

MESL Impact Briefing

Budget 2027

October 2026 • MESL Research Team

Introduction

Budget 2027 introduces a set of social welfare and personal tax adjustments in the context of rising living costs, and particular pressure from food and energy price rises on the cost of a Minimum Essential Standard of Living (MESL). These measures are projected to broadly match inflation and so maintain living standards, but are forecast to have a limited impact on reducing income inadequacy.

The annual budget provides an important opportunity to improve income adequacy and address persistent gaps between household incomes and the cost of meeting essential needs. The MESL research has demonstrated the gaps in the system that contribute to income inadequacy, particularly highlighting the risk of unmet needs for one parent households, older children, and working-age single adults¹.

Budget 2027 includes a €10 adjustment in weekly core adult social welfare rates, proportional adjustments for qualified adults, a €6 adjustment to both rates of Child Support Payment, a €3 adjustment to the Living Alone Allowance and €5 adjustment to the weekly Fuel Allowance rate. A permanent 'Cost of Disability' payment is also introduced, initially set at €500 per year.

The package also includes an increase in the National Minimum Wage, changes to tax

credits and bands, and adjustments to the Working Family Payment earnings threshold and One-Parent Family Payment / Jobseeker's Transitional income disregard.

Analysis of these measures finds that deep income inadequacy is projected to remain concentrated among one parent households, households with older children, and working-age adults living alone, while the position of older people reliant on the State Pension is expected to deteriorate slightly in real terms.

The Roadmap for Social Inclusion 2026 – 2030, has set high level objectives to reduce poverty and inequality, with a particular focus on children, lone parent families, older people and people with a disability. It recognises that adequate social protection is vital and states that "the reduction and alleviation of monetary poverty is a core focus"², setting targets to reduce consistent poverty to 2.0% overall, and 3.0% among children by the end of 2030.

The latest SILC data³ shows consistent poverty at 4.7%. Higher rates are found among children (7.8%), older children aged 12 – 17 years (9.2%), lone parent households (13.4%), and people 'unable to work due to long-standing health problems' (13.9%).

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Reaching the Roadmap targets to reduce consistent poverty by over half will require sustained progress in reducing the gap between social protection supports and the actual cost of meeting essential needs. MESL research has highlighted the importance of evidence-based policy responses to these issues. For example, the significant increase in the Child Support Payment for older children in 2026 demonstrates the potential for targeted needs led measures to improve adequacy and reduce the gap between household income and the cost of minimum needs⁴.

Budget 2027 has introduced adjustments broadly in line with inflation which will offer protection from rising living costs. However, mainly tracking inflation will not substantially narrow the gap between incomes and the cost of meeting minimum needs. As a result, many low income households will continue to experience the same difficulties in achieving an adequate standard of living.

Achieving the Roadmap's objectives will require progressive improvements in the adequacy of household incomes and targeted measures to address the persistent shortfalls experienced by those households furthest from meeting the cost of a MESL.

MESL BACKGROUND

The Minimum Essential Standard of Living (MESL) research provides a robust, evidence-based benchmark of the minimum income required to live with dignity in Ireland. The MESL is grounded in a consensual lived-experience methodology, drawing on deliberations with members of the public to identify the goods and services people need, not want, for an acceptable minimum standard of living.

Using the Consensual Budget Standards (CBS) method, the research draws on lived experience, working with members of the public in a structured series of iterative deliberative focus groups. The process establishes a negotiated social consensus on what people regard as essential for households to have a minimum socially acceptable standard of living

From this, itemised and costed baskets of goods and services are produced, providing the average weekly cost of meeting the agreed minimum needs for a broad range of household types. In this way, the MESL serves as a needs led indicator of the income required to live with dignity, participate in society and avoid poverty, providing an evidence-based benchmark for assessing income adequacy.

The annual MESL series provides an update on the cost of minimum needs each year, with an accompanying report and analysis.

This Briefing draws on the 2026 MESL data, adjusted for forecast inflation to provide an estimate of minimum living costs in 2027.

		Social Welfare		Employed (NMW)	
		2026	2027 f	2026	2027 f
Two Parent & Two Children (Pre & Primary School)					
	MESL	625.13	650.10	763.70	786.37
	Income (Net)	609.37	637.97	916.27	949.95
	Adequacy	-15.76	-12.13	152.57	163.58
Two Parent & Two Children (Primary & Second Level)					
	MESL	716.08	743.68	802.92	830.98
	Income (Net)	631.77	660.37	918.68	952.35
	Adequacy	-84.31	-83.31	115.76	121.37
One Parent & Two Children (Pre & Primary School)					
	MESL	491.72	512.32	723.17	738.16
	Income (Net)	471.27	493.46	883.66	917.05
	Adequacy	-20.45	-18.86	160.49	178.90
One Parent & Two Children (Primary & Second Level)					
	MESL	582.67	605.90	728.77	735.13
	Income (Net)	494.06	516.25	813.79	852.08
	Adequacy	-88.62	-89.65	85.02	116.94
Single Adult, Working-Age					
	MESL	293.75	304.22	629.08	639.69
	Income (Net)	254.00	264.00	483.26	511.53
	Adequacy	-39.75	-40.22	-145.81	-128.16
Older Person, Living Alone					
	MESL	315.13	329.16		
	Income (Net)	341.85	354.87		
	Adequacy	26.71	25.71		

The MESL data examined in this Briefing, is based on the annual 2026 MESL expenditure data and 2027 f forecast estimate MESL costs for 2027.

