



**Pre-Budget Submission
2026**

**to
Department of Social
Protection**

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Executive summary and Budget 2026 asks

Disabled people continue to be disproportionately likely to live with poverty and deprivation. In 2024, one in five people unable to work due to long-standing health difficulty (disability) lived in consistent poverty, and two in five lived in enforced deprivation - unable to afford basic essentials like heating, new clothes, socialising with friends or family or going away for a week's holiday.¹

The 2024 CSO SILC poverty data show that people unable to work due to disability:

- Have extremely high consistent poverty rates - nearly four times higher (19%) than the national average (5%). This rate increased by 2.5% last year. By comparison 1.7 % of employed people and 1.9% of those who are retired live in consistent poverty.
- Are at a much higher risk of poverty - 32.5%, compared to a national average of 11.7%. This rate increased by 5% since 2023.
- Have an enforced deprivation rate 3.5 times higher (38.5%) than employed people (11.6%).

The data also shows the extent to which improvements in poverty rates last year depended on one-off measures. Excluding one-off cost of living measures, the at risk of poverty rate would actually be 37.4%, and the consistent poverty rate would be 22%.

Clearly something isn't working, and our social protection system is failing to deliver. This is all the more shocking given Ireland's economic status, with ongoing wage growth and employment rates at an all-time high (though not for disabled people). Yet many people with disabilities have deeply inadequate incomes and face insurmountable structural barriers when they try to seek and retain employment.

The many extra costs of being disabled, established by the Government's Cost of Disability report, increased significantly in recent years due to inflation. As the ESRI have recently shown, households with a disabled

¹ All data in this executive summary is cited and fully referenced via footnotes in the main submission.

member “face significant financial burdens related to disability and have very high at risk of poverty (AROP) rates.”

The ESRI report establishes that:

- Disabled households are more likely than other household types to be at risk of poverty and have a lower standard of living.
- Disabled people face extra costs in the range of €488-€555 on average a week.
- Disabled households require between 41% to 93% extra disposable income to achieve the same standard of living as a similar household with no disabled members.
- Disabled people’s at risk of poverty (AROP) rate is substantially higher (24%) than non-disabled people’s (10%).
- When Cost of Disability is factored in, their AROP rate increases to a staggering 65%-76%.

And yet the basic weekly income currently provided by Disability Allowance is €244 – covering less than half the additional costs.

At an EU level, Ireland performs poorly. The EU Commission’s 2025 Country Specific Report once again marked Ireland red (“critical situation”) only once on its social scoreboard of 17 indicators - for the Disability Employment Gap of 38.2% (compared to the EU average of 24%). The Roadmap for Social Inclusion committed to reduce the disability AROPE (At Risk of Poverty and Social Exclusion) rate to 28.7% by 2025. And yet the most recent fourth Roadmap Progress report shows disability poverty at 32.7% - 4% higher than the EU average of 28.8%. Ireland is also far from achieving the goal of entering the top 10 EU countries for disability poverty by 2025.

Something is wrong with our social protection system if it accepts that to be disabled to the extent that you cannot work means that you will struggle to get by on an inadequate income for the rest of your life. Current social protection supports maintain thousands of people below the poverty line and leave them unable to afford the basics, let alone a decent standard of living.

A truly effective social protection system offers support to all people at different points in their lives, and protects from poverty. All disabled people should have an income that is above the poverty line, sufficient to live a dignified life and participate in their community, and to cover disability-related costs.

It is very concerning that the ESRI's assessment of Budget 2025 showed that it would lead to an increase in poverty among people with disabilities. In the context of one-off supports being withdrawn, we fear that disability poverty will increase significantly next year without sufficient targeted supports in the forthcoming Budget.

The new government has promised to ensure that available resources are targeted at groups unable to work including disabled people, to act on the Cost of Disability, and to reform and progressively increase disability payments. Budget 2026 offers the first opportunity to deliver on these commitments.

Poverty is not inevitable and different policy choices can be made. It's time to establish the long-called for Cost of Disability payment. Targeted action on a range of areas, and a specific disability poverty reduction plan are required to start to chart a path towards a different future. One where our social protection system strongly and effectively supports disabled people to live, and to participate in society equal to others, instead of locking them into poverty and deprivation.

In Budget 2026, DFI calls on the Government and the Department of Social Protection to prioritise action on disability poverty, including:

Poverty and Cost of Disability

- Introduce a recurring, universal and non-taxable Cost of Disability payment of a minimum of €55 weekly (€2,860 a year) as an interim measure. Over the duration of government, a graduated Cost of Disability Payment scheme based on differential need and best practice internationally can be developed, in consultation with people with disabilities.
- In addition, to make progress on restoring the real value of the core social protection personal rate and as a step towards improving income adequacy, **adjust core rates by at minimum €16**, based on Minimum Essential Standard of Living (MESL) recommendations.

Employment

- Increase the **Disability Allowance income disregard to €625**, equivalent to Carers Allowance income disregard. For those who cannot work, this disregard should apply to other forms of income, such as pension from a parent.
- Promote the new **Work and Access scheme and provide sufficient funding for its operation** (including an infrastructure

of delivery) and growth in scale in 2026. Report on its usage, impact and funding drawdown annually.

- Provide **sufficient funding to resource ambitious actions under the Employment pillar of the National Human Rights Strategy** for Disabled People, including actions to specifically address the Cost of Disability and its impact on employment.
- **Change criteria for the medical card** (Department of Health) and **other entitlements like the free travel scheme** (Department of Transport) to **link them to medical need and disability status**, rather than means-testing. Remove the time limit on entitlement for those who work.
- Link the **Wage Subsidy Scheme (WSS) to increases in the National Minimum Wage** and restore it to 70% of the minimum wage.

