

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.

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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**.

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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.

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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 Jan 2014, 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.

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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.**

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