See Notes, on page 13, for details of the income scenarios.

The 2027 income calculations are based on the information from Budget 2027, as published by the relevant Government Departments at this time.

Pressure on minimum living costs

The 2026 MESL report found that the cost of the goods and services required to enable a socially acceptable minimum standard of living had increased by an average of 3.8% in the 12 months to March. The most significant upward pressures are in Home Energy and Food, which represent a third of the MESL expenditure basket. Energy costs rose by an average of 24.9%, and Food costs increased by 2.7%. This change in the year to March builds on a medium term trend of rising prices, which has seen an increase in Home Energy of 103.7% and Food of 19.1% since March 2020.

Rising living costs have a greater impact on the cost of meeting minimum needs, as measured by MESL, than the average inflation rate measured by CPI. The average change in prices measured in the year to March was 3.6% (0.2pp less than the change in MESL), with a lower rate of change in food and energy prices for the same period.

Recent analysis from the CSO⁵ estimated inflation by household characteristic made similar findings. Lower income households, households with one adult, younger adults, and renters all experienced a higher rate of inflation than the national average.

This differential inflation reflected previous findings that MESL costs are more susceptible to the impact of price changes, particularly in the areas of household energy and food. These areas comprise 32% of the MESL basket cost. In the average consumption basket, measured by CPI, there is a wider range of expenditure and so food and household energy account for a smaller proportion (17.5%) of the overall average consumption⁶.

Ongoing price rises

The standard MESL reference point is based on costs at the end of the first quarter in the year.

Prices have continued to rise over the year, this has been particularly evident in energy.

An updated snapshot⁷ on home energy costs in August found significant changes in this five month period. There was an 11.8% increase in costs for households using natural gas and electricity and a 14.5% decrease for those using oil and electricity.

Looking forward inflation forecasts from the Central Bank⁸ and ESRI⁹, respectively, are 3.4% to 3.6% for 2026 and moderating slightly in 2027 to 3.1% to 3.3%. Overall energy price inflation is forecast to be 10.3% this year, potentially moderating to 5.8% in 2027. Oil prices are expected to stabilise while electricity and gas prices continue to rise.

The Central Bank also forecast food inflation at 1.7% in 2026 and 2027. With the ESRI noting the potential for spillover from energy price shocks into areas, and this compounded by “weather related shocks to food prices” (ESRI, 2026: 26).

Combined, these pressures on energy and food prices indicate the significant potential for further increases in minimum living costs which will exceed standard inflation measures.

For the analysis presented in this Briefing, a forecast of MESL costs in 2027 is produced by applying the Central Bank disaggregated HICP forecasts to the food and energy components of the MESL basket and the HICP Core forecast to the remainder of the basket.

This provides an estimate for the MESL costs for the remainder of 2026 and to the end of 2027Q1. However, ongoing volatility in energy costs means the forecast must be interpreted with care.

Social Welfare

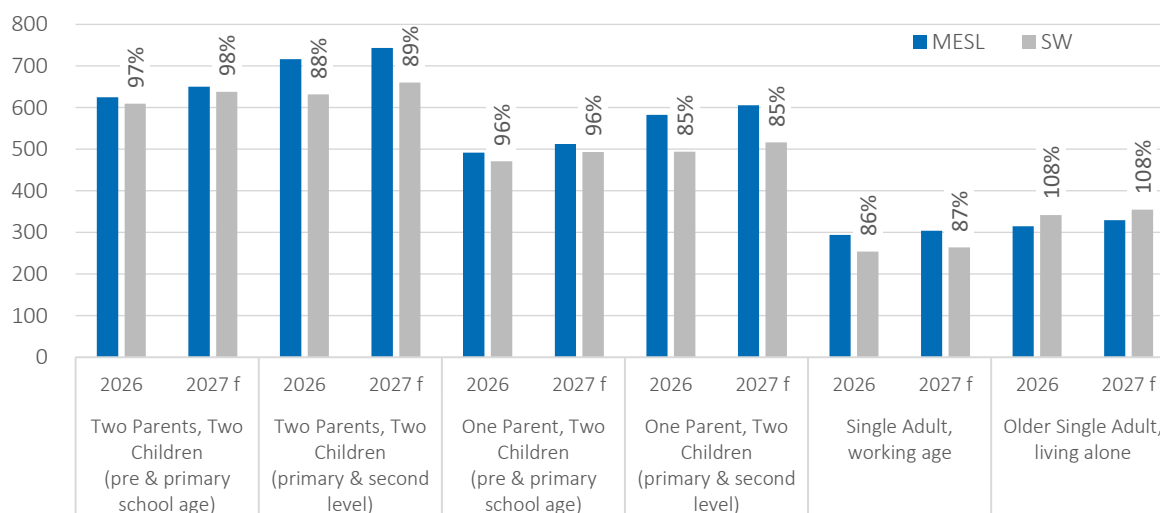
The impact of changes to core social welfare rates and secondary supports are assessed against forecast MESL costs for 2027.

