Couples with one earner are assumed to be entitled to the Home Carer Credit.

Towards an Affordable and Secure Homes Strategy

Ireland is facing a deepening housing and homelessness crisis. While the Government's latest housing plan commits to delivering 300,000 homes, including 72,000 social homes, by 2030, this falls short of what is required to address both the existing housing deficit and future population growth. At the same time, housing policy continues to rely heavily on the private market to meet housing need.

The recent changes to rent regulations, introduced to strengthen protections for tenants, have coincided with a sharp increase in eviction notices, highlighting the insecurity of this model to provide long-term housing solutions, particularly for low-income households. Too many individuals and families remain vulnerable to housing instability, while access to affordable and secure accommodation continues to deteriorate.

Compounding this, the government has repeatedly failed to meet its own social housing targets, with a cumulative shortfall of c.5,000 homes since 2022. Beyond delivery figures, capacity constraints within the construction sector and deficiencies in enabling infrastructure continue to undermine progress. These unmet housing needs disproportionately affect younger adults and lower-income cohorts, and are increasingly affecting older people now.

Stronger Social Housing System

Addressing Ireland's housing deficit requires a substantial and sustained increase in social housing provision. Expanding the social housing stock is essential to meeting current need and reducing pressure on house prices and rents over time. Currently, around 9 per cent of the Ireland's housing stock is social housing, this is below many of our European peers.

Social Justice Ireland supports the Housing Commission's recommendation for a targeted increase in the share of social and cost-rental housing and proposes that **Government sets a target for 20 per cent of all housing stock to be social housing by 2040**. This would equate to c.390,000 units to be delivered in the next 14 years. This requires scaling up delivery, beginning with an annual target of 20,000 units for the next five years, up from the current 12,000 as committed in the Programme for Government. This scale of provision reflects the broader level of housing need, including the role of HAP-supported tenancies in meeting social housing demand. To achieve this, **an additional €2.16 bn in capital investment is needed in Budget 2027**. The need at the end of 2025 stands at **134,000**, based on the social housing waiting lists, HAP and RAS tenancies, and households in receipt of Rent Supplement. This figure does not account for households leaving Direct Provision; new households fleeing war; households in refuges for domestic abuse; the majority of the homeless as currently counted; nor all of the homeless not currently counted within official data (as counted under an ETHOS typology proposed by FEANSTA).

Investing in social housing will not only reduce dependence on subsidies, lower long-term costs to the exchequer, and provide secure, affordable homes for those most in need. It will also create a valuable long-term public asset for future generations and strengthen the State's housing system.

A Real Rent Relief

The Rent Tax Credit, in its current structure, fails to support low-income renters. Because the credit is non-refundable, many low-income renters do not receive its full value despite facing the most acute affordability pressures. Recent analysis by the Department of Finance has shown that the greatest benefits accrue to middle- and higher-income households with sufficient tax liabilities to fully utilise the credit. To improve fairness and effectiveness, ***Social Justice Ireland* calls on Government to make the Rent Tax credit refundable in Budget 2027, at an estimated additional cost of €39m and to introduce an income ceiling of €100,000 for eligibility.** These reform would ensure that low-income renters benefit fully from the support available, while better targeting public resources towards those facing the greatest affordability challenges.

Housing First, Not Hidden Homelessness

Homelessness is becoming normalised. In May 2026, a record 17,548 people, including 5,604 children, accessed emergency homeless accommodation. **Family homelessness has increased by 140 per cent** over the past decade (from 1,130 families in July 2016 to 2,707 in April 2026), and by almost 170 per cent since the introduction of Housing for All in September 2021. These are the 'official' data on homelessness. They do not include those staying with family and friends, rough sleepers, homeless families temporarily accommodated in housing owned by their Local Authority, women and children in domestic violence refuges, or asylum seekers in transitional accommodation. In 2019, a European Commission report referred to the current state of data collection on homelessness in Ireland as "statistical obfuscation if not 'corruption'."

According to a Focus Ireland report, the average expenditure on services for households experiencing homelessness has observed a significant increase, with €2.2bn expended over the period between 2014-2023. A breakdown of 2024 Local Authority Regional Financial Reports spending patterns reveal an imbalance in resource allocation. Local Authorities spent 18 times more on emergency accommodation than homelessness prevention, tenancy sustainment and resettlement supports. Additionally, 70 per cent of emergency accommodation expenditure was on private emergency accommodation, including commercial hotels and B&Bs. This continued over-reliance on emergency accommodation as opposed to prevention supports and long-term solutions raises concerns about the sustainability and effectiveness of current spending, emphasising **the urgent need for a shift toward prevention-focused policies and housing-first approaches**.

IHREC suggested an amendment to section 10 of the Housing Act 1988 to limit the amount of time a family may spend in Family Hubs as well as other forms of emergency housing, a similar regime as in Scotland and something for which we have been advocating. ***Social Justice Ireland* calls on Government to extend the housing first approach in Budget 2027 to homeless families accessing emergency accommodation, at a cost of €130m**. This can be supported by abolishing regressive subsidies like the Help to Buy scheme and Shared Equity Scheme, while also allowing government to make savings by winding down family hubs and emergency accommodation.

Work, Low Pay & Welfare

Recent increases in the cost of living have highlighted the continued vulnerability of low income households, particularly in relation to essentials goods and services. The Consumer Price Index rose by 3.7 per cent in the year to April 2026, highest since January 2024, driven heavily by sharp increases in education, housing, electricity, gas, and fuel costs. These rising expenses are eroding the real value of earnings. The Government's *Annual Progress Report* (2026) further suggests that inflationary pressures are likely to increase should current disruptions continue.

At the same time, Ireland is currently experiencing full employment, with an unemployment rate of 4.9 per cent in Q1 2026. However, this headline statistic masks a troubling picture of economic hardship. In 2025, more than 148,000 people with jobs were living on incomes below the poverty line, the 'Working Poor'. In Q1 2026, almost one in every four part-time employees, some 133,700 people, were underemployed, meaning that they have part-time work but would like more hours. This presents a picture of low-paid and precarious employment behind the 'full employment' headline.

According to research published by the Living Wage Technical Group, the actual living wage for 2025/26 was €15.40. While the national minimum wage increased to €14.15 per hour from January 2026, this still leaves full-time minimum wage workers earning €48.75 per week (€2,535/year) less than the Living Wage, revealing a persistent shortfall in income adequacy.

Social Justice Ireland was disappointed by the Government's decision to postpone the full introduction of a Living Wage until 2029. Given the increasing pressures facing households, particularly those on low incomes struggling to make ends meet, **Budget 2027 should mark the full implementation of the Living Wage** to ensure that work provides adequate income. Alongside this, the Government should introduce targeted additional supports to immediately alleviate ongoing cost of living pressures for our workforce.

Supporting low paid workers through Refundable Tax Credits

Many people assume that a job is an automatic poverty reliever, and this has been a key driver of Government policy, but this is clearly not the case. Employment only relieves poverty if it is well-paid and secure. The rise of precarious work has created a structural crisis where 5.8 per cent of employed people in Ireland are still experiencing poverty. Introducing a system of Refundable Tax Credits, at **a cost of €210 million** in 2027, would allow low income workers who do not earn enough to use their full credits directly to have the unused portion of these credits paid to them as a cash refund.

Supporting low paid workers through the Tax Credits System

Social Justice Ireland calls on Government to pursue employment-friendly tax policies that reward work, support labour market participation, and ease the transition from welfare to work. In Budget 2027, Government should increase both the Employee and Earned Income Tax credits by **€5 per week at a full year cost of €712 million,** providing additional support for workers**.** Increasing the tax credits alongside making them refundable would make Ireland's tax system fairer, address part of the working poor problem, and improve the living standards of a substantial number of people.