Means Testing

- Increase the general **weekly means disregard from €7.60 to €20**.
- **Only a disabled person's income and means should be assessed**, not their family member, partner, or anyone else they live with.
- Increase the Disability Allowance **capital disregard to €100,000**.²

Energy Poverty

- Restore the purchasing power of the Fuel Allowance by **increasing the payment rate to €42.50** as per recommendations of MESL.
- Implement **DFI's recommendations on Energy Poverty** including expanding the Fuel Allowance to all people on a disability-related social protection payment, providing a higher level of support all year for those with higher energy usage due to disability, and strengthening provision and increasing awareness of the Heating Supplement (see Energy Poverty section for full detail).

Benchmarking and Indexation: Minimum Essential Standard of Living (MESL) - factoring in the Cost of Disability

- **Social welfare rates must be indexed or benchmarked annually, to a level above the poverty line** and considering inflation and wage growth. Use the MESL as a guide, but also **take**

² This disregard has not been reviewed since 2007.

the extra Cost of Disability, including the evidence from both the Indecon report and the recent ESRI findings, **into account**.³

- **Recalibrate eligibility thresholds annually across state schemes** (multiple Departments). Ensure that eligibility thresholds are realigned according to increases in social welfare payments to avoid unintended loss of other supports (for example medical card or housing supports).

Poverty proofing and disability proofing

- Ensure all budget decisions are subject to equality, gender and poverty proofing, **specifically assessing their impact on disabled people**, including taking into account the Cost of Disability. Budget 2026 must be rigorously disability-proofed, and **show a clear and permanent positive impact on disability poverty**.

Strategy and action-oriented approach on poverty and Cost of Disability

To underpin the asks above, and to make progress on Roadmap for Social Inclusion and government commitments on disability, the Department should develop **a specific poverty reduction plan** for disabled people. This should lay out the steps and actions to be taken to achieve poverty reduction targets, and allocate sufficient funding in 2026, and beyond, to deliver them.

Significant action is also required to address the extra Cost of Disability. Working with other government departments, there is an opportunity and need for a longer-term strategic approach to the above issues. The government should develop and resource a clear cross-Departmental **Action Plan to fully address the Cost of Disability, as well as the aforementioned disability poverty reduction commitment, strategy and set of actions** – these can be integrated into the new National Human Rights Strategy for Disabled People and the next Roadmap for Social Inclusion.

³ Any benchmarking or indexation would need to explicitly and carefully factor in the findings of the recent ESRI report [Adjusting estimates of poverty for the Cost of Disability and its impact](#) on poverty rates of disabled households, along with relevant previous findings, in order to avoid the unintended consequence of locking disabled people into greater structural poverty.

1. Introduction

DFI's key asks for Budget 2026 are outlined in the Executive Summary, for ease of access. The body of this submission provides the evidence and rationale for the asks.

First Budget of this government

Disabled people, their families and communities across Ireland are deeply dissatisfied with the State's delivery and development of disability policy, services and supports.

People with disabilities continue to be disproportionately likely to live with poverty and deprivation. In 2024 one in five people unable to work due to long standing health problems (disability) lived in consistent poverty, and two in five lived in enforced deprivation - unable to afford basic essentials like heating, new clothes, or socialising with friends or family.

While Ireland does face current economic and political challenges, this is a wealthy and well-resourced country. The new government has made significant promises to improve the situation of people with disabilities, including commitments in the area of social protection. Budget 2026 is the first opportunity for Government to deliver on its promises.

The Fundamentals: UN CRPD Commitments

Ireland's approach to social protection for disabled people should be **based on the UN Convention on the Rights of Persons with Disabilities** (ratified in 2018), and ensuring the delivery of the rights outlined in the convention, including particularly:

- Article 28 – which outlines the right to an adequate standard of living and social protection, including the continuous improvement of living conditions, poverty reduction programmes and state assistance with the extra Cost of Disability.
- Article 27 – which outlines the right to work on an equal basis with others, the right to training, return to work, and reasonable accommodation.

Updating the Evidence

As is always the case, significant relevant new and updated policy evidence and data has been published in the past twelve months. This submission thus focuses on providing a detailed review and summary of relevant recent publications and data on disability by thematic area and heading, in order to support evidence-based policy decisions for Budget 2026, and to make clear the rationale and context for the policy recommendations outlined in our executive summary.

Current Status: High poverty and low employment persist

The most recent annual statistical evidence shows the ongoing deprivation and economic precarity that disabled people live with, often unable to afford basic essentials. For people unable to work due to long-standing health problem (disability):

- 2024 CSO SILC data show that the at risk of poverty rate increased by 5% last year, reaching 32.5%, compared to 5.4% of employed people, and 13.3% of those who are retired.
- The data again shows the extent to which improvements in poverty rates last year depended on one-off measures. Excluding one-off cost of living measures, the at risk of poverty rate would actually be 37.4%, and the consistent poverty rate would be 22%.
- The EU Commission's 2025 Country Specific Report once again marked Ireland red ("critical situation") only once on its social scoreboard of 17 indicators - for the Disability Employment Gap of 38.2% (compared to the EU average of 24%).⁴

2024 Poverty Data – At Risk of Poverty rate increases by 5%

The 2024 CSO national Survey on Income and Living Conditions (SILC) data provides the latest evidence illustrating ongoing extremely high levels of disability poverty. The data show significant increases in at risk of poverty and consistent poverty rates last year, but a reduction in deprivation.⁵ It shows people unable to work due to long-standing health problems (disability):

- Have extremely high consistent poverty rates - nearly four times higher (19%) than the national average (5%). This rate increased by 2.5% last year. By comparison 1.7 % of employed people and 1.9% of those who are retired live in consistent poverty.
- Are at a much higher risk of poverty - 32.5%, compared to a national average of 11.7%. This rate increased by 5% since 2023.
- Have an enforced deprivation rate 3.5 times higher (38.5%) than employed people (11.6%).