The adequacy trend for a set of test cases monitored in the annual MESL series is projected forward to 2027. The impact of Budget measures on household income adequacy is assessed. Additionally, a series of counterfactuals examine the potential impact of the alternative recommendations made in the Research Centre's Pre-Budget Submission.

The analysis also presents the 2027 projections for a set of illustrative household types, to provide an understanding of the impact of individual measures in the overall household context.

The real value of the core social welfare rate adjustments is also examined, relative to the 2027 forecast average weekly MESL needs of head of household adult(s) and children.

Graph 1 Social welfare income adequacy, six illustrative household types, € per week



Household Income Adequacy

The potential impact of the Budget 2027 adjustments to core social protection rates and secondary supports are examined here, for a set of illustrative household compositions. Household income is compared to estimated minimum living costs based on forecast inflation, labelled '2027 f'. For context the position of these households in 2026 is also included.

The Budget 2027 measures examined include the €10 adjustment to the weekly personal rate for working-age supports (e.g. Jobseeker's Allowance, One-Parent Family Payment,

Jobseeker's Transitional) and supports for older people (e.g. State Pension Non-Contributory). The accompanying proportional adjustments to the Increase for Qualified Adult, and the €6 adjustment to both the rates of Child Support Payment (CSP) for younger (under 12) and older (aged 12 and over) children. The €5 adjustment to the weekly Fuel Allowance, with the 28 week season reinstated following the temporary extension to 32 weeks in the 2025/26 season. Also, the €3 adjustment to the Living Alone Allowance is included where applicable.

Our analysis, illustrated in Graph 1, finds a slight improvement in the position of each

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working-age household type examined. Social protection supports are forecast to meet a larger share of MESL need, increasing by between 0.3pp (Single Adult, working age) and 0.7pp (Two Parents, with two children of pre and primary school age) relative to 2026. The adjustments to social protection rates are projected to result in a modest real term increase in incomes in 2027. However, in each of these five cases social protection supports remain inadequate to meet minimum needs.

For the Older Single Adult household type the State Pension, Fuel Allowance and Living Alone Allowance, are projected to meet 0.7pp less of minimum living costs in 2027 compared to 2026. This represents a real term decrease in income. The household type continues to demonstrate adequate income when in urban social housing. When based in a rural area the need for private transport results in higher MESL costs, and the State Pension (and secondary supports) does not provide the basis of an adequate income.

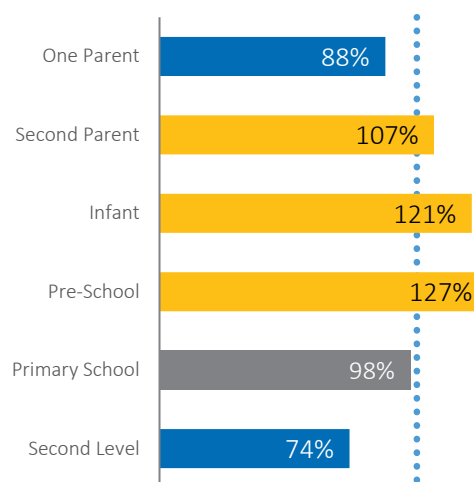
Core Rate Value

The MESL analysis has found that the real value of core social protection rates has been falling for the adult in a One Parent household, relative to MESL costs. The adult personal rate (and secondary supports of Fuel Allowance and Christmas Bonus) meets 88% of MESL needs in 2026, compared to 93% in 2020. In 2027 this is forecast to reduce by 0.3pp to 87.7%.

In a Two Parent household, the personal rate and Increase for Qualified Adult (IQA) meets 94% of MESL needs of the two adults in 2026, compared to 95% in 2020. In 2027, this is forecast to reduce by 0.5pp to 93.3%. While this is inadequate, it is notable that the IQA exceeds the MESL costs associated with a second adult in the household. The IQA is set at 66% of the adult personal rate, however the MESL evidence indicates that a second adult in the household increases core MESL costs by an

average of 50% relative to a One Adult household.

Graph 2 Percent MESL need met by adult and child social welfare supports, 2027 f



Child specific supports, namely the CSP, Back to School Clothing & Footwear Allowance (BSCFA) where applicable, Child Benefit, and the Christmas Bonus, are meeting an increasing proportion of MESL needs.

For infants and pre-school age children the supports exceed direct MESL costs for these age-groups, when childcare is not required.

Primary school age supports improved notably in 2026, moving from being deeply inadequate to meeting 95% of MESL needs. For 2027 it is forecast that the increased CSP will see income supports potentially meet an estimated 98% of needs.