Benchmarking Social Welfare Rates

Inequality harms individuals and society. The significant increase in living costs and persistent inflationary pressures in recent years have highlighted these issues more clearly. In 2025, without social transfers, 33 per cent of the population would have fallen below the poverty line, compared with the actual rate of 12.6 per cent. This underlying poverty rate points to a highly unequal distribution of market income. Despite substantial social protection measures, inequality has remained remarkably persistent over the past five decades, with Ireland continuing to record the highest proportion of people at risk of poverty before social transfers among EU member states.

In 2025, there were over 687,000 people in Ireland living below the poverty line. 122,425 older people are living in poverty, an increase of 15 per cent compared to 2024. This number would be substantially higher were it not for the impact of one-off measures. A social welfare payment must provide an adequate income that keeps people out of poverty and allows for a household to provide for a basic but decent standard of living.

..there is a need to further increase minimum social welfare rates and commit to converging on a benchmark equivalent to 27.5 per cent of average weekly earnings

Around two decades ago, Budget 2007 benchmarked the minimum social welfare rate at 30 per cent of Gross Average Industrial Earnings (GAIE). Today that figure is equivalent to 27.5 per cent of the average weekly earnings data being collected by the CSO. Applying this benchmark using CSO data and projections for wage growth in 2026 allows us to compare this benchmark with current welfare rates.

A €24 increase is required to benchmark core social welfare rates to 27.5 per cent of average earnings and to address the impact of continued inflation on low income households.

Budget 2027 must commit to maintaining and subsequently building on this benchmark equivalent to 27.5 per cent of average weekly earnings. This is even more critical in light of sharp increases to essentials such as rent, energy and heating costs. Even with falling rates of inflation, prices remain high placing real pressures on household budgets. Recent Budgets have focused on temporary measures. What is needed is certainty and permanence for those reliant on social transfers. As a start **Budget 2027 should increase minimum social welfare rates by €15 per week at a cost of €516m with the balance delivered in Budget 2028.**

Equalising Rates for under-25s

In addition, the rate of jobseekers for those aged between 18 and 24 (not living independently) is currently inadequate to meet even the most basic of needs and must be increased to the full adult rate at a cost of **€69m**.

Fuel Allowance

Extend the Fuel Allowance for four more weeks at a cost of **€71m**.

Rural Ireland, the Regions and Communities

Investment in the regions is vital to addressing the many challenges Rural Ireland faces including an older population, higher rates of part-time employment, lower median incomes, higher poverty rates than the national average and distance from everyday services. Investment in social and economic infrastructure for the regions is essential to ensure a Just Transition for rural communities.

Rural and regional economies

Rural and regional economies are not alone in facing the challenges of climate mitigation and digital transition. Targeted support is required to build regional resilience. Climate adaptation and digitalisation present both challenges and opportunities to rural economies. They must be supported through investment in social infrastructure to ensure they can take full advantage of any opportunities and negative impacts are mitigated as far as possible.

Social Justice Ireland proposes the establishment of a regional development and transition programme. This programme would have the task of aligning 'Our Rural Future', 'Our Living Islands', Regional employment plans, 'Making Remote Work', the 'Climate Action Plan' and economic policies with the principles of just transition, developing sustainable local economies and livelihoods for our communities and building community capacity and resilience.

€50m should be allocated to Regional Development and Transition in Budget 2027. This funding should be used to invest in (i) Smart Villages and associated infrastructure to support remote working; (ii) education for the current and future generation of farmers to move to more sustainable agricultural methods; (iii) developing local cooperatives and regional 'Farm to Fork' strategies; (iv) improving and expanding public services to promote and support rural living; (v) a €5m allocation to support the delivery of rural proofing and (vi) the development and expansion of Living Labs in each region focused on plastics, renewables, zero carbon buildings and agro-ecology.

An additional **€10m** to **Enterprise Ireland** to develop and support indigenous enterprises and job creation across the regions, particularly those areas with employment which will be most impacted by the green and digital transitions. We also propose an additional **€5m for Fáilte Ireland** to promote sustainable island, local and regional tourism initiatives.

Future proof rural economies

Government must make the necessary investment now to future proof rural economies. *Social Justice Ireland* proposes an initial **€30m** investment in Budget 2027 prioritising the green economy, skills and labour force to support electrification of heating and transport systems, supporting SMEs to decarbonise and the continued rollout and development of the Remote Working Hubs network and associated infrastructure and shared services.

Rural Transport

Increased funding is required for rural public transport and the nationwide expansion of cycling infrastructure and greenways. *Social Justice Ireland* calls on Government to invest **an additional €50m to the Rural Transport Programme,** increasing the range of public transport options, including last mile transport and ensuring the rural public transport options and fleet are in line with our climate commitments, safe-guarding communities from isolation, and incentivising greater public transport usage. In addition we propose an initial investment of **€10m in our active transport and cycling and walking infrastructure.** This would support local tourism initiatives, and also offer rural dwellers viable transport options to get to and from daily employment and other activities. Government must also progress the All-Island Rail Strategy in 2027 with a view to ensuring those regions not currently served by rail have clarity regarding timeline for delivery, and that the strategy is rolled out in line with our climate commitments.

Community and Voluntary Sector

The community and voluntary sector operate at local level in every nook and cranny of the country. They support and empower many disadvantaged and marginalised communities and in turn must be effectively resourced to do so. As the cost of basics such as energy, food and accommodation continue to rise, the sector is under increasing pressure. At this time of uncertainty and increased conflict, they work in assisting new arrivals fleeing war and persecution to become part of their new communities. All this despite cuts to funding since 2008 never being fully restored. Government relies heavily on the sector and must therefore ensure adequate resourcing by **allocating €50m in Budget 2027 to include pay increases for the sector**.

Public Participation Networks (PPNs)

The PPNs across every local authority are another vital link between people and local Government and policy making. Long term investment in staff is key to keeping communities engaged with the process of participation. This matters now more than ever. ***Social Justice Ireland* proposes an additional allocation of €4m in Budget 2027** to support capacity building and meaningful engagement with policy structures at local level.

Libraries

Libraries provide an important social and educational role in Ireland, with over 17 million visits made every year by 765,000 registered members. The continuous professional development and wellbeing of library staff is vital to ensure the success of the Libraries Strategy and ensure access. Alongside ongoing support for print and electronic content, libraries also function as hubs in communities. **Budget 2027 should allocate an extra €2m.** Access to information is vital for education, culture and democracy.

Financial Literacy

Social Justice Ireland welcomed the new National Financial Literacy Strategy. It is incumbent on Government to track levels of financial exclusion and to build and monitor policies and practices aimed at eliminating it in its entirety, particularly as new financial products continue to be introduced to the market. *Social Justice Ireland* recommends **an allocation of €2m to support these initiatives, particularly for groups most in need.**

Investment - Health and Disability

People should be assured of the required treatment and care in times of illness or vulnerability. The standard of care is dependent to a great degree on the resources made available, which in turn are dependent on the expectations of society.

Access to Care

Issues of access contribute to the poorer health outcomes. Ireland has a high proportion of people reporting unmet need for medical care compared with the EU average which is linked to persistent structural barriers in the healthcare system, notably long waiting times for public services and limited primary care coverage.