Once again disabled people's poverty rates are 2-4 times the national average. Notably **the consistent poverty rates of people unable to work due to long-standing health problems last year were almost 4 times higher than the national average.** This group also **has the**

⁴ EU Commission, [2025 Country Report – Ireland](#), p.90, 91 and 105.

⁵ CSO, [SILC 2024](#).

highest consistent poverty, and deprivation rates of all economic groupings, and the second highest at risk of poverty rate.

People unable to work due to disability also endure severe deprivation:⁶

- 18.1% went without heating at some stage last year, compared to 7.3% of employed people or 4.5% of retired people.
- 23.4 % were unable to afford new (not second-hand) clothes, compared to a national average of 6.2%.
- 24% were unable to afford a morning, afternoon or evening out in last fortnight, compared to a national average of 10.1%.
- 52.3% could not afford to go for a week's holiday away from home, compared to the national average of 22.9%.
- 28.5% were unable to afford to regularly participate in a leisure activity that costs money, more than twice the national average (13.5%).

It is deeply alarming that in a wealthy country like Ireland, people who cannot work because of their disability or health condition go without essentials on an ongoing basis, and struggle to pay their bills, due to a lack of sufficient income. This shows the extent to which our current social protection supports for disabled people are insufficient and inadequate. We need to see urgent change.

SILC data also show that more than “two in five of those unable to work due to long-standing health problems (44.3%) are in the first equivalised disposable income quintile (i.e. the lowest 20% of the net disposable equivalised income distribution). This compares with one in ten (10.1%) of those that are employed.”⁷ This group also have the second lowest equivalised disposable income by economic status, and were least likely to be in the top income quintile.

The CSO 2024 ‘well-being’ module concerningly evidences significantly lower levels of well-being. One in three (32.6%) respondents unable to work due to long-standing health problems reported low overall life satisfaction, compared to the national average of 10.6%.⁸

⁶ CSO, [Deprivation 2024](#).

⁷ CSO, [SILC 2024](#).

⁸ CSO, [Well-being SILC 2024](#).

2. Government commitments on social protection and disability

Programme for Government

The new Programme for Government makes several significant promises on disability.⁹ At an overarching level, the government committed to:

- Advancing the rights and improving the lives of people with disabilities
- Deliver a step change in disability services
- Prioritise the publication and fund a new National Disability Strategy, setting out a vision to 2030
- Adopting a whole-of-government approach and advancing the implementation of the United Nations Convention on the Rights of Persons with Disabilities
- Working in partnership with disabled people and their representative organisations in co-designing improvements to services and prioritising what measures are most important to them

On social protection and poverty, the government committed to:

- Continue the focus on addressing poverty and social exclusion
- Set an ambitious child poverty target ensuring a focus on inequality. Examine ways to lift more children out of child poverty
- Ensure that available resources are targeted at vulnerable groups who are unable to work such as carers, people with disabilities and pensioners
- Continue to implement progressive reforms to our social welfare system and our policies will be guided by the core principles of sustainability and fairness

Specifically on disability it made a number of commitments including:

- Improving supports and ensuring that the social welfare system is progressive and empowers people with a disability to live full and independent lives
- Introduce a permanent Annual Cost of Disability Support Payment with a view to incrementally increasing this payment
- Reform the Disability Allowance Payment and remove anomalies in the current means test
- Progressively increase weekly Disability Payments and the Domiciliary Care Allowance

⁹ see Appendix on page 22 for all relevant commitments.

- Examine the 'ability to work' criteria for certain payments and ensure that ongoing medical assessments are not carried out in respect of people with lifelong conditions
- Ensure citizens with disabilities can access employment on an equal basis to others
- Expand and build on successful programmes like WorkAbility, Employability, and the new Work and Access Programme to support people with disabilities into employment
- Examine ways to make it easier to regain Disability Allowance if employment ceases

Roadmap for Social Inclusion: Still lagging behind at EU level

Ireland has already made significant commitments to address disability poverty. The Roadmap for Social Inclusion 2020-2025 aims to reduce consistent poverty to 2% by 2025. As previously noted, while the national average for consistent poverty in 2024 was 5%, it was 19% for those unable to work due to disability - a rate almost 4 times higher. Moreover this rate would have been even higher again without one-off measures in last year's Budget. This underscores the importance of increased targeted action on disability poverty in Budget 2026 and into the future.

Specifically on disability, the Roadmap commits to "reduce the [disability EU SILC] AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9%, first to 28.7% (2025) and then to 22.7% (2030)". It also commits to enter the top 10 EU countries for disability poverty.

Neither of these targets have yet been achieved. It is thus concerning that the most recent Progress Report marks this commitment as "achieved with ongoing delivery". This is **a designation which is both questionable and premature, particularly given that 2025 data will not be available until 2026**. The Fourth Progress Report shows that last year's AROPE for people with disabilities was 32.7% and we ranked 20th out of the EU 27, just one year out from 2025.¹⁰ **This is one of only two Roadmap indicators where Ireland ranked outside the top 20 EU countries for the third year in a row. It is also the second worst EU ranking across all EU 18 indicators tracked.**

Equally it is important to note that EU SILC data does show improvements in the disability at risk of poverty or social exclusion rates (AROPE) in recent years - reaching a record "low" of 30.1% in 2024. However we fear that current figures mask the real levels of poverty – given the reliance on one-off measures in recent Budgetary cycles to bridge the ongoing income gap. If such supports are now ceased (as seems likely), we

¹⁰ Department of Social Protection (2024), [Roadmap for Social Inclusion Fourth Progress Report](#).

anticipate that poverty levels will start to rise again (as the ESRI and CSO themselves have highlighted – see below).