Children aged 12 and over (second level age) have the highest MESL costs. At €162 per week in 2026, the minimum needs of an older child add more to household costs than a second adult, and equate to 60% of costs for the first adult in a household. The 2026 increase to the CSP for this age-group had a significant impact, bringing supports to meeting the highest level of MESL need to date, 72%. The €6 adjustment to the CSP for 2027 is forecast to bring supports to meeting

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74% of MESL need, which is an improvement but remains severely inadequate.

Adequacy Trends

The MESL analysis examines trends in social welfare adequacy for a set of 145 test household cases¹⁰. Patterns of income inadequacy are highlighted, identifying household characteristics and needs which are not properly supported by the structures of the current social welfare system, with a focus on deep income inadequacy¹¹.

Graph 3 presents the findings of this analysis to include the 2027 forecast, based on current estimates of MESL costs. The results from previous years are provided as a baseline for comparison.

Our analysis has consistently found that households with older children (aged 12 and over) and single adult headed households have the greatest risk of deep income inadequacy, when dependent on social welfare.

The analysis forecasts a reduction of deep income inadequacy, from 34% of cases (50) in 2026 to potentially 31% of cases (45) in 2027. Deep income inadequacy is only found in households with older children and single adult headed households (working-age single adult without children and one parent

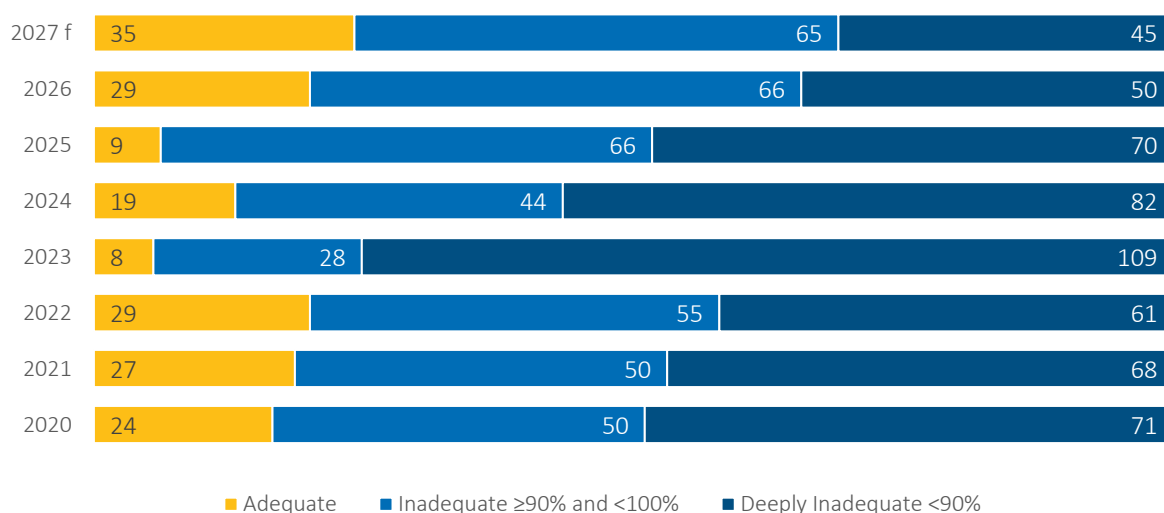
household types). Potentially 63% of the household compositions with older children will continue to indicate deep income inadequacy in 2027, compared to 67% in 2026.

In 2027 it is forecast that 46% of cases will have an income that is inadequate, but meets at least 90% of MESL need. With 23% of cases projected to be in a position of income adequacy.

The adjustments to core and secondary social protection rates result in the majority of cases (94%) showing an improvement in the proportion of MESL needs met in 2027, with an average increase of 0.6pp. This modest increase has seen movement in a number of marginal cases. These include five cases in which income met at least 89.5% of needs in 2026, potentially moving to income meeting up to 90.8% of needs in 2027. Similarly, six cases which had income meeting at least 99.3% of needs in 2026, potentially moving to income meeting up to 100.8% of needs in 2027.

In summary, each of the cases which indicate movement in 2027 remain on the threshold of dropping back into income inadequacy or deep inadequacy if living costs rise at a greater rate than currently forecast. As such the modest improvement projected for 2027 is precarious.

Graph 3 Social welfare income adequacy assessment, 145 test cases



MESL Recommendations

The Research Centre's pre-budget submission¹² made recommendations for adjustments to the core social protection rates for adults and children, adjustments to the Fuel Allowance and the extension of eligibility for the living alone allowance to one parent households in receipt of a core social protection payment.