According to data from the National Treatment Purchase Fund there were 669,506 people waiting for outpatient's treatment in May 2026, with 50,970 patients (including almost 5,000 children) waiting for 18 months or more for treatment. The numbers on waiting lists have been very high over many years, and have increased by more than 14 per cent since May 2025. The persistent delays in accessing public health appointments, lack of step-down facilities to facilitate appropriate discharge, and unmet needs for medical care because of delayed or missed consultations are likely to lead to poorer health outcomes in the future. Government needs to urgently address these inequalities in the health service and implement a programme that provides access on the basis of need.

Transforming Acute and Community Care Services

Irish hospitals are working near full capacity. The occupancy rate for acute care beds is among the highest in OECD countries, and while having a high utilisation rate of hospital beds can be a sign of hospital efficiency, it can also mean that too many patients are treated at the secondary care level. In order to improve access to care, and to progress a shift to a model that prioritises primary and social care *Social Justice Ireland* is proposing that **€300m of windafall revenue be invested in Sláintecare infrastructure with a focus on Enhanced Community Care in Budget 2027.**

The model of healthcare used in Ireland is defined by an over-emphasis on hospitals and acute care, rather than primary and social care being more central. *Social Justice Ireland* welcomes continued resourcing for the rollout of the 96 Community Healthcare Networks and the 30 Community Specialist Teams for Older People & Chronic Disease. However, significant sustained investment in General Practice, Primary Care & Community Based Services is required in conjunction with the implementation of the Regional Health Areas to ensure the transformation of the health service in line with Sláintecare.

Proposals: To address the inequalities in our healthcare system and develop a system that is fit for purpose for all, in Budget 2027 Government needs to:

- **Invest €50m in the further expansion of the Enhanced Community Care Programme and rollout of Community Health Networks to alleviate pressure on acute services and ensure treatment is provided at the appropriate level of need.**
- **Invest a minimum of €50m annually in providing Universal Access to GP Care while expanding the number of GP and Practice Teams in line with the shift towards Primary Care & Community Based services envisaged in Sláintecare.**
- **Invest €30m in Community Nursing Facilities and rehabilitation beds.**

Mental Health

According to the latest available data, the HSE Management Data Report for November 2025, 4,375 children and young people were awaiting supports from the Child and Adolescent Mental Health Service (CAMHS), with over 13 per cent waiting for 12 months or more for supports. Government must ensure that the full allocation for *Sharing the Vision* is fully invested into our mental health services with a focus on addressing staffing issues and unfilled posts.

Persons with a disability and carers

Persons with disabilities face substantial challenges accessing appropriate services, and have significantly higher poverty and deprivation rates than the national average. The Programme for Government contains a welcome commitment to a cost of disability payment. However, substantial additional investment in services, and adequate social welfare supports is required.

Proposal: To support disabled people to live fulfilling lives within their communities, Government must:

- **Introduce a cost of disability payment of €20 per week at a cost of €242m in Budget 2027.**
- **Establish a pathway to ensure tapered of benefits to Persons with a Disability on taking up employment (€1m in first year).**
- **Increase investment in disability services, including respite and personal assistant services (cost of €25m).**
- **Invest €20m in services to support people with a disability to live independently in their community**
- **Allocate €10m for implementation of the UNCRPD.**

Carers provide a huge service to the State. According to the latest census data there are over 299,000 unpaid carers in Ireland providing unpaid care each week, an increase of 53 per cent in six years.

Proposal: To acknowledge and support the work of carers in Ireland, at the very minimum in Budget 2027 Government must:

- **Expand the Free Travel scheme to include people in receipt of Domiciliary Care Allowance (cost of €6m).**
- **Increase the annual Carer's Support Grant to €2,150 (at a cost of €25m).**
- **Implement an independent review of Carer's Allowance.**
- **Increase the Domiciliary Care Allowance to €400 per month (at a cost of €15m).**
- **Pilot a Universal Basic Services and a Universal Basic Income Scheme for Carers at an initial cost of €5m in line with the Programme for Government Commitment to fully fund the Carers Guarantee.**

Education, Children and Families

Investment in education at all levels is essential in Budget 2027. Government must continue to support and integrate new pupils and address issues regarding a shortage of school places, particularly for students with special educational needs. Budget 2027 must prioritise Government commitments on pupil teacher ratios and investing in children and young people.

Early Childhood Care and Education (ECCE)

Ireland performs poorly when it comes to investing in early years and ECCE for three to five year olds. ***Social Justice Ireland* proposes that Government allocate €26m in Budget 2027,** to increase the capitation grant for ECCE providers by 10 per cent. In addition, Government should **increase the subsidy for childcare provision for children under 3 years of age by €1 per hour (cost €9m).**

Pupil-Teacher ratios, Special Education and Capitation grants

The Programme for Government contains a welcome commitment to reduce the pupil teacher ratio at primary level. Budget 2027 should set an ambitious target of **reducing the Pupil-Teacher Ratio (PTR) by 1 point at primary and post primary level at a cost of €57m.** Budget 2027 should see a **5 per cent increase in capitation grants** at both primary and secondary level (**cost €5m**).

Budget 2027 should allocate **€36m to provide an additional 200 additional special school places** and **€26m** to increase the provision of places in **special education classes in mainstream schools.**

DEIS Schools at Primary and Post-Primary level

Continued support for DEIS schools must be a policy priority, with a suite of measures to address educational inequality including reduced PTR and class sizes, and sufficient **ongoing** resourcing available to support new ambitious literacy and numeracy targets. ***Social Justice Ireland* proposes €10m to support the continued expansion of the DEIS programme in Budget 2027.**

We also recommend the **restoration of the Back to School Clothing and Footwear Allowance** to 2011 levels **(€18m)** and **extension of the hot school meals programme DEIS post primary schools** at a cost of **€55m**.

Extend the JCSP Demonstration School Library Project to all 232 post-primary DEIS schools on a five year phased basis at a cost of **€5m** in Budget 2027 and subsequent budgets.

Further and Higher Education and Training

An additional €20m investment in Further Education and Training to develop and expand apprenticeships and traineeships to meet future skills needs and advance the circular economy, particularly at a regional and community level with **€1m** to support a skills transfer programme for migrants.

An additional €50m in State funding in higher education is needed as a first step towards meeting the core funding gap of €307m identified in 'Funding the Future'. *Social Justice Ireland* also proposes that Government allocate **€48m** in Budget 2027 to increase the maintenance grant by €1,000 to all full-time third level students; an increased allocation of **€1m** to the Fund for Students with a Disability in Budget 2026; and a **€2m** investment in additional apprenticeship and traineeship places for Traveller students.

We propose that **€3m be invested in a Transition Skills Fund** targeted at young people not engaged in education or training (NEETs) and people employed in sectors whose jobs are at high risk of automation. We also propose **€5m** investment for the Technological Universities to provide digital and green skills training, regional living labs and to address skills gaps at a regional level.

Digitalisation and Artificial Intelligence are already having a disruptive influence on education, training and employment. Government should invest **€1m** to establish a Commission on the Impact of Digitalisation and AI with a focus on vulnerable groups.

Lifelong Learning and Adult Literacy

We propose **€5m** in Budget 2027 to expand the Human Capital Initiative and improve lifelong learning across all population cohorts. **€5m** per annum until 2030 in adult literacy - **€3m** to rollout the new Adult Literacy, Digital Literacy and Numeracy Strategy and **€2m** to fund ancillary and support services. An additional investment of **€1.5m** in Community Education.

Children and Families

Investment in Children and Families is an essential investment in our social and human capital. The Programme for Government contains welcome commitments in this area.