Given that this is the final Budget left to deliver the Roadmap's targets, strong action on disability will be required in Budget 2026 to actually achieve the poverty reduction and EU ranking aimed for.

3. Recent evidence and policy recommendations

EU Commission recommends action on poverty and employment

Ireland's disability employment and poverty record continue to be weak at EU level. The 2024 EU SILC data show Ireland's employment gap has increased to 38.2%, compared to the EU average of 24%.¹¹ This places Ireland fourth from the bottom, just ahead of Lithuania, Croatia and Romania. OECD studies confirm this issue - highlighting one of the lowest disability employment rates, largest employment gaps, and worst poverty statistics in the OECD also.¹²

Notably, for the first time in a number of years, this year's EU Commission Country Specific Recommendations included a social recommendation among the six key recommendations to Ireland. The preamble text highlighted disability poverty and low employment rates. The Commission recommended that Ireland "strengthen the labour market and social inclusion of disadvantaged groups, in particular persons with disabilities and single parents, by putting in place better targeted outreach and upskilling."¹³ This is one of only four disability recommendations across all 27 EU member states.

The Commission's accompanying 2025 Country Specific Report emphasises the very low disability employment rates, with this being once again **the only indicator (out of a total of 17) on Ireland's social scoreboard marked red (critical situation) for the third year in a row.** It also highlights Ireland's disability employment gap, noting that disabled people face "financial and non-financial barriers such as the cost of returning to education, ... [lack of] affordable housing options, [and] limited access to reasonable accommodation at work", as well as issues like insufficient accessible transport options. The Commission observes the low employment rate in Ireland has been a "longstanding challenge, showing limited improvements." It notes that people with disabilities in

¹¹ [Disability employment gap by level of activity limitation and sex.](#)

¹² OECD, [Disability, Work and Inclusion](#) and [Disability, Work and Inclusion in Ireland.](#)

¹³ EU Commission (2025), [Recommendation for a COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Ireland.](#)

Ireland “encounter bigger obstacles when seeking work” compared to those in other member states.¹⁴

The report notes that the Disability Allowance has not increased in line with inflation, and “the Irish social protection system cannot adequately compensate for the additional costs of disability.” The Commission acknowledges loss of social protection supports as a civil society concern. Without these supports, the already significant Cost of Disability becomes greater if a disabled person takes up employment. The report advises that “permanent in-work payments could help compensate for the additional costs of living with a disability.” It also echoes a key concern DFI has raised for years, stating that “adjusting the eligibility income thresholds of existing welfare schemes (e.g. medical cards or the disability allowance) could help better include persons with disabilities in the labour market.”¹⁵

The Commission also notes **the 2024 at-risk-of-poverty or social exclusion rate for people with disabilities is 30.1% - twice that of the general population (16.7%)**. To address this, Ireland should “[focus] on safeguarding the real value of means-tested welfare supports, instead of one-off untargeted benefits” as a cost-effective measure to reduce poverty among disadvantaged groups such as disabled people.¹⁶ Once again, the EU Commission echoes concerns flagged by DFI, that much more can be done to reduce disability poverty - through increased social protection, decoupling secondary benefits from employment status, and addressing other structural barriers to employment.

Finally a Eurofound publication adds further EU level evidence, finding that across the EU people with disabilities “are far more likely to live in households facing difficulties making ends meet.” Nearly four out of 10 report difficulties, compared to just over two out of 10 of those who are not disabled. Also, the gap between the two groups is the largest to date and has increased from 12% in 2021 to 17% in 2024. Moreover, when it comes to arrears, the proportion of people without disabilities reporting arrears has remained steady at 12% since 2021, while the proportion of disabled people experiencing arrears rose from 16% to 19% in 2024.¹⁷

Pobal and ESRI publications recommend targeted disability supports

A number of recent research publications are highly relevant, as is the ESRI’s Budget 2025 analysis (see below p.13) - these should be

¹⁴ European Commission (2025), [2025 Country Report – Ireland](#), p. 23, 91 and 90.

¹⁵ Op cit, p. 97, 91.

¹⁶ Op cit, p. 96, 23.

¹⁷ Eurofound 2025, [Quality of life in the EU in 2024](#), p. 16.

considered when deciding disability social protection measures for Budget 2026. ESRI publications highlighted in last year's submission still remain relevant.¹⁸

Research published by Pobal in September 2024 on 'Disability and Deprivation' examined Census 2022 and Pobal HP Deprivation data to explore the link between deprivation and poor health and disability. The study found that "people living in the most disadvantaged areas in Ireland are [...] twice as likely to report having a disability compared to their peers in affluent areas." It also found that people in the most disadvantaged areas are four and a half times more likely to report not having good health than those in the most affluent areas, and that **the disability rate of children in disadvantaged areas is equivalent to that of older people in affluent areas**. As the authors note, their findings have important implications for disability policy - they emphasise the need for early intervention initiatives and targeted disability supports.¹⁹

An October 2024 ESRI study entitled "Lone parent transitions, employment transitions and poverty outcomes" highlights the role disability can play in risk of poverty, spotlighting the need for an intersectional approach. The authors write that "Lone parents with a disability have a significantly higher risk [of economic vulnerability], demonstrating the intersectional nature of vulnerability".²⁰ Later in the paper they add a gender dimension, observing that **"lone mothers with disabilities are disproportionately affected by economic vulnerability"**²¹, and highlight recommendations by the OECD on employment that would benefit all people with disabilities.