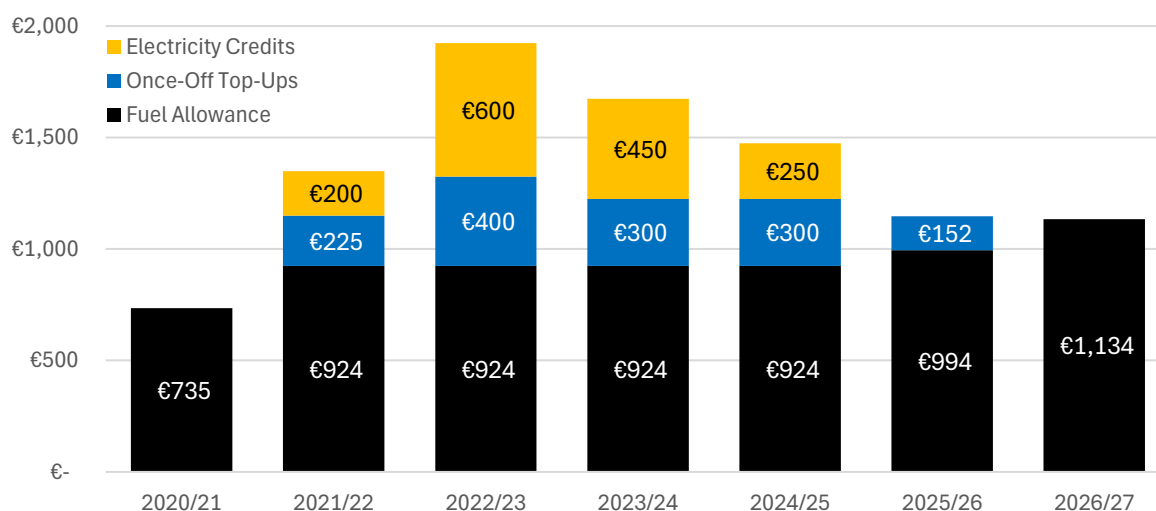
These measures had the potential to make meaningful progress on improving the proportion of minimum needs met by core social protection supports. The suite of measures addressed the systematic imbalances which drive the deep income inadequacy found in the MESL analysis.

The following examines what the potential impact of such measures could have been if implemented in Budget 2027.

The MESL recommendations were for an above inflation increase to the adult Personal Rate of €15 to €269 per week, accompanied by increases to Child Support Payment of €10 for children under 12 and €18 for children 12 & over. The implementation of these measures together had the potential to reduce deep income inadequacy to 21% of cases (30) in 2027. In conjunction with these, extending the Living Alone Allowance to one parent households had the potential to further reduce deep income inadequacy to 17% of cases (25) with a growth in cases demonstrating adequacy to 35% (51). Finally, also adjusting the Fuel Allowance in line with the rise in energy prices since 2020 would further improve the position of households, with 15% of cases (22) demonstrating deep income inadequacy and 37% (54) demonstrating adequacy.

Household Energy

Graph 4 Annual value of energy supports, 2020/2021 to 2026/2027



The 2026 MESL Update reported a 24.9% increase to the Household Energy basket in the 12-months to March 2026, doubling (103.7%) since March 2020. The price shock to home heating oil, included in the rural basket, as a result of the war in Iran has had a great impact on the baskets, with the fuel required

to maintain an adequate level of warmth increasing by 72.4% in the year to March 2026 and cumulatively by 186.8% since March 2020.

In September, the Research Centre published a MESL Snapshot¹³, providing an update on how Home Energy costs have evolved in the

short few months from March to August and entering the winter season. The Snapshot reported an 11.8% increase in the cost of Household Energy for urban based households, driven by rising electricity and gas prices. The Snapshot found that the cost of home heating oil moderated from its peak in quarter two of the year, leading to a decline of 14.5% to rural Home Energy in the MESL.

Heading into the 2026/2027 winter period, MESL Home Energy costs are an average of 97.5% higher when compared to 2020.

The change in energy costs over only a short few months demonstrates how volatile prices are and continue to be given ongoing geopolitical tensions. More recent evidence suggests that oil prices are on the rise again. The CPI reported a 10.1% increase to home heating oil in the month to August 2026.¹⁴

Further, the Central Bank's most recent quarterly bulletin predicts energy price increases of 10.3% in 2026 and 5.8% in 2027.¹⁵

The Research Centre recommended increasing the core weekly rate of Fuel Allowance by four euro to €42 for 32 weeks, to keep pace with rising costs and restore the purchasing power of the support to 2020 levels. It is regrettable that the five euro increase to the core rate over a 28-week heating season falls short of the recommendation outlined in the MESL pre-budget submission.

Graph 4 illustrates the annual value of Fuel Allowance year-on-year since the 2020/2021 season, including all energy-related cost of living payments. As illustrated above, the core rate remained frozen for three years, and its purchasing power was topped up by temporary cost of living payments. The last two Budget's announced increases to the core rate, however, the adjustments are insufficient to keep pace with energy price inflation, leading to an erosion of its purchasing power. For example, Fuel Allowance will be an estimated 54% above the value provided in

the 2020/2021 winter season, despite the cumulative increase in Home Energy costs being almost double what they were.

Fuel Allowance recipients will receive an estimated €12 less energy support when compared to last year's winter season.¹⁶ This is a significant concern given current projections for the remainder of 2026 and into 2027.