Child Poverty

Child benefit remains a key route to tackling child poverty and is of particular value to those families on the lowest incomes. In 2025, 16.9 per cent of children in Ireland were living in poverty. *Social Justice Ireland* proposes an increase of €20 in the **Child Benefit payment** in Budget 2027 at a cost of **€303m**, €10 in the **Child Support payments** for children under 12 and €18 for children over 12 at a cost of **€199m**.

Families

Government should introduce an additional two weeks paternity leave in Budget 2027 at a cost of **€17.3m** and an additional two weeks of paid parental leave at a cost of **€27m**. To support child and family support services, Budget 2027 should allocate €25m additional funding to Tusla for child protection and increased social provision for children and families, while increasing the resources available for the regulation of childminders. €3m should be allocated to support delivery of the National Action Plan for the EU Child Guarantee.

Arts and Culture

Allocate an additional investment of €4m in funding for the Arts Council to embed arts and cultural participation as part of the ECCE framework. This investment would begin to address the large disparities in arts participation between children from different socio-economic backgrounds.

Financial Literacy

Social Justice Ireland welcomed the publication of Ireland's first National Financial Literacy Strategy earlier this year. Budget 2027 should allocate an additional €2m to develop and resource a financial literacy programme aimed at school children and their families to complement the key objectives and targets of the strategy.

Planning Now for an Ageing Ireland

According to Census 2022, there were 1,048,985 people aged 60+ living in Ireland on Census night, an increase of 19.7 per cent on Census 2016. Looking ahead, CSO projections show the population aged 65+ will increase by 70 per cent by 2040; an increase of more than half a million people. These demographic trends are already in motion. *Future Forty: A Fiscal and Economic Outlook to 2065*, published by the Department of Finance, highlights how these trends will significantly impact Ireland's economic and fiscal position over the long-term. An increasing old-age dependency ratio will increase pressures on public finances, with rising costs for pensions, healthcare, and social services.

Meeting the needs of an ageing population will require adequate investment in incomes, services, and infrastructure. This includes supporting older people to age well at home, with access to the care and supports they need in their communities.

Adequate income

Adequate income is essential for addressing poverty, particularly amid the ongoing cost-of-living pressures. Older people are especially vulnerable, as most rely on fixed incomes. In 2025, over 122,000 older people were living in poverty, an increase of 15 per cent compared to 2024. This number would be substantially higher were it not for the cost of living one-off measures.

Social Justice Ireland has long advocated for the introduction of a single-rate, universal state social welfare pension at the rate of the State Pension (Contributory). The significant additional expenditure required could be funded through reform of Ireland's system of pension-related tax reliefs, and through a moderate increase in Employer PRSI, as detailed in our report on the Universal Pension from March 2018. This would involve standard-rating the tax break on all private pension contributions.

As an immediate step towards ensuring adequate incomes in retirement, **we call on Government to increase both the State Contributory and Non-Contributory Pensions by €15 per week, starting in January 2027 at an additional cost of €570m in Budget 2027.** Over the longer term, the Government should review the effectiveness of the Auto-Enrolment retirement savings scheme and support the transition towards a Universal State Pension, ensuring that all older people can enjoy an adequate income in retirement while reducing complexity and inequalities within the current system.

Support right-sizing for older renters

Numbers of households aged 65+ renting in the private sector has increased by 83 per cent since Census 2016. Consequences include rising costs and lack of agency in one's rented home, creating obstacles to ageing well at home, such as challenges in modifying living spaces and growing financial pressures. In 2021, the CSO reported that nearly half of renters over 65 were spending more than 35 per cent of their disposable income on rent.

At the same time, the number of people aged 65+ accessing emergency homeless accommodation in April 2026 (265) has increased by 107 per cent since the introduction of Housing for All in September 2021. This highlights the need for sustainable solutions instead of reliance on short-term fixes.

Considering demographic change, we **recommend that the Government designate 980 social housing units within 2027 proposed target of 20,000 social homes to be built according to Universal Design principles**. This would facilitate people aged 65+ who live in private rented, local authority and voluntary body rented accommodation to move to homes more appropriate to their needs as they age ("right-sizing").

Home care

The 2025 Programme for Government commits to design a Statutory Homecare Scheme to allow people to stay in their own home for as long as possible. Building on work done to date, **we recommend that €3m should be allocated to complete the development of a full statutory home support scheme**, including system design, funding model, and regulation, and to include the development of capacity-building supports for the community and voluntary sector to meet revised standards in the delivery of the scheme.

In addition, Government should also increase funding for home support services to deliver additional hours of care in line with the growing health and social care needs of older adults. To address rising demand, **Budget 2027 should include an additional €75.4m for home support services.**

The Community and Voluntary sector provide a range of key supports for older people, from befriending and social inclusion supports, to home care and assistive technologies. These supports are especially critical for those living with dementia and their families. We welcome recent progress in recognising this essential work, including the move towards fair pay. To build on this, **multiannual funding is essential to support effective planning** and to ensure these services continue to meet both current and future needs.

Safeguarding

Safeguarding concerns rose by 33 per cent in 2023, with 18,290 reports made to the HSE Safeguarding Teams. Of these, 31 per cent involved people aged 65+, while the number of complaints raised by people aged 80+ increased by 32 per cent compared to 2022. Reports of elder abuse exceeded 5,000, continuing an upward trend. The most prevalent types of abuse reported by older people were psychological, physical and financial. *Social Justice Ireland* welcomes the Law Reform Commissions framework for adult safeguarding and urges progress on the Adult Safeguarding Bill, which is urgently needed. **Budget 2027 should thus allocate €3m to establish an independent safeguarding authority.**

Loneliness Taskforce's National Strategy on Loneliness

According to the European Commission's Joint Research Centre, Ireland has the highest rate of loneliness in the EU: up to 1 in 5 people in Ireland experience loneliness. Social inequalities increase risk of loneliness and its harms, and high rates are linked to poorer economic performance, reduced political participation, and erosion of social trust. Despite this, Ireland has no dedicated national policy on loneliness.

We therefore recommend that Budget 2027 **invest €1.4m to fund the proposed a National Strategy on Loneliness, developed by the Loneliness Taskforce.**

Just Transition

Budget 2027 must ensure that our investment strategy supports the ambition of the climate action plan, a just transition to a green economy, emission reductions, and expedites progress towards our 2030 targets while building a sustainable, resilient and vibrant society and economy.

Transport

Social Justice Ireland proposes a **Commercial Air Transport tax in Budget 2027 to yield €215m.** This would ensure air travel makes a contribution to carbon budgets for the transport sector in line with the 'Polluter Pays' Principle and the Environment Liability Directive while Government proactively pursue the removal of the exemption of Jet Kerosene from excise and carbon taxes at EU level. Airlines and business air charter companies operating in Ireland will pay a per-passenger charge of between €5 and €30, depending on destination, on all commercial flights, with a seating capacity greater than 10, departing Irish airports.

Aggregate Levy

To promote the recycling of aggregates (rocks, sand and gravel) in the building industry, and the re-use of old buildings, *Social Justice Ireland* proposes the introduction of an **aggregate levy of €2.50 per tonne** in Budget 2027. This would generate an estimated yield of **€75m**.

Retrofitting

***Social Justice Ireland* proposes that €50m be allocated in Budget 2027 for a retrofitting programme** targeted at rural housing, with €5m targeted for improving ventilation in public buildings. €10m of this should be invested in a pilot **Building Renovation Passport Scheme** for households to support a gradual, step by step approach to retrofitting; €1m to establish a network of community energy advisors to support lower income and vulnerable households during our energy transition and €1m to support a rooftop solar and battery pilot targeting lower income households and community buildings.