A December 2024 ESRI report on "Child poverty on the island of Ireland" establishes that "children in households where at least one person is classified as having a disability are at a much higher risk of poverty", and disability is associated with a higher material deprivation rate.²² The authors find that "children in households with a member with a disability have a 7.1 percentage points higher risk of being income poor than those in households without a member with disabilities", and a 14.7 percentage points higher risk of deprivation compared to non-disabled households. Strikingly, in lone parent households the effect is higher: "the presence of someone with disability is associated with a 18.8 percentage points higher likelihood of deprivation compared to households where no one has a

¹⁸ See pp. 18-19, [DFI Pre Budget 2025 submission to DSP](#).

¹⁹ Pobal (2024), [Disability and Deprivation Investigating the Relationship between Health Inequalities and Geographic Disadvantage using the Pobal HP Deprivation Index](#), p. 23,

²⁰ ESRI (2024) [Lone parent transitions, employment transitions and poverty outcomes](#), p.33.

²¹ Op cit, p. 57.

²² ESRI (2025) [Child poverty on the island of Ireland](#), p. 34.

disability”.²³ Reflecting on the causes, the authors observe that **“the link between child poverty and disability is also related to both welfare support and access to labour market for people with a disability.”**²⁴

A March 2025 study by the ESRI provides very important new evidence, to supplement earlier estimates of the Cost of Disability.²⁵ The study established that households with a disabled member “face significant financial burdens related to disability and have very high at risk of poverty (AROP) rates.” These households are more likely than others to be at risk of poverty and have a lower standard of living.

The study updated previous estimates of the extra costs that disabled people face – now significantly increased on the earlier Indecon estimate of between €167 and €236 a week. The study estimates that extra costs are now in the range of €488-€555 on average a week. The paper further established that disabled households require between 52% and 59% extra disposable income (in some cases reaching as high as 93%) to achieve the same standard of living as a similar household with no disabled members.

It calculated the at risk of poverty (AROP) rate as substantially higher for disabled people - 24%, compared to 10% for non-disabled people. Most concerning, when Cost of Disability is factored in, the disability AROP rate increases to a staggering 65%-76%. This shows that, alarmingly, **we are currently very significantly underestimating the poverty experienced by disabled households, due to not adjusting for Cost of Disability.**

In a foreword to the study, the Chief Commissioner of the Irish Human Rights and Equality Commission (who commissioned it) wrote: “Disabled people in Ireland face a double penalty, with both a lower average income, and a higher average expenditure. While current living standards measurements can capture the impact of the former, they often don’t reflect the latter.” He further observed that “the significance of this research cannot be overstated. The Commission has repeatedly called on the State to provide better services and supports for disabled people in Ireland. It is now critical that policymakers recognise the cost of disability and invest in services and supports that reflect the lives of disabled people.”²⁶ This echoes ongoing calls from DFI and many disability organisations to address this long-standing issue – by establishing a Cost of Disability payment, and developing a plan to address all extra costs.

²³ Op cit, p. 47, 50, 52.

²⁴ Op cit, p 68.

²⁵ ESRI (2025), [Adjusting estimates of poverty for the cost of disability](#).

²⁶ Op cit, Foreword.

Finally a June 2025 ESRI report on “Deprived children in Ireland: Characterising those who are deprived but not income-poor” again highlights the extra costs disabled households live with. The report looks at the circumstances of children who are officially deemed deprived, but do not fall under the poverty line, and attempts to understand what the contributory factors may be. It adds more important evidence to support action on Cost of Disability. It summarises its findings on disability thus:

This report finds that **39 per cent of children in the deprived not AROP [At Risk of Poverty] group are living in households where at least one member over the age of 16 has a disability**; this compares to 42 per cent of those in consistent poverty, 23 per cent AROP not deprived and 21 per cent neither deprived nor AROP. This suggests that the additional costs of disability are another reason for experiencing deprivation while not being income poor.²⁷

Further it therefore recommends that policies aiming to reduce child poverty factor in the extra Cost of Disability and address the impact it has on income (echoing earlier findings by the ESRI in October 2022²⁸ which we have highlighted annually in our Budget submission):

The results of this research indicate a need for more comprehensive policies tackling child poverty to address those experiencing deprivation but who are above the 60 per cent median threshold. [...] **Adjusting income for the cost of disability to take account of this group’s significant additional needs should also be considered.**

It is important to emphasise that as well as having implications for investment decisions and priorities in Budget 2026, **these conclusions also have important implications for broader policy development and strategies to reduce poverty, including any move to index or benchmark social protection payments.**

²⁷ ESRI (2025), [Deprived children in Ireland: Characterising those who are deprived but not income-poor](#), p. x.

²⁸ “There is also a sizeable group of individuals who report being materially deprived but who are not classified as being at risk of poverty (AROP) [...] Of these, almost half lived in a household where someone reported having a disability, with most of these less than €100 per week (in equivalised terms) above the poverty line. Given the significant extra costs of living incurred by households affected by disability, this raises questions about whether the official measure of poverty is adequately capturing the incidence of very low living standards or poverty, and suggests that there may be a case for revisiting the way the income-related component of this official indicator is measured.” [Poverty, income inequality and living standards in Ireland: Second Annual Report](#) (p. viii – ix). As the paper observes (p.26), “due to the extra costs borne by households affected by disability, measures of low living standards using income alone can understate the true difference in living standards between households affected and those not affected by disability.”