Gas and oil prices have been subject to significant fluctuations, to varying degrees in 2026. While Fuel Allowance provides families with crucial support, a more effectively targeted system that can provide households with stability must be developed in the medium term. Ireland has been exposed to two energy price shocks in recent years, creating great uncertainty about future prices. A flat rate payment is too restrictive to meet variations in energy need, e.g., price volatility of different fuel types.

It is time to explore an alternative approach that considers fuel type, dwelling efficiency level, and household income, that is both flexible and targeted in nature.¹⁷

The increase to the income threshold for a single older person, aged 66 or over, from €534 to €640.80 for Fuel Allowance is welcome.

Finally, the cut on the rate of carbon tax to €48.50 per tonne for home heating oil (kerosene) and gas will somewhat lessen cost of living pressures for households. For example, for the Older Single Adult using home heating oil, the carbon tax at its current rate costs an estimated €188 per year, compared to €144 at the reduced rate, reflecting savings of almost €46 per year. It is planned that the reduced rate will be frozen until 2030. However, the carbon tax is used to fund measures that alleviate fuel poverty. Therefore, the long-term implications of reducing and freezing the tax require careful planning and consideration.

Cost of Disability

The Vincentian MESL Research Centre welcomes the introduction of a permanent Cost of Disability Payment in Budget 2027. The establishment of a dedicated payment is an important acknowledgement of the additional and unavoidable costs faced by people with disabilities, which are not adequately addressed through existing income supports.

We also welcome the commitment to further consultation and co-design during 2027 to inform the long-term structure of the payment from 2028. This provides an important opportunity to develop a payment that is grounded in evidence on the additional cost of disability.

While the introduction of the payment is a positive development, the €500 payment for 2027 is modest when considered against the available evidence on the additional cost of disability. At approximately €9.60 per week, the payment cannot meaningfully offset the range of additional costs faced by people with disabilities, including costs relating to energy, transport, equipment, care and participation in everyday life.

The consultation and co-design process during 2027 will therefore be important in

establishing an adequate long-term payment that reflects the evidence on both the scale and variation of the additional costs associated with disability.

International Protection Child Payment

The continued absence of the International Protection Child Payment is a significant concern. Funding for the payment was provided in both Budget 2024 and Budget 2025 to support its rollout, but despite these commitments, the payment has not been implemented. Budget 2027 provides no further indication of when, or if, it will be introduced.

MESL research has demonstrated the deep income inadequacy experienced by families living in International Protection accommodation. The International Protection Child Payment was intended to provide additional support towards the cost of raising a child and to help address child poverty within the International Protection system. Greater clarity is now needed on the status of the payment and whether the commitment to its introduction remains.

Income Adequacy in Employment

Employment should enable people to have a MESL for themselves and their families. Having an income below this standard of living means doing without goods and services which are needed to take part in the norms of everyday life.

Budget 2027 has announced a €0.79 increase to the National Minimum Wage (NMW), bringing the NMW to €14.94 per hour in 2027. This is a 5.6% increase, which the Low Pay Commission proposed as the next step

towards meeting the 60% of median wages Government Living Wage target by 2029¹⁸. It is concerning that there is uncertainty in achieving this benchmark as the timeline for reaching it has been removed¹⁹.

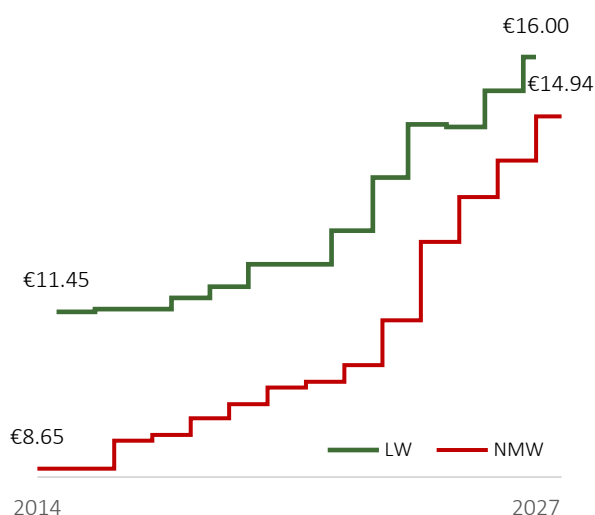
Any improvement in wages for those on low pay is welcome. While the use of a fixed threshold approach based on median wages does not ensure employees can afford minimum living costs, it does offer certainty in

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maintaining the NMW's value relative to average earnings.

The real Living Wage (as published by the Living Wage Technical Group since 2014) is based on the MESL research and provides an evidence-based rate of pay which reflects the real living costs faced by employees.

Graph 5 Living Wage and National Minimum Wage



The 2027 NMW remains €1.06 per hour below the 2026/27 real Living Wage rate of €16.00. It represents 93% of the real Living Wage rate based on the actual cost of a MESL for a single adult in full-time employment.