Energy efficiency

Allocate **€500m from the Infrastructure, Climate and Nature Fund** in Budget 2027 for investment in offshore wind energy to accelerate existing targets, upgrade of the national grid, build new grid capacity and interconnectors to accommodate more renewable energy generation, and increase storage capacity. Investment in our grid, storage capacity and renewable energy generation capacity is key to meeting electrification of home heating and transport targets, and to reducing our reliance on fossil fuels.

We propose **an allocation of €10m towards reform of the RESS auction** to make it more accessible for communities, schools, individuals and farmers.

A **€48m** fund should be established to provide grants for electric vehicles targeted at rural dwellers only, with grants of between €3,500 up to €10,000 depending on household income, and a €600 EV home charger grant.

Reorganise the PSO levy according to average demand as a first step to ensure that Data Centres make an appropriate contribution to Ireland's renewable energy targets.

Biodiversity and Nature

Budget 2027 should invest **€5m in the National Parks and Wildlife Service and in the National Biodiversity Centre** to scale up policies to mainstream biodiversity into economic decision-making and support community led projects.

Investing in the Future—the Circular Economy

Social Justice Ireland proposes an allocation of **€5m in Budget 2027 to continue the rollout of the Circular Economy Strategy** concentrating on areas such as sustainable agriculture, living labs focused on agro-ecology, bio-economy, plastics, and the piloting of a circular economy town. A proportion of this investment should be ringfenced for the upskilling of appropriate sections of the labour force at county level for the maintenance and servicing of new energy efficient technologies that are standard part of the retrofitting process such as heat pumps.

Agriculture

Government should pilot **Farm Sustainability Passport** scheme at a cost of €5m in Budget 2027 to support farmers to move to environmentally friendly and sustainable agricultural methods.

Fossil fuel subsidies and tax expenditures

In Budget 2027 Government should begin the process of **ending fossil fuel subsidies and environmentally harmful tax expenditures**. These not-insignificant resources (€4.7bn in revenue foregone in 2024) should be invested in a long-term programme to progress renewable energy targets, upgrading our energy infrastructure, and climate adaptation measures and a Commission for Future Generations.

A Just Transition: delivery and investment

A fundamental principle of a Just Transition is to leave no people, communities, economic sectors or regions behind as we transition to a low carbon future. Transition is not just about reducing emissions. It is also about transforming our society and our economy, and investing in effective and integrated social protection systems, education, training and lifelong learning, childcare, out of school care, healthcare, long-term care and other quality services.

Budget 2027 must establish long-term funding mechanism for a Just Transition. This requires the establishment of a dedicated funding stream from the 'Infrastructure, Climate and Nature Fund' and the full allocation and investment of all revenues raised for climate transition. All carbon tax revenues hypothecated for investment in just transition measures - housing retrofit, agri-environmental schemes, and social welfare supports must be allocated, and any underspend directed to retrofits, reopening ACRES to new participants, establishing a fund for Nature Restoration and improved supports for community and voluntary sector and business sector to decarbonise. Government must prioritise investment that reduces fossil fuel dependence, tackles energy poverty and promotes community resilience.

Ireland: Some Key Diagrams and Tables

Chart 15.1: Net National Debt per person, 2000-2031 *(estimates from 2024)*

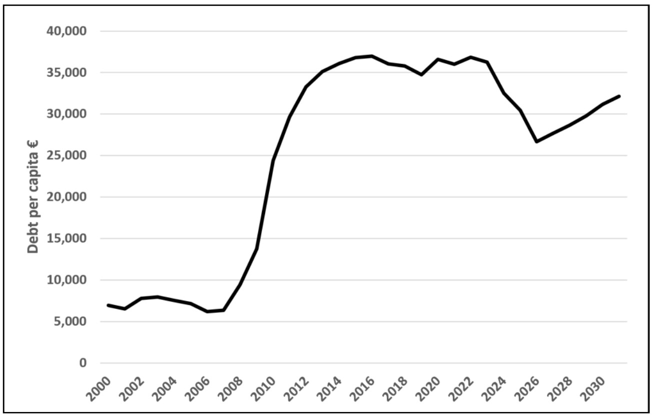


Chart 15.2: Jobseekers Benefit as a % of Average Weekly Earnings, 2011-2025

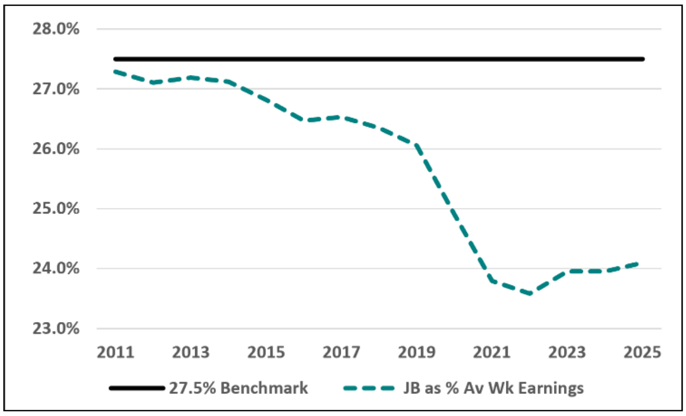


Chart 15.3: Poverty and Deprivation, 2005-2025

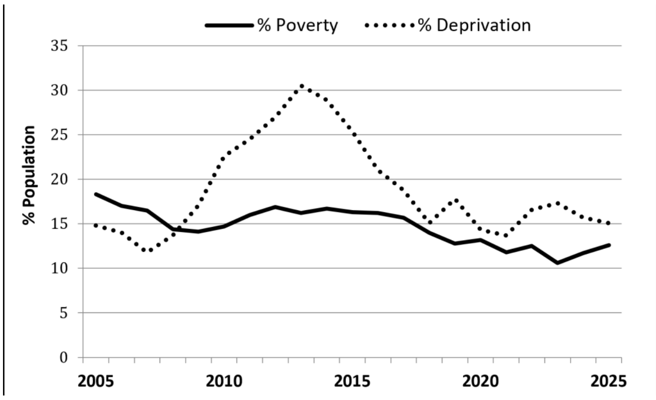


Chart 15.4: The Rich-Poor Gap*, 2014-2026(€ per week)

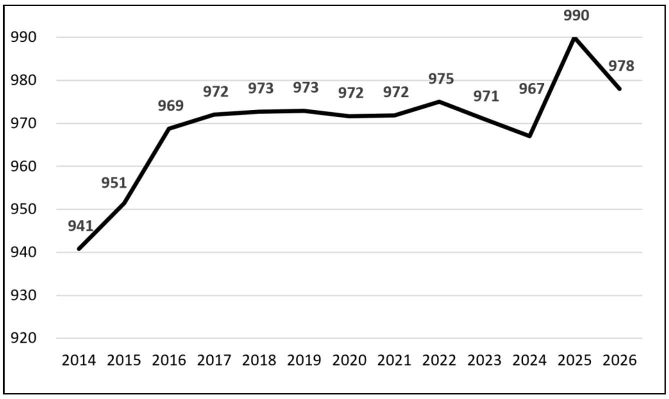


Table 15.1: The Minimum Disposable Income Required to Avoid Poverty in 2026, by Household Types

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€377.70	€19,708
1 adult + 1 child	€502.34	€26,212
1 adult + 2 children	€626.98	€32,716
1 adult + 3 children	€751.62	€39,219
2 adults	€626.98	€32,716
2 adults + 1 child	€751.62	€39,219
2 adults + 2 children	€876.26	€45,723
2 adults + 3 children	€1,000.90	€52,227
3 adults	€876.26	€45,723

Table 15.2: Effective Taxation Rates for selected household types, 2006 / 2016 / 2026

	2006	2016	2026
Single earner			
Gross Income €25,000	12.5%	13.5%	9.5%
Gross Income €60,000	29.8%	31.6%	25.1%
Couple 1 earner			
Gross Income €40,000	11.5%	12.9%	6.2%
Gross Income €60,000	22.5%	24.1%	15.6%
Couple 2 earners			
Gross Income €40,000	7.6%	8.3%	3.9%
Gross Income €100,000	26.5%	28.0%	20.7%

***Rich-Poor Gap Notes:** The analysis presents the measures as announced in each annual Budget including temporary supports for that budgetary year. 2026 measures include welfare & income taxation changes announced for 2026.