4. Key issues for Budget 2026

A) Significant extra Cost of Disability must be addressed

An ongoing issue that perpetuates disability poverty is the extra Cost of Disability. The Indecon Report on the Cost of Disability (2021), commissioned by the Department of Social Protection, provided comprehensive policy evidence that disabled people have extra costs across numerous areas. The report concluded that “there are significant additional costs faced by individuals with a disability *which are currently not met by existing programmes or by social welfare payments* [our emphasis]”. The report evidenced extra costs in the range of €8,700-€12,300, as well as unaffordable extra costs of €2,706 a year.²⁹

These estimates were based on data from 2020 or for some calculations, considerably earlier. As DFI have pointed out since the onset of the cost-of-living crisis, this Cost of Disability estimate is thus clearly out of date. Adjusted for inflation, the Indecon range is now likely to be €10,651 - €15,059 - the Consumer Price Index Inflation Calculator shows inflation of 22.4% from January 2021 to May 2025.³⁰

Moreover, as outlined in the previous section, the ESRI have recently shown that in fact the above costs appear to be on the lower end of the spectrum.³¹ Furthermore, and very alarmingly, **we may be significantly underestimating the poverty experienced by those living with a disability, due to not adjusting our income-based measurement approaches to factor in the Cost of Disability.** As we have shown, the authors established that:

- Disabled households are more likely than other household types to be at risk of poverty and have a lower standard of living.
- Disabled people face extra costs in the range of **€488-€555 on average a week.**
- Disabled households required between 41% to 93% extra disposable income to achieve the same standard of living as a similar household with no disabled members.
- Disabled people’s at risk of poverty (AROP) rate is substantially higher (24%) than non-disabled people’s (10%).
- When Cost of Disability is factored in, their **AROP rate increases to a staggering 65%-76%.**

²⁹ Indecon (2021) [The Cost of Disability in Ireland.](#)

³⁰ CSO, [Consumer Price Index Inflation Calculator.](#)

³¹ ESRI (2025), [Adjusting estimates of poverty for the cost of disability.](#)

And yet the basic weekly income currently provided by Disability Allowance is €244. **This exposes the deep inadequacy of current disability social protection supports – Disability Allowance would cover at maximum half the additional weekly costs established by the ESRI study.** It is important to remember that disabled people also have to pay for the everyday living costs all people live with - like rent, food, heating, internet, transport etc - as well as their extra costs.

B) Income adequacy, below poverty line payments and inflation

The at risk of poverty threshold increased to €17,998 in 2024, making the poverty line €344.92 per week.³² This means that **core social welfare payments are currently set at a rate €100 below the poverty line.**

The Minimum Essential Standard of Living (MESL) Research Centre provides importance evidence to inform policy annually through its assessment of “a publicly determined benchmark for household minimum needs, providing a needs-based indicator of the income required for individuals and households to live with dignity.”³³

Recent years saw inflation at levels not seen in decades. While inflation has now reduced to more normal levels, prices have not returned to pre cost of living crisis levels. The 2025 MESL research found that “cumulatively, there has been an increase of 18.8% in MESL costs since 2020.”³⁴ Using 145 test cases to examine trends in social welfare adequacy, the 2025 research found a reduction in the number of deeply inadequate cases, but also a reduction in the level of adequate cases. Of the cases examined, 9 showed an adequate income, and 136 demonstrated income inadequacy. Of these, 70 showed deeply inadequate income. The reduction in adequate cases is concerning - in 2020 there were 24 adequate cases, reaching a peak of 29 in 2022.

MESL’s analysis of last year’s Budget found that “while the ‘Cost of Living’ supports offset at least some of this declining value [of the real value of social welfare rates relative to MESL costs], their temporary nature means the real value of the underlying core rates has eroded.”³⁵ Once again, as the annual CSO SILC data has also shown, without the one-off ‘cost of living’ supports which government relied on in recent years, income inadequacy and poverty rates would be significantly higher. This is very concerning, given that such supports do not seem likely to recur this year.

It is notable that at the Department of Social Protection’s annual Pre-Budget Forum, **the one policy proposal that gets unanimous support**

³² EAPN (2025), [Briefing on 2024 Income and Poverty Data](#).

³³ MESL Research Centre (2025), [MESL 2025](#).

³⁴ Op Cit.

³⁵ MESL Research Centre (2025), [MESL Impact Briefing Budget 2025](#).

from civil society every year is the recommendation of the MESL Research Centre. Numerous Joint Oireachtas Committees (JOCs) in the previous Oireachtas (2020-2024), including the Disability Matters, Gender Equality and Social Protection Committees, endorsed Ireland moving to deliver MESL - indicating cross-party support.³⁶ It is important however when considering income adequacy to remember that **MESL does not account for the extra Cost of Disability.**

C) Disability is not a one-off, nor is poverty

In recent years, Budgets have delivered one-off supports to address cost of living, and these insulated people temporarily from worsening poverty, as the evidence shows. But they gave no certainty to disabled people regarding their income into the future. Once the one-off measures were gone, ultimately they were left with a core income that is inadequate to meet their basic needs and enable them to live a dignified life.

In their analysis of the distributional impact of Budgets, the ESRI have highlighted the economic vulnerability of disabled households. The ESRI's analysis of Budget 2025 showed that they anticipated that it would **increase at risk of poverty (AROP) rates for people with disabilities, from 19% to 21%.** It flagged a concern that "temporary measures have helped prevent rises in AROP rates for people with disabilities over recent years", cautioning that further increases in poverty could occur in the future due to the withdrawal of temporary measures.³⁷

In their conclusion, the ESRI further emphasise this point: "This research shows that, were it not for the temporary measures currently in place, the AROP rate of these groups [people with disabilities and retired people] would have risen more substantially in 2024 and 2025. These groups are particularly dependent on these temporary measures and therefore will feel their withdrawal more acutely. For this reason, **careful consideration is needed, regarding both their withdrawal and how the permanent welfare system will develop, as prices remain at higher levels than before the cost-of-living crisis.**" This analysis points to the need for ongoing, predictable and permanent measures to support disabled people.