While earning the Living Wage rate will not guarantee an adequate income for individuals and households in all circumstances, it provides a base for social supports to build from.

Single adult

Net income from minimum wage employment will rise in 2027, due to the €0.79 increase in the NMW rate and related USC adjustments.

There is an adjustment to the Personal and Employee Tax Credits (€125 each). The Rent Tax Credit increased to €1,150 for a single person (€2,300 for a couple), reduces the PAYE

payable by workers living in the private rented sector. However, this continues to be unavailable to a household in receipt of any housing support e.g., HAP.

The total change in these three tax credits will reduce the PAYE liability on a single full-time minimum wage worker by €7.69 per week, compared to a position where tax credits had remained at 2026 levels.

Net income for a single adult in full-time (37.5 hour) NMW employment (if in private rented housing and eligible to claim the Rent Tax Credit), will increase by approximately €28 per week, a 5.9% increase.

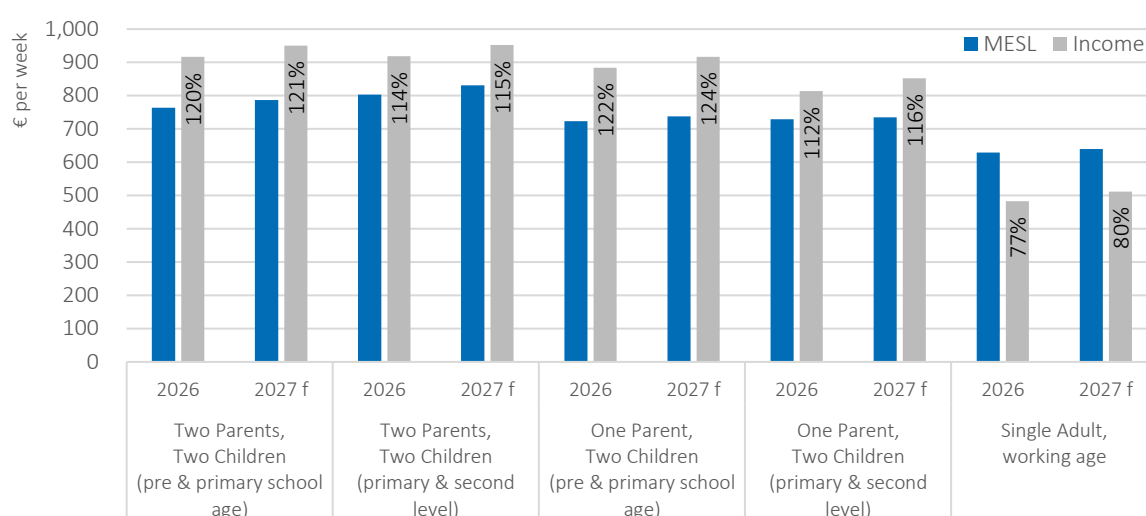
It is estimated that a standard full-time NMW salary will meet 80.0% of MESL needs in 2027. Falling €128 short per week, for a single person living alone and renting a one-bedroom dwelling in the Dublin area. Based on current projections, a single adult would need to work 52 hours of NMW employment per week to afford a MESL in Dublin in 2027.

Households with children

For households with children the adjustments to the Working Family Payment (WFP) earnings threshold and the income disregard for both the One-Parent Family Payment (OFP) and Jobseeker's Transitional (JST), are examined in conjunction with the 2027 NMW rate and adjustments to the National Childcare Scheme (NCS) which are in place up to September 2027.

The potential impact of these measures is examined for four family household compositions in Graph 6. In each of the cases examined, when living in an urban area, the combination of minimum wage employment, direct income supports and secondary supports is projected to provide an adequate income in 2027 when living in social housing and paying a differential rent.

Graph 6 Employment income adequacy, five illustrative household types, € per week



Working Family Payment

The earnings threshold for the Working Family Payment (WFP) increases by €30 under Budget 2027, equivalent to the change in the gross NMW for one full-time worker.

In a dual income two-parent household, with one adult in full-time and one in part-time NMW employment, net household income will increase in 2027 by 3.7%. The adjustment to the WFP threshold is equivalent to the change in the gross NMW for one full-time worker. Consequently, for this household scenario the 5.6% NMW increase is partially offset by an €8 per week reduction in the rate of WFP. There is also an improvement in the level of support with childcare costs, and households in receipt of WFP will continue to be eligible for the Fuel Allowance.

It is estimated that the degree of adequacy will improve compared to 2026, with the combination of measures resulting in a 0.2 to 0.8 pp improvement in income relative to MESL costs in 2027, for the Two Parent household compositions examined.

One Parent Households

While there have been adjustments to the WFP earnings threshold relative to changes in the NMW in recent years, this has not been the case for the income disregard for One-

Parent Family Payment (OFP) and Jobseekers' Transitional (JST). Budget 2027 has announced the first adjustment to this disregard since 2020, by €10 to €175 per week. This will not come into effect until July 2027.