Data on this page is from: IMF *World Economic Outlook,* CSO Earning and Labour Costs, CSO *SILC*, Social Justice Ireland *Budget Analysis and Critique* and *Social Justice Matters: Annual Socio-Economic Review.*

International Protection, ODA and DSGBV

As of June 2026, there were 33,122 people living in Direct Provision and emergency international protection accommodation spread across 303 locations. In contrast, and in addition to those seeking international protection, by February 2026, an estimated 84,100 Ukrainian refugees remain in Ireland. They had initially been granted automatic temporary protection status. As the war drags on, this system is under review. Inward net migration is projected to be 35,000 per annum from 2026 to 2030, bearing in mind that this figure has been exceeded in past years. This population growth must be planned for accordingly.

The challenge of providing safe, affordable, appropriate housing that existed prior to the Russian invasion of Ukraine will be all the more evident as global conflicts and climate chaos mean more asylum seekers and refugees may arrive here seeking safety and security.

The issue of accommodation is increasingly a concern. Other wrap-around supports such as access to as legal aid and assistance, access to work, education and training, access to driving licences and bank accounts are provided for which are all welcome steps. The Programme for Government committed to abolish the Direct Provision system and move away from the for-profit model. This needs to be resourced now as a matter of urgency.

The provision of appropriate, sustainable acceptable accommodation in areas that have links to schools, shops, employment opportunities, transport links and community support networks will be key to supporting integration.

Budget 2027 should support both social cohesion and economic reality and ensure that those coming to Ireland to make a life for themselves and their families are supported to do so.

In Budget 2027, *Social Justice Ireland* recommends that Government allocate **€2m** to support very necessary **vulnerability assessments**. A further **€1m** should be allocated to **Skills Assessment, Harmonisation and Integration** supports to unlock the valuable skills linked with inward migration.

ODA, Climate Finance, and Loss and Damage

Social Justice Ireland welcomes the increased contributions to Official Development Assistance (ODA) in recent Budgets. However, more must be done if we are to reach the UN-agreed 0.7 per cent target. We invite Government to commit to a pathway to achieve this target over the next 4 years (see *Social Justice Matters*, ch.13).

Changing geopolitics mean that, according to the OECD, bilateral funding for Least Developed Countries in 2025 is projected to fall by up to 25 per cent. In the context of retrenchment in global aid funding, Ireland must resolutely pursue its UN target. ***Social Justice Ireland* calls on Government to allocate an additional €205m in 2027 to move towards our ODA commitment of 0.7 per cent of GNI*.**

Social Justice Ireland welcomed the Government's Climate Finance Roadmap in 2022 which set a target of €225 million per year by 2025. However, the inclusion of Climate Finance within ODA distorts our commitments. Ireland has committed to targets for ODA, Climate Finance, and Loss and Damage. Government should recognise these as three separate obligations under three different agreements, and contributions to each should be disaggregated from one another.

Over the coming years, Government should develop a separate allocation for Climate Finance. To begin this process, we recommend that Government draw on windfall revenue in 2027, and then incrementally fund this allocation from stable recurring revenue over successive budgets.

Table 16.1: Pathway to UN target of 0.7% of GNI* by 2030

Year	Projected GNI* (€m)	% of GNI* required in each year	Required budget for ODA in each year (€m)	Required increase in allocation for ODA (€m)
2026	362,000	0.51	1,845	-
2027	382,000	0.54	2,050	205
2028	401,000	0.58	2,345	295
2029	422,000	0.64	2,710	365
2030	444,000	0.70	3,108	398

Domestic, Sexual, and Gender-Based Violence (DSGBV)

The Central Statistics Office (CSO) and Cuan, the State agency for domestic, sexual and gender-based violence, are working on a new survey on domestic violence. The survey is expected in 2027 with findings available from 2028. This is a welcome advance as the current data relies on reports of abuse which many survivors may never make. Zero Tolerance – the Third National Strategy on Domestic, Sexual and Gender-Based Violence (DSGBV) 2022–2026 lists access to the provision of safe accommodation as a key priority.

The Council of Europe report provides that there should be one place per 10,000 population for victims of DSGBV. Based on preliminary Census estimates of a population of 5,548,600, this would equate to 554 places. However we are falling far short of this target. The Programme for Government referred to an "epidemic" of domestic abuse. Like any epidemic, adequate resources are needed to combat it. Government must meet their commitments under the Istanbul Convention and **provide further refuge spaces for victims of DSGBV, at a cost of around €198 million** in Budget 2027. In addition, further service-level supports are needed for those experiencing domestic abuse who do not require residential spaces. **This would require €33m** for service provision, training and legal supports.

Delivering the Programme for Government

On this page we focus on the Programme for Government commitments to three key groups in Irish society. They are: carers, those living with a disability, and children living in households below the poverty line. They will require particular support in Budget 2027.

Delivering for Carers

Census 2022 found that 5.8 per cent of the population provide regular unpaid care, where that caring role is defined as proving regular unpaid personal help or support to a family member, neighbour, or friend with a long-term illness, health issue, or an issue related to old age or disability. This figure equates to 299,128 people, an increase of over 50 per cent from Census 2016.

Social Justice Ireland welcomes the recognition of the enormous contribution that carers make to Irish society in the 2025 Programme for Government. We also welcome the commitment to enhance the supports available to them, acknowledging their vital role, and the need for greater financial and social protections. However, more substantial policy action is required that focuses on addressing the poverty experienced by many carers and their families alongside increasing the provision of respite care for carers and for those for whom they care.

Budget 2027 should commit to increasing the annual **Carer's support grant from €2,000 to €2,150 at a cost of €24.7m**.

Government should set out a pilot to provide **Universal Basic Services and a Universal Basic Income Scheme for Carers (at a cost of €5m)** in line with the Programme for Government commitment to fully fund the carers guarantee in Budget 2027.

Budget 2027 should increase the **Domiciliary Care Allowance by €20** (from €380 to €400) at a cost of **€15m**.

Delivering for Disabled people

The Programme for Government commits to advancing the rights and improving the lives of people with disabilities. There is a commitment to 'adopt a whole-of-government' approach and advance the implementation of the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the Convention of Persons with Disabilities.

