

# Budget 2021

From [Department of Employment Affairs and Social Protection](#)

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## €25.13 billion to be spent on Social Welfare in 2021

In her first budget, as Minister for Social Protection, Heather Humphreys has secured an overall package of over €25bn for social welfare measures in 2021 that focuses on the unprecedented economic circumstances brought about by the COVID-19 pandemic.

### Pensioners

- State Pension Qualifying Age to remain at age 66 from January – legislation to be implemented by end 2020.
- €5 increase in the weekly Living Alone Allowance from €14 to €19 paid to people aged 66 and over who are living alone – over 221,000 pensioners, widows/widowers and people with disabilities to benefit.
- Over 600,000 pensioners will benefit from the Christmas Bonus Double Payment.
- Fuel Allowance will increase by €3.50 to €28.00 per week – over 375,000 households to benefit.
- Island Allowance (paid to people living on certain offshore islands) to increase to €20 per week from January –an increase of €7.30 - first increase to the Island Allowance since it was introduced in 2000.
- Grant of up to €500 will be paid for hearing aids without requiring it to be matched by the customer.
- Hearing Aid repairs of up to €100 will no longer require matching funding by the customer.

### Families and Children

- Hot School Meals programme – Additional €5.5m for programme commencing in January 2021.
- €5 increase for qualified child dependants aged 12 and over, in all weekly payments.
- €2 increase for qualified child dependants up to age 12, in all weekly payments.

- Parent's Benefit increases to 5 weeks for parents of children born or adopted from November 2019 –an increase of 3 weeks.
- €10 increase in the weekly income threshold for Working Family Payment for families with up to three children to help working parents on low incomes.
- Working lone parents will no longer lose their One-Parent Family Payment when their employment income exceeds the current €425 limit. This limit of €425 will be removed from April 2021.
- Newly widowed parents with dependent children will receive a grant of €8,000 from January 2021 – an increase of €2,000.

## **People in Work**

- The number of 'waiting days' for Illness Benefit will reduce from 6 days to 3 days for all new claims from the end of February 2021.
- Parent's Benefit increases to 5 weeks for parents of children born or adopted from November 2019 – an increase of 3 weeks.
- €10 increase in the weekly income threshold for Working Family Payment for families with up to three children - to help working parents on low incomes.
- Working lone parents will no longer lose their One-Parent Family Payment when their employment income exceeds the current €425 limit. This limit of €425 will be removed from April 2021.

## **Carers and People with Disabilities**

- €5 increase for qualified child dependants aged 12 and over, in all weekly payments.
- €2 increase for qualified child dependants up to age 12, in all weekly payments.
- Fuel Allowance will increase by €3.50 to €28.00 per week – over 375,000 households to benefit.
- Highest ever Carer's Support Grant of €1,850 per year (increase of €150) to be paid in 2021 - to benefit over 130,000 carers.
- €5 increase in the weekly Living Alone Allowance from €14 to €19 for people with disabilities who are living alone – over 221,000 to benefit.
- Earnings disregard for people receiving Disability Allowance who are working to increase by €20 per week to €140.
- New €1,000 Training Grant to help people with disabilities who are seeking employment.

## **People who are unemployed or on PUP**

- A Christmas Bonus of 100% will be paid on an exceptional basis this year to recipients of the Pandemic Unemployment Payment and equivalent recipients of Jobseeker's Payments who have been on these payments for four months or more.
- Self-employed workers will be able to earn up to €480 a month gross and keep their Pandemic Unemployment Payment.
- Funding for €1,000 COVID-19-Enterprise Support Grant doubled to €24 million.
- The Part-Time Job Incentive scheme to be made available to the self-employed who intend to resume their business but can only do so intermittently or on a limited/reduced basis when they leave the PUP.

- €10 million is being provided towards employment supports for people who are unemployed, with specific focus on youth unemployment. This is in addition to the €112 million provided in the July Stimulus package.

## **Christmas Bonus**

A 100% Christmas Bonus will be paid in December 2020 to recipients of long-term Social Welfare payments (min €20 payment). People in receipt of the following payments will receive the Bonus:

- State Pensions and Widow's/Widower's/Surviving Civil Partner's Pensions
- Invalidity Pension, Blind Pension, Disability Allowance, Carer's Allowance, Carer's Benefit, Partial Capacity Benefit, Disablement Benefit, Domiciliary Care Allowance and Guardian's payments.
- One-Parent Family Payment, Long-term Jobseeker's Allowance, Jobseeker's Transition Payment, Deserted Wife's Benefit and Allowance and Farm Assist.
- Back to Work Enterprise Allowance, Community Employment, Rural Social Scheme, TÚS, Gateway and Job Initiative, Supplementary Welfare Allowance, Daily Expenses Allowance, Magdalene Commission Scheme.
- On an exceptional basis this year, recipients of the Pandemic Unemployment Payment and equivalent recipients of Jobseeker's Payments who have been on these payments for four months or more.