D) Energy poverty and Cost of Disability

The EU Commission's 2025 'Country Specific Report' notes that energy poverty has increased in Ireland, and that we have the third highest

³⁶ See [Aligning disability funding with the united nations convention on the rights of persons with disabilities](#) p. 12, [Final report on unfinished democracy: achieving gender equality](#) p.16, [Report on prebudget submission to the department of social protection](#) p.6 and [Report on sustainable development goals](#) p10.

³⁷ [Distributional impact of tax and welfare policies: Budget 2025](#). p. 13-14.

household consumer electricity prices in the EU.³⁸ These ongoing extremely high costs continue to be devastating for people with disabilities. Many disabled people have to use significant amounts of electricity daily, and all year round. They rely on electricity to charge assistive technology, essential medical equipment, power wheelchairs etc, and there is no way to reduce their energy consumption.

The Indecon report, annual SILC deprivation data, and recent ESRI publications all show the higher likelihood of disabled households being in energy poverty, going without heating due to cost, and being in utilities arrears. The Eurofound 2024 study previously cited also found **the percentage of respondents with a disability in utilities arrears at EU level increased sharply from 2023 to 2024 – going from 12% to 19% (ie increasing by 7%)**. By comparison respondents without disabilities saw their utilities arrears level increase by just 2%, to reach 12%.³⁹

The electricity credits provided in recent years were extremely welcome for disabled families, to whom they provided a lifeline. However this very significant financial outlay was not an efficient deployment of state resources, given that the credit was universal (and thus received by many high-income individuals), rather than targeted at those most in need. It is also important to note that **only about 50% of Disability Allowance recipients qualify for Fuel Allowance**, the core rate of which did not increase in recent years despite highly escalating costs, meaning its real value has been significantly eroded.

It is alarming that it appears that the pending second Energy Poverty Action Plan (the public consultation on which DFI and others made submissions to last year)⁴⁰ has been abandoned, in favour of an 'National Energy Affordability Action Plan'. The loss of focus on energy poverty is deeply concerning, as is the fact that the press release announcing the new Energy Affordability Task Force does not once mention poverty, and the task force does not appear to include any civil society members.⁴¹

Civil society organisations including DFI have raised concerns about social and environmental impact of energy poverty. They have called on the new government to ensure that **"no person in Ireland goes without the basic energy they need, regardless of income, home ownership status, gender, age, disability, health status, location, or housing type."**⁴²

³⁸ European Commission (2025), [2025 Country Report – Ireland](#), p. 99.

³⁹ Eurofound 2025, [Quality of life in the EU in 2024](#), p. 17.

⁴⁰ DFI, 2024, [Submission to Energy Poverty Action Plan Consultation](#).

⁴¹ Gov.ie, 2025, [Minister O'Brien Launches National Energy Affordability Taskforce](#).

⁴² [Warm homes for all manifesto](#) and [Joint civil society submission to energy poverty action plan](#).

5. Solutions and investment areas

A) Cost of Disability payment and Action Plan essential

One positive development in the past three Budgets has been the creation and retention of the 'Disability Support Grant'. Budget 2023 for the first time acknowledged the extra Cost of Disability when Minister McGrath said "it is important that we acknowledge that persons living with a disability face additional costs. In this regard, a once-off payment of €500 to those who qualify for Disability Allowance, Invalidity Pension and the Blind Pension will be made." This was welcomed by many disabled people as an important symbolic step forward, although it was clearly insufficient to address Cost of Disability with a one-off payment.

Disappointingly Budget 2024 reduced this one-off lump sum to €400, a reduction which was maintained in Budget 2025. This was a 20% reduction, despite **the extra Cost of Disability actually increasing over the period**. Nevertheless, the introduction of a Disability Support Grant was an important positive first step in acknowledging the extra costs.

The call for a Cost of Disability payment goes back to 1996, when the Commission on the Status of People with Disabilities recommended it.⁴³ The Commission called for "a graduated payment to meet the additional everyday costs associated with disability. This payment, which would be made irrespective of whether the person is at work or not, would be called the 'Costs of Disability Payment'.⁴⁴ Disability organisations have called for a Cost of Disability payment since then.

Bringing in a Cost of Disability payment would align with international recommendations by the International Labour Organisation and the OECD.⁴⁵ Notably the OECD speaker at the 2023 Dublin Green Paper Consultation event emphasised the necessity for such an approach. His presentation offered five key 'Lessons' for Ireland, one of which was titled "**Cost-of-disability payments are essential**".⁴⁶ He stated that "Cost-of-disability payments are much fairer, not hindering employment and thus much more likely to help people out of poverty."

⁴³ For more on this issue, see [DFI's submission to the 2024 consultation on the Green Paper on Disability Reform](#), pp. 23-26.

⁴⁴ 53, page 21, [A Strategy for Equality](#).

⁴⁵ ILO (2023), [Towards inclusive social protection systems enabling participation and inclusion of persons with disabilities](#) p.46, and OECD 2008, *Sickness, Disability and Work: Breaking the Barriers*, vol. 3: Denmark, Finland, Ireland.

⁴⁶ Christopher Prinz OECD (2023), Presentation to Green Paper on Disability Reform Public Consultation Event, "DO'S AND DON'TS IN DISABILITY POLICY Key lessons from OECD's work – and how they are followed by member countries".