Table 17.1: Average Additional Cost of Disability, € per year

	Lower-Bound	*Upper-Bound*
Average Cost of Disability - all types, all severities	9,482	11,734
Average Cost of Disability - by limitation		
Severely Limited	13,159	16,284
Limited	8,525	11,579
By Disability Type		
Blindness or a serious vision impairment	10,997	13,609
Deafness or serious hearing loss	10,119	12,523
Difficulty with basic activities like walking, stairs, reaching, lifting or carrying	10,756	13,311
An intellectual disability	10,592	13,107
A developmental disability like autism or ADHD	11,659	14,428
A difficulty with learning, remembering or concentrating	11,045	13,669
A mental health, psychological or emotional condition or issue	10,708	13,251
Digestive disorder (e.g. Crohn's disease or bowel problems)	11,966	14,809
A difficulty with pain breathing or other chronic illness/condition	11,179	13,835
Any other chronic illness or condition	11,187	13,844

Source: Indecon (2021: 116)

Those not employed due to a long-term illness or a disability are one of the groups at highest risk of poverty with one in three of this group classified in this category. The most recent figures, for 2015-2025, mark another notable increase. Overall, although those not at work due to illness or disability only account for a small proportion of those in poverty, their experience of poverty is high. Given this, *Social Justice Ireland* believes there is an ongoing need for targeted policies to assist this group. These include job creation, retraining and further increases in social welfare supports.

The extra costs associated with a disability were estimated at between €9,482 and €11,734 per annum and are outlined in Table 17.1. There is a very strong case to be made for introducing a non-means tested cost of disability allowance and we welcome recent moves to give greater policy consideration to this issue. We recommend Budget 2027 begin this journey and introduce **a cost of disability payment of €20 per week at a cost of €242m.**

Delivering on Child Poverty - 'The Futures They Deserve'

Children are one of the most vulnerable groups in any society. Consequently, the issue of child poverty deserves particular attention. The time is overdue for Government to once and for all address this persistent and damaging problem. The Programme for Government states that 'child Poverty is not inevitable, and by ensuring a determined focus we can lift more children out of poverty, giving them the futures they deserve.

Child poverty is measured as the proportion of all children aged 17 years or younger that live in households with an income below the 60 per cent of median income poverty line. The 2025 *Survey on Income and Living Standards* (SILC) indicates that this equates to approximately 211,150 children. The scale of this statistic is alarming, and this situation is not acceptable. Furthermore, the fact that such a large proportion of our children are living below the poverty line has obvious implications for the education system, for the success of these children within it, for their employment prospects in the future, and for Ireland's social and economic performance in the long-term.

Child benefit remains a key route to tackling child poverty and is of particular value to those families on the lowest incomes. Judged over time, there are significant benefits to society from a targeted anti child poverty programme, delivering major benefits to families in poverty, or at risk of being in poverty, but also delivering substantial long term benefits to the State. Government should embrace this approach and commit to investing more to address, reduce and prevent child poverty. Budget 2026 should **increase child benefit by €20 a month at a cost of €303m and deliver targeted supports by increasing the Child Support payment by €10 for those under 12 and by €18 for those aged 12 and over at a cost of €199m.**

Summary of Key Policy Goals and Investment Packages

Windfall Spending: -€2,987m, including:

- Increase planned social housing construction to 20,000 - €2,157m
- Infrastructure investment in Sláintecare - €300m
- Invest in renewable energy and grid upgrade - €500m
- Invest in social infrastructure to support independent living for people with a disability - €20m

Housing (excluding €2,157m windfall investment): +€627m, including:

- Expand *Housing First* to families - €130m
- Convert the Rent Tax Credit to a Grant - €39m
- Double allocation for National Oversight and Audit Commission - €11m
- Abolish the *Help to Buy Scheme* - €252m
- End the Shared Equity Scheme - €80m
- Restore the Non Principal Private Residence Tax - €106m
- Increase funding for the RTB for private rent inspections and increase tenant protections - €5m

Just Transition: +€278m, including:

- Introduce aviation tax on commercial flights - €215m
- Ring-fence the money from carbon tax increase for a Just Transition Fund - €155m
- Aggregate levy of €2.50 per tonne - €75m
- Increase funding to CSO for measurement on SDGs and SILC survey - €3m
- Begin to wind down fossil fuel subsidies and tax expenditures - €94m
- EV and home charger grants for rural dwellers - €48m

Rural, Regional and Community: -€143m, including:

- Allocate funding to Regional Development and Transition - €50m
- Increase funding for Enterprise Ireland and Fáilte Ireland - €15m
- Increase funding for Rural Transport Programme - €45m
- Future proof rural economies - €25m
- Increase funding for the Community and Voluntary sector - €50m
- Increase funding for PPNs - €4m
- Increase funding for libraries - €2m

Social Welfare: -€762m, including:

- Increase all social welfare rates by €15 per week - €516m
- Extend the Fuel Allowance by an extra 4 weeks - €71m
- Equalise Jobseekers' rates for under-25s - €69m
- Increase the Living Alone Allowance by €8 per week - €106m

Health, Disability and Carers: -€384m, including:

- Further invest in Enhanced Community Care - €50m
- Invest in Universal Access to GP care- €50m
- Invest €30m in Community Nursing Facilities and rehab beds.
- Pilot UBI and UBS for Carers - €5m
- Raise excise duty on beer, spirits, cider (5c) and wine (25c) - €75m
- Introduce a Cost of Disability Payment of €20 per week - €242m
- Increase investment in disability services, including respite and PA services - €25m
- Increase Domiciliary Care Allowance by €20 (DCA) - €15m
- Expand Free Travel Scheme to all DCA recipients - €6m
- Increase the Carer's Support Grant - €25m

Education: -€276m, including:

- Invest in higher and further education and increase apprenticeships - €70m
- Extend the hot school meals programme to all DEIS post primary schools - €55m
- Increase the Maintenance Grant by €1000 at third level - €48m
- Fund apprenticeship programmes focused on Travellers - €2m
- Increase employers' contribution through National Training Fund Levy by 0.1% - €74m
- Restore Back to School Clothing and Footwear Allowance - €18m
- Increase capitation grants by 5% at primary & second level - €5m
- Increase funding for DEIS schools - €10m
- Reduce Pupil-Teacher Ration at primary level by 1 point - €25m
- Expand JCSP Library project - €5m
- Increase funding for special education places in mainstream and special schools - €62m
- Increase funding for adult literacy - €5m

Children and Families: -€842m, including:

- Increase Child Benefit by €20 per month - €303m
- Increase child support payment by €10 and €18 - €199m
- Increase affordable childcare subsidy for children under 3 - €9m
- Increase funding for Tusla for child protection and social provision for children - €25m
- Increase ECCE capitation grant by 10% - €26m
- Increase parental and paternity leave by 2 weeks - €44m
- Increase refuge spaces and supports for victims of Domestic, Sexual and Gender-based Violence - €231m

Pensions and Older People: -€111m, including:

- Increase the Contributory and Non-Contributory Pension by €15 per week - €570m
- Standard-rate tax relief on all private pension contributions and reduce earnings cap for contributions - €764m
- Invest in social care, including Home Care Packages and services for older people - €75m
- Complete development of a full statutory home support scheme - €3m
- Fund Loneliness Taskforce National Loneliness Strategy - €1m

ODA & International Protection: -€208m, including:

- Increase in ODA to 0.54% of GNI*- €205m
- Resource vulnerability assessments for International Protection Applicants - €2m
- Increase skills assessment, harmonisation and integration supports - €1m

Other taxation and revenue-raising: +€2,161m, including:

- Increase minimum effective tax rate on €400k+ earnings from 30% to 32% - €100m
- Standard-rate discretionary (non-pension) tax expenditures - €55m
- Increase employers' PRSI by 0.5% - €1bn
- Increase Capital Gains Tax from 33% to 35% - €175m
- Reform the R&D tax credit system - €472m
- Introduce a Financial Transactions Tax - €350m
- Increase the PAYE and Earned Income tax credits by €5 per week and make them refundable - €922m

The Social and Economic Position Framing Budget 2027

Table 19.1 brings together a range of relevant data and indicators which reflect various aspects of Ireland's social and economic situation. These data frame the context of Budget 2027.

