



# Budget Summary 2021

13<sup>th</sup>  
October

## Introduction

Minister for Finance, Paschal Donohoe T.D., and Minister for Public Expenditure and Reform, Michael McGrath T.D., today delivered the details of Budget 2021. Designed to safeguard against a hard Brexit as well as mitigate the worst effects of the Covid 19 pandemic, Minister Donohoe said that, 'This year, while we continue to prepare for Brexit, we are now responding to the worst global pandemic in a century'.



**Recovery Fund of €3.4 billion to help workers and business respond to Covid 19 challenges.**



**Planned increase in pension age to 67 on 1 January 2021 will not proceed.**



**Moderate increase in USC band ceiling and reduced USC rate for medical card holders maintained.**



**Small increase to employer's PRSI weekly threshold to €398.**



**Temporary reduction of VAT for Tourism and Hospitality to 9%.**



**Confirmed payment of a 100% Christmas bonus to social welfare recipients in 2020.**

**You're safe in the hands of Aviva**

## Details of Tax Credits, Standard Rate Tax Bands, Exemption Limits, Other Credits and Universal Social Charge for 2021

### Personal and Qualified Adult Rates

Tax Credits	Present Rate (€)	New Rate (€)
Personal Credit – Single Persons	1,650	1,650
Personal Credit – Married Persons	3,300	3,300
Employee Credit	1,650	1,650
Additional One- Parent Family Credit	1,650	1,650
Home Carer credit	1,600	1,600
Widowed person bereaved in year of assessment	3,300	3,300
Earned Income	1,500	1,650
Fishers Tax Credit	1,270	1,270

Standard Rate Tax Bands *	Present Rate (€)	New Rate (€)
Single/Widowed Persons	35,300	35,300
Married Couples One Income	44,300	44,300
Married Couples Two Income	70,600	70,600
One Parent/Widowed Parent	38,550	38,550

The tax band of €70,600 available to married couples with two incomes in 2020 is transferable between spouses up to a maximum of €44,300.

Exemption Limits 65 years and over	Present Rate (€)	New Rate (€)
Single	18,000	18,000
Married	36,000	36,000

Other credits	Present Rate (€)	New Rate (€)
Incapacitated child tax credit	3,300	3,300
Dependent relative tax credit	70	245
Blind person tax credit		
- single	1,650	1,650
- married (both blind)	3,300	3,300
Additional credit for certain widowed persons	540	540
Widowed parent tax credit		
- year 1	3,600	3,600
- year 2	3,150	3,150
- year 3	2,700	2,700
- year 4	2,250	2,250
- year 5	1,800	1,800
Age credit		
- single	245	245
- married	490	490

Universal Social Charge (USC)*	Rate
Total income below €13,000pa	0%
If total income exceeds €13,000pa, the following applies:	
Income up to €12,012pa	0.5%
Income between €12,012pa and €20,687pa	2%
Income between €20,687pa and €70,044pa	4.5%
Income of €70,044pa +	8%
Over €100,000 (self-employed income only)	11%

\*The above bands and rates of USC apply from 1 January 2021.

Medical card holders and individuals aged 70 years and over whose aggregate income does not exceed €60,000 will pay a maximum rate of 2% USC.

1 year extension of reduced rate of USC for medical card holders.

Source: Department of Finance website 13 October 2020.