In the context of increases to the NMW the static earnings disregard has meant that the rate of OFP or JST payable to a minimum wage earner has fallen since 2020. For example, an OFP recipient in full-time minimum wage employment qualifies for a partial OFP personal rate payment of €89 per week in 2026, compared to €108 per week in 2020.

In the first half of 2027 the increased NMW and retention of the €165 earnings disregard will result in a full-time minimum wage earner qualifying for a partial OFP personal rate payment of €84 per week, a reduction of €5 compared to 2026. When the €10 adjustment to the disregard comes into effect from July 2027, the partial payment will then be restored to the 2026 level of €89 per week.

If the earnings disregard had been maintained relative to its 2020 value of 16.5 hours NMW employment, it would provide a partial OFP personal rate payment of €126.50 per week in 2027. This demonstrates that the erosion of the disregard has resulted in a real loss of €37.50 per week, relative to the change in the NMW.

Notes

Social welfare scenarios

Housing costs are based on social housing (differential rent), except for the Single Adult which is based on Private Rented and receiving Rent Supplement.

The social welfare income scenarios assume full entitlement to payments relevant to the household scenario:

Two Parents	JS Personal Rate + Qualified Adult + Child Support Payment, Child Benefit, Back to School Clothing & Footwear
One Parent	One-Parent Family Payment / Jobseeker's Transition + Child Support Payment, Child Benefit, Back to School Clothing & Footwear, Fuel Allowance, Christmas Bonus
Single Adult	JS Personal Rate, Rent Supplement
Older Adult	Non-Contributory Pension + Living Alone Increase, Fuel Allowance, Telephone Support Allowance, Christmas Bonus, Household Benefits Package

Assumed all social welfare dependent households are eligible for a full Medical Card.

Employed scenarios

Housing costs are based on social housing (differential rent), except for the Single Adult which is based on 90% of average Dublin rent for a one-bedroom dwelling.

Two Parent households are based on 1 adult in full-time (37.5 hours) and 1 in part-time (19 hours), One Parent & Single Adult households are based on 1 adult in full-time (37.5 hours).

Childcare costs are net of the NCS and/or ECCE scheme as appropriate for child age and household eligibility.

Childcare costs, for a two parent household in a full and part-time employment scenario, are based on the use of a formal provider for a pre-school age child and informal care from a relative/friend for the primary school age child.

Childcare costs, for a one parent household, are based on the use of a formal provider for both pre-school and primary school age children, when the adult is in full-time employment.

The income scenarios examined here focus on broadly applicable situations. Therefore, the employed scenarios are not specific to return to work situations which may include limited term retention of secondary benefits.

Income is net household income, after tax (PAYE, PRSI & USC), and includes applicable social welfare supports e.g., Child Benefit. Means tested social welfare supports for households with children, e.g., Working Family Payment, One-Parent Family Payment, are included as applicable.

Medical card means test applied in each scenario, following HSE Medical Card guidelines.

¹Vincient MESL Research Centre (2026) [2026 MESL Annual Update](#)

²Dept of Social Protection (2026) [Roadmap for Social Inclusion 2026-2030](#) 13

³CSO (2026) [Survey on Income and Living Conditions \(SILC\) 2025](#)

⁴[2026 MESL Annual Update](#) report.

⁵CSO (2026) [Estimated Inflation by Household Characteristics June 2026](#)

⁶Based on weights assigned to categories 'Food and Non-Alcoholic Beverages' and 'Electricity, gas and other fuels', 12.3% and 5.2% respectively. CSO (2026) [CPA10 - Consumer Price Index Weights](#). Accessed October 2026

⁷O'Carroll, N. (2026) [MESL Snapshot: Household energy costs entering Autumn / Winter 2026](#)

⁸Central Bank (2026). [Quarterly Bulletin No. 3 2026](#).

⁹ESRI (2026) [Quarterly Economic Commentary, Autumn 2026](#)

¹⁰For a breakdown of the 145 test cases, see the [2026 MESL Annual Update](#) report

¹¹Deep income inadequacy is where social welfare supports meet less than 90% of MESL expenditure needs.

¹²[Budget 2027: Pre-Budget Submission](#)

¹³O'Carroll, N. (2026) [MESL Snapshot: Household energy costs entering Autumn / Winter 2026](#)

¹⁴CSO (2026). [Consumer Price Index August 2026](#). Accessed September 2026

¹⁵Central Bank (2026). [Quarterly Bulletin No. 3 2026](#).

¹⁶The new rate of Fuel Allowance will be implemented in January of 2027. As such, the beginning of the Fuel Allowance season is based on the 2026 rate, and the second half of the season is based on the new rate. This is reflected in Graph 4

¹⁷O'Carroll, N. (2024) [Energy Guarantee MESL Research Note](#)

¹⁸The LPC estimate of 60% point for 2027 is €15.38 per hour, see LPC (2026) [Low Pay Commission Annual Report 2026](#)

¹⁹Dept of Enterprise, Tourism and Employment (7th October 2026) [Budget 2027 delivers €1.3 billion for Enterprise, Tourism and Employment](#) [Press Release]

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