Recovery Plan is Working

Economy grew by 0.9% in 2012 and will grow by 1.5% in 2013.

NTMA has raised over €7 billion in second half of 2012, Banks & Semi-States are back in the market, yields continue to fall and we are on target to emerge from EU/IMF programme in 2013.

Unemployment levels remain too high but latest figures show a fall on an annual basis for first time since 2005.

General Government Deficit of 8.2% projected for 2012, well within our programme commitments for a second year and Budget 2013 will deliver target of 7.5%.

General Government Debt will peak in 2013.

Implementing Our Plan

Fair, equitable and designed to limit the impact on the most vulnerable and support job creation.

After Budget 2013, 85% of adjustment completed.

No increases to income tax credits, rates or bands.

No change in basic weekly social welfare rates & frontline services prioritised in Education & Health.

Broadening the Tax Base

Motor tax and VRT will be increased with dual registration of 131 & 132 introduced.

Excise duty on alcohol increased for first time in a decade & also increased on tobacco.

Local Property Tax (LPT) payable at a rate of 0.18% of the market value of properties (by reference to bands of €50,000) up to €1m and 0.25% on any balance above €1m.

Household charge will be abolished and LPT will be payable from the 1st of July for half year only.

Fairer Taxes

Tax relief on pension contributions limited to pensions of €60,000 or less from 2014 affecting high earners in public and private sector.

Top Slicing Relief limited to non-statutory ex-gratia termination and severance payments of less than €200,000.

CGT, CAT and DIRT increased to 33%.

Standard rates of USC (7%) applied to those aged 70 years of age and over and all medical card holders earning €60,000 (twice the average industrial wage) and above.

Securing the PRSI system

PRSI base broadened by increasing the annual minimum contribution for self-employed to €500 and removing the €127 weekly PRSI allowance.

Employees who earn €352 or less per week continue to have no liability to make a PRSI contribution are not affected.

For modified rate contributors income from a trade or profession will be subject to PRSI as will their unearned income with effect from 1 January 2013.

Unearned income including rental, investment, dividends and deposits income will be subject to PRSI for PAYE employees from 2014.

Supporting Job Creation and Economic Recovery

A Ten Point Tax Plan introduced for SME’s, including farms, to enhance cash flow, to reduce administrative burden and to assist companies to grow and expand into new markets and products.

A Rebate on Diesel for licensed hauliers from 1 July 2013 to reduce transportation costs.

Support for the Tourism sector through the Gathering 2013 and 9% VAT maintained for 2013.

Local property tax (LPT) introduced as opposed to income tax increases, to minimize negative effect on jobs and the economy.

LPT includes exemptions up to 2016 for new and previously unoccupied homes and also for first time buyers in 2013 to support emerging recovery.

Five-year Capital Framework of €17 billion out to 2016 of which €3.5 billion allocated in 2013 and capital programmes augmented by PPPs.

Access to 30% of AVCs to be allowed until 2016 and 0.6% Pension levy will be abolished in 2014.

New SME Funding Supports being developed by NPRF.
Launch of a new ten-year €175 million Venture Capital Fund, which will fund new and expanding Irish companies over the medium term. Additional €12 million in 2013 and €26 million in a full year to increase the numbers of placements available on labour activation schemes.

**Key Expenditure Measures**

Social Protection, Health and Education expenditure is 83% of total current spend. Affecting these areas is unavoidable.

The headline social welfare payments, including pension payments are protected and frontline services will continue to be prioritised in Education & Health.

**Social Protection**

Duration of jobseeker's benefit reduced by 3 months.

Child benefit will be reduced by €10 per month saving €142 million in a full year.

Respite Care Grant reduced by €325 to €1375.

Changes to Household Benefits Package saving €84 million in a full year.

**Health**

Reduction in cost of drugs and prescriptions.

Increase in Drug Payment Scheme threshold and charges for medical card holders.

Significant pay-related savings will be delivered.

**Education**

Increase student contribution by €250 in 2013, 2014 and 2015.

2 point increase in Pupil Teacher Ratio for fee charging and PLC schools only.

**Reforming Our Public Services**

Fundamental reform of public services is underway and a new process is commencing under the Croke Park Agreement.

**Reforming How We Practice Politics**

Extension of the Ombudsman’s remit.

Work on the Protected Disclosures in the Public Interest Bill continues.

Reform of the Freedom of Information framework ongoing.

Priority drafting of a Bill for Oireachtas inquiries is underway.

**Political Allowances Reform**

The expenditure limits of the Parliamentary Standard Allowance will be reduced by between 10% and 25% and the unvouched element will be abolished.

Pre-paid envelope allocation to be halved.

The Party Leader’s Allowance will be reduced by 10% and a Statement of Expenditure to the Standards in Public Office Commission required for all members.

Ministers’ severance payments will be abolished.