# BUDGET 2014

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#### KEY EXPENDITURE MEASURES

Social Impact Investing: long-term sustainable homes for homeless families.

€30m to recommence State house building programme. Up to 500 additional housing units including new builds & returning previously uninhabitable units to the housing stock.

€10m to an unfinished housing estate resolution pilot project.

#### HEALTH

€20m for community mental health services.

€37m to provide free GP care for under 5s.

Savings on drugs, eligibility for medical cards & increased charges will yield €349m.

#### SOCIAL PROTECTION

The telephone allowance will be discontinued from 1 Jan2014, saving €44 million.

Maternity & Adoptive Benefit standardised at €230 for new claimants from Jan 2014, saving €30m.

The €100 rate of Jobseeker's Allowance will be paid up to age 24 & the €144 rate to those turning 25 from Jan 2014, saving €32m.

Doubling the number of waiting days for entitlement to Illness Benefit from 3 days to 6 days will save €22 million.

#### EDUCATION

No increase in class sizes.

Provision for the recruitment of over 1,250 new classroom & extra resource teachers.

The free pre-school year will continue.

Books to Rent programme in primary schools.

#### RAISING TAXES FAIRLY

Bank Levy of €150 million on domestic banks.

Increasing Pension levy to 0.75% in 2014 & back to 0.15% in 2015.

Excise duty on alcohol increased by 10 cent on beer & spirits, 50 cent on wine & 10 cent on tobacco.

DIRT increased to 41%.

Tax relief on health insurance premiums limited to €1,000 per adult & €500 per child.

Abolish **Top Slicing Relief** on ex-gratia termination & severance payments.

One parent family tax credit replaced with Single Person Child Carer Tax Credit for the primary carer.

Tax relief on **pension contributions** limited to pensions of €60,000 or less.

## **BUDGET 2014**

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## BUDGET 2014

#### CREATING JOBS & SECURING OUR EXIT

34,000 jobs created over the year and job creation number one priority in Budget.

Economy forecast to grow by 0.2% in 2013 & by 2% in 2014.

Deficit on **downward trajectory** & ahead of target falling to **7.3%** in 2013, to 4.8% in 2014 & to below 3% in 2015.

Primary surplus forecast for 2014.

Debt to peak in 2013 at 124% & reduce to 120% in 2014, 118% in 2015 and 115% in 2016

Ireland to exit the EU/IMF Programme & make a full & sustainable return to the markets.

#### FAIR & PROGRESSIVE SYSTEM

19% of income tax & USC paid by top 1%.

Highest earners have taken greatest share of correction since 2009.

#### HELPING HARD PRESSED FAMILIES

Headline social welfare payments & pensions protected for a third Budget in a row.

No change to weekly fuel allowance rates.

No change to child benefit system.

Free GP care for under 5s.

No income tax or USC increases.

### **BUDGET 2014**

#### SUPPORTING BUSINESSES TO CREATE JOBS

€500 million tax package - 25 new measures to support entrepreneurs, SMEs & create jobs.

9% VAT rate on tourism & hospitality retained.

Air Travel Tax reduced to 0% from 1 April.

Home Renovation Incentive of up to €4,050 for renovation and maintenance work.

Living City Initiative extended to all residential properties built up to and including 1914.

CGT Exemption on commercial property extended to 2014.

Trade Finance Initiative to support Irish exporters.

Increase in farmers' flat rate addition to 5% & extension of retirement relief.

Non-EU talent included in Film Relief Scheme.

SMEs' training & mentoring programme & 7 anti-fraud measures.

Credit Review Office threshold raised to €3m.

Build Your Business Initiative to promote entrepreneurship & support SMEs including:

- 2 year income tax exemption for long term unemployed who start a business;
- CGT relief on reinvested proceeds;
- VAT cash receipt threshold to €2m;
- Removal of EII from higher earners restriction;
- Improvements to R&D Tax Credit.

### **BUDGET 2014**

## CREATING JOBS & GETTING PEOPLE BACK TO WORK

€200m in capital spending from the lottery licence will fund the construction of the National Children's Hospital.

A further €200m will support local economic activity & create jobs by funding:

- road maintenance & repair works;
- a new round of Sports Capital Grants;
- new National Indoor Training Arena;
- the Better Energy Programme;
- housing adaptation grants;
- the National City of Culture Initiative;
- a large scale multi-functional events centre in Cork;
- · the Wild Atlantic Way;
- 1916 Commemoration Projects.

€1.6 billion investment to fund circa 300,000 places, up 18,000 (7%) since 2012, on work, education & training programmes under the Pathways to Work Initiative.

€9m investment to complete roll out of \*One Stop Shop" Intreo offices to provide better services for the unemployed.

€14m to "Youth Unemployment Fund" for additional activation places for people under 25s as part of Youth Guarantee Scheme.

#### REFORMING OUR PUBLIC SERVICES

Fundamental reform of public services is underway & a **New Public Service Reform Plan** will be announced by year end.