Windfall tax receipts, particularly in corporation tax, are set to contribute to an estimated General Government Surplus of €9.2bn in 2026. Full employment, while welcome, also presents challenges when it comes to addressing the many deficits in infrastructure and service provision facing Ireland today.

Inward migration, while providing some 591,300 workers to the economy, places additional strains on existing infrastructure and services and must be properly forecasted in the years to come.

Notwithstanding the large surplus, Ireland's low tax-take as a proportion of national income is still below the EU average and must be increased on a per capita basis to ensure the sustainability of future Budgets.

Table 19.1: Ireland's Social and Economic Position ahead of Budget 2027

Estimated General Government Surplus (APR 2026)	€9.2 billion	Minimum Wage (per hour / 39 hr week)	€14.15 / €551.85
Projected Government Surplus for 2027 (APR 2026)	€9 billion	Minimum Social Welfare Payment (1 adult)	€254 per week
Gross Govt Debt, % of GDP / GNI*, 2025, original forecasts from Department of Finance	33.0% / 61.7%	Minimum Essential Standard of Living amount for working-age adult living alone 2026 (urban/ rural)	€294 / €359 per week
Gross Govt Debt, % of GNI*, 2026, projection by ESRI	57.6%	Student / Pupil living in poverty (% / numbers) 2025	17.4% / 68,091
Gross Govt Debt, % of GNI*, 2027, projection by ESRI	56.0%	Poverty line for 1 Adult (week / year) in 2026	€377.70 / €19,708
Gross Govt Debt, % of GNI*, 2030, projection by ESRI	54.0%	Poverty line for 2 Adults (week / year) in 2026	€626.98 / €32,716
General Government Balance 2025/2026/2027 (€ million) (Department of Finance)	11,220 / 9,197/ 9014	Poverty line for 1 Adult + 1 Child (week / year)	€502.34 / €26,212
General Government Debt 2025/2026/2027 (€ billion) (Department of Finance)	209.9 / 208.1 / 213.8	Poverty line, 2 Adults + 2 Children (week / year)	€876.26 / €45,723
Unemployment (May 2026)	141,700 / 4.9%	Population living in poverty (% / numbers) 2025	12.6% / 687,784
Unemployment rate ages 15-24 / 25-74 (Q1 2026)	10.2% / 4.2%	Older people living in poverty (% / numbers) 2025	14.8% / 122,425
Underemployment rate (Q1 2026)	3.0%	Children living in poverty (% / numbers) 2025	16.9% / 210,150
Inflation rate 12 months to May 2026 (CPI/HICP)	3.6% / 3.5%	People in employment living in poverty (% / numbers) 2025	5.8% / 148,000
Percentage change in inflation rate for local authority rents between May 2025 and May 2026	5.8%	% of population experiencing deprivation (2+ basic items) (2025)	15.10%
Percentage change in inflation rate for food between May 2025 and May 2026	1.2%	Number in need of long-term sustainable homes	134,000 households
Percentage change in inflation rate for education services between May 2025 and May 2026	8.9%	Adults in emergency homeless accommodation in Ireland (April 2026)	11,944
Percentage change in inflation rate for liquid fuels - home heating oil between May 2025 and May 2026	60.1%	Children in emergency homeless accommodation in Ireland (April 2026)	5,604
GDP / GNI* 2026 (to nearest billion)	668 / 362	Population of Ireland (CSO 2025)	5,458,600
Corporation Tax rate / Pillar 2 Min Effective Rate	12.5% / 15%	Net migration (year to Apr 2025)	59,700
Capital Gains Tax rate	33%	% of population 65+ in 2022 / 2026	15.1% / 17.0%
VAT rates—Standard / Reduced / Agricultural	23% / 13.5% / 4.8%	Old Age Dependency Ratio 2022 / 2032	23.1 / 27.8

Sources: Department of Finance *Annual Progress Report April 2026*, Department of Finance *Budget 2026 Economic and Fiscal Outlook 2026 October 2025* Department of Public Expenditure *Revised Estimates for Public Services 2026*, Revenue Commissioners, various Parliamentary Budget Office publications, ESRI's Quarterly Economic Commentary, Spring 2026, CSO *Labour Force Survey*, CSO *Population and Migration Estimates*, CSO *SILC*, CSO *Census 2022*, CSO *Population and Labour Force Projections (assumption M2F1)*, CSO *Monthly Unemployment May 2026*, CSO *Consumer Price Index May 2026*, CSO Labour Force Survey Quarterly Series, SVPs MESL data, Department of Housing, Local Government and Heritage *Monthly Homelessness Report April 2026*, and Social Justice Ireland's *Socio-Economic Review 2026* **Note:** numbers for future years are projections.

Meeting Future Challenges Requires Social Dialogue

Ireland's population is growing and is projected reach between 5.7 and 7 million by 2057. The proportion of the population aged over 65 years is also set to increase significantly. We must begin planning now for changes to our demography, ensuring that housing, education, healthcare, work and transport take account of our ageing population.

A significant increase in investment will be required to meet the needs of our population in the years ahead. Government decisions to raise or reduce overall taxation revenue need to be linked to the demands on its resources, and it is essential to develop sustainable and appropriate revenue streams.

In November 2025, the Department of Finance published *Future Forty: A Fiscal and Economic Outlook to 2065*, detailing demographic trends and how their effects are already in motion. This is the type of data and analysis required to inform Government policy to build a better Ireland. We see this work as a foundation to inform a discussion and debate about the levels of services and infrastructure Irish society wishes to have in the coming decades, and how these are to be financed.

Over the period from 2022 to 2050, the older population will rise from 773,000 people in 2022 to 1.5 million in 2050. Over the same period, the proportion of those of working age will decline as a percentage of the population, and the old-age dependency ratio will increase. These demands will inevitably require an overall higher level of taxation to be collected.

As well as demographic change, Ireland also faces major transitions in terms of realignment of the global economy, climate change and the digital and AI revolution. A transformation in how we live is underway. We must prepare to harness these changes in a way that is inclusive, constructive and positive for our society.

Alongside the fiscal pressures all of this will bring, there will also be governance pressures. Every person should have a say in how and where infrastructure and services are delivered and how change will affect their lives. The recent CSO 'Trust' Survey shows that overall levels of trust have declined since 2023. Many in our country clearly feel unheard, left behind and anxious about the future. This all speaks to the need for more intensive and deeper social dialogue at local, regional and national level.

Well structured and genuinely deliberative social dialogue can support communities and sectors to build consensus about how best to manage change in a way that takes advantage of the opportunity to build a more just society and to shape the policies that affect people and communities. Adequate planning would ensure that communities have their existing and future population needs met.

A new social dialogue process involving all stakeholders should begin developing a new social contract which would commit the state and all social partners to improving economic management with a view to enhancing the standard of living, quality of life and wellbeing of all the republic's residents. Challenges will not be resolved overnight, but real progress can be made: Budget 2027 is the place to begin.

Recent Publications and Research from *Social Justice Ireland*

Social Justice Matters: 2026 guide to a fairer Irish society

Measuring Progress: Sustainable Progress Index 2026

Tracking the Distributive Effect of Budget Policy - 2026 Edition

National Social Monitor - The Future Starts Now

Social Welfare Rates: Budget 2027

All of these are available on our website at www.socialjustice.ie
Printed copies can be purchased from Social Justice Ireland.

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Department of Rural and Community Development and the Gaeltacht

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SOCIAL JUSTICE IRELAND
working to build a just society

Social Justice Ireland is an independent think tank and justice advocacy organisation that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for society as a whole.

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