## Social Protection Rates of Payment 2021

## Personal and Qualified Adult Rates

State Pension (Contributory)		Present Rate (€)	New Rate (€)
(i)	<b>Under 80</b>		
	Personal Rate	248.30	248.30
	Person with qualified adult under 66	413.70	413.70
	Person with qualified adult 66 or over	470.80	470.80
(ii)	<b>80 or over</b>		
	Personal Rate	258.30	258.30
	Person with qualified adult under 66	423.70	423.70
	Person with qualified adult 66 or over	480.80	480.80
Widow's /Widower's Contributory Pension		Present Rate (€)	New Rate (€)
	Under 66	208.50	208.50
	66 and under 80	248.30	248.30
	80 or over	258.30	258.30
Invalidity Pension		Present Rate (€)	New Rate (€)
	Personal Rate	208.50	208.50
	Person with qualified adult	357.40	357.40
Carers Benefit		Present Rate (€)	New Rate (€)
	Personal Rate	220.00	220.00
Maternity Benefit		Present Rate (€)	New Rate (€)
	Personal Rate	245.00	245.00
Occupational Injuries Benefit – Death Benefit pension		Present Rate (€)	New Rate (€)
(i)	Personal rate under 66	233.50	233.50
(ii)	Personal rate 66 and under 80	252.70	252.70
(iii)	Personal rate 80 and over	262.70	262.70
Occupational Injuries Benefit – Disablement Pension		Present Rate (€)	New Rate (€)
	Personal Rate	234.00	234.00
Illness /Jobseeker's Benefit		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
	Person with qualified adult	337.70	337.70
Injury Benefit/Health and Safety Benefit		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
	Person with qualified adult	337.70	337.70
Guardian's payment (contributory)		Present Rate (€)	New Rate (€)
	Personal Rate	186.00	186.00
Increases for a qualified child		Present Rate (€)	New Rate (€)
	All schemes in respect of all children under 12	36.00	38.00
	All schemes in respect of all children aged 12 and over	40.00	45.00
Living Alone Allowance		Present Rate (€)	New Rate (€)
	All relevant schemes	14.00	19.00

## Personal and Qualified Adult Rates

State Pension (Non Contributory)		Present Rate (€)	New Rate (€)
(i)	<b>Under 80</b>		
	Personal Rate	237.00	237.00
	Person with qualified adult under 66	393.60	393.60
(ii)	<b>80 or over</b>		
	Personal Rate	247.00	247.00
	Person with qualified adult under 66	403.60	403.60
Widow's /Widower's Non Contributory Pension		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
One Parent Family Payment		Present Rate (€)	New Rate (€)
	Personal Rate with one qualified child (aged under 7)	239.00	241.00
Carer's Allowance		Present Rate (€)	New Rate (€)
(i)	Under 66	219.00	219.00
(ii)	66 or over	257.00	257.00
Disability Allowance		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
	Person with qualified adult	337.70	337.70
Farm Assist		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
	Person with qualified adult	337.70	337.70
Guardian's Payment (Non Contributory)		Present Rate (€)	New Rate (€)
	Personal Rate	186.00	186.00
Increases for a qualified child		Present Rate (€)	New Rate (€)
	All schemes in respect of all children under 12	36.00	38.00
	All schemes in respect of all children aged 12 and over	40.00	45.00
Living Alone Allowance		Present Rate (€)	New Rate (€)
	All relevant schemes	14.00	19.00

## Weekly Rates of Jobseeker's Allowance

18 to 24 years of age		Present Rate (€)	New Rate (€)
	Personal Rate	112.70	112.70
	Person with qualified adult	225.40	225.40

  

25 years of age and over		Present Rate (€)	New Rate (€)
	Personal Rate	203.00	203.00
	Person with qualified adult	337.70	337.70

## Weekly Rates of Supplementary Welfare Allowance

18 to 24 years of age		Present Rate (€)	New Rate (€)
	Personal Rate	112.70	112.70
	Person with qualified adult	225.40	225.40

  

25 years of age and over		Present Rate (€)	New Rate (€)
	Personal Rate	201.00	201.00
	Person with qualified adult	335.70	335.70

## Monthly Rates of Child Benefit

Child Benefit		Present Rate (€)	New Rate (€)
	Rates per child	140.00	140.00

| Retirement | Investments | Insurance |

This summary has been produced by Aviva Life & Pensions Ireland based on its understanding of the laws and practice current in October 2020. While great care has been taken to ensure the accuracy of the information it contains, the company cannot accept responsibility for its interpretation, nor does it provide legal or tax advice.