In this context, the commitment in the Programme for Government to introduce a permanent Cost of Disability payment (and to incrementally increase it) is an extremely welcome development, as is the inclusion of a number of commitments in a full section on Cost of Disability. As the OECD speaker referenced above said, there is an opportunity for **Ireland to be a global leader by bringing in a Cost of Disability payment.**

However, one concern about the Programme for Government commitment is that it refers to an annual payment. Disability organisations have been clear that the Cost of Disability payment needs to be weekly. **The many extra costs that people experience occur not once a year, but on a daily, weekly and monthly basis.** Moreover, as the March 2025 ESRI report has shown, weekly extra costs far exceed the current basic Disability Allowance weekly rate, in some cases being more than double it. To provide meaningful and predictable financial support with the extra costs, this payment needs to be provided weekly – this would support disabled people to budget, provide financial predictability and stability, and ensure that disabled people are not forced to use their annual payment to pay for whatever the most urgent cost due at the time the payment was received. **A weekly Cost of Disability payment of at minimum €55 is essential to start to address extra costs and bring down poverty rates.**

This would clearly not address all the extra costs established by the Indecon report, and would obviously need to be supplemented by action from other Departments to improve services and supports. Fully addressing the many extra costs will require coordinated and considered action across numerous government Departments and policy areas far beyond this Department's remit (including, for example Health, Housing, Transport).

Working with other Government departments, there is an opportunity and need for a longer-term strategic approach to the above issues. The government should develop and resource a clear cross-Departmental Action Plan to fully address the Cost of Disability, as well as a disability poverty reduction commitment, strategy and set of actions – these can be integrated into the new National Human Rights Strategy for Disabled People and the next Roadmap for Social Inclusion.

B) Benchmarking and indexation: Minimum Essential Standard of Living required (factoring in extra Cost of Disability)

The inadequacy of social welfare rates has been dramatically highlighted in recent years, both by the gap between core rates and the €350 Pandemic Unemployment Payment, and by the cost-of-living crisis. This brought an important focus on the necessity to index and benchmark

social protection payment levels, to ensure that they keep pace with increasing costs, as the Irish Human Rights and Equality Commission and social justice organisations have recommended.⁴⁷ Anti-poverty organisations have for many years called for a **Minimum Essential Standard of Living, to ensure those who rely on our social protection system to survive are not condemned to poverty.**

There is no systematic approach to increases in Ireland's social protection rates, which are subject to political decisions annually during the budget cycle. In Britain, for example, there is a statutory requirement to review the level of social protection benefits annually, with reference to increases in the cost of living. The Social Security Act 1975⁴⁸ requires the Minister to assess the extent to which current rates have retained their value in relation to the general level of prices. This provision means that an annual assessment of inflation is an essential input into the Budgetary process, and the Minister is required to increase payments in line with inflation.⁴⁹

Any meaningful attempt to reduce poverty in Ireland must address this issue. The erosion of the real value of social protection during inflationary periods is particularly challenging for disabled people, especially given the many extra costs that they live with. Acknowledging this problem with Ireland's system, the EU Commission's 2024 EU Country Report recommended a move to indexation. They advised that "indexing welfare payments could help Ireland reach the national 2030 target of 90 000 fewer people at risk of poverty or social exclusion (AROPE)."⁵⁰ The 2025 Country Report also acknowledged these concerns.⁵¹

Also last year, the **UN Committee on Economic, Social and Cultural Rights expressed concern about the inadequacy of social security benefits.**⁵² It recommended that Ireland establish a social protection floor, ensure that social security covers everyone equally, provides sufficient support, and is indexed to the cost of living. It also emphasised the need for targeted supports for disabled people.

Social protection payments should be indexed or benchmarked on an annual basis. Any benchmarking or indexation that takes place should use the MESL as a guide. The Department can refer to recent advice from the

⁴⁷ IHREC (2023) [Policy statement on the Index-Linking of welfare payments](#), Social Justice Ireland (2024), [Benchmarking and Indexation](#), EAPN Ireland (2023) [Benchmarking-Working-Age-Payments](#).

⁴⁸ See pages 3-4 of '[JRF, Fifty Years of Benefit Up-rating](#)'.

⁴⁹ [Benefit up-rating: estimated number and type of GB families and individuals in families benefitting from the up-rating of benefits in 2024/25](#).

⁵⁰ European Commission (2024) [2024 Country Report – Ireland](#), p.65.

⁵¹ European Commission (2025), [2025 Country Report – Ireland](#), pp. 96-97.

⁵² See [Summary of the concluding observations ICESCR](#) and [Committee on Economic, Social and Cultural Rights: Concluding observations on the fourth periodic report of Ireland](#).

Nevin Economic Research Institute and Social Justice Ireland to the Committee on Budgetary Oversight on how to approach indexation, in particular the technical aspects of what payments should be indexed to.⁵³ However, any such development **must also explicitly take the extra Cost of Disability into account**. It should particularly factor in the evidence from both the 2021 Indecon report and the recent (2025) ESRI findings previously referenced. To move to benchmarking payments without doing this would have the unintended consequence of locking disabled people into greater structural poverty.

C) Reform: Address means testing and secondary supports to reduce poverty and increase employment

It is clear that the system of disability supports needs reform (and that this reform relates to multiple government Departments). Social protection reform proposals in 2023 through the Green Paper on Disability Reform were widely criticised, and the proposal did not advance, based on feedback from the disability movement and organisations like DFI. Yet change and positive reform is undoubtedly needed, and positively the government has committed to address a number of social protection issues that impact on disabled people in the Programme for Government.

Any social protection reform that is undertaken into the future should have the UN Convention on the Rights of Persons with Disabilities as its foundation and starting point. It should adopt a social model of disability, focusing on removing structural barriers to inclusion and participation. It should also be based on a series of agreed values, including support for independent living.

The outcomes of the Green Paper consultation have not been published, but key issues highlighted in DFI's submission⁵⁴ included **the need for tailored solutions and supports, the need to decouple secondary benefits, the necessity for a Cost of Disability payment and other supports, and to tackle the many structural barriers to employment**. Our Budget 2026 recommendations factor in some of these key issues, which we hope will also be tackled and reformed more permanently during the tenure of this government. Future reform approaches can, like those on Cost of Disability, be integrated into forthcoming important new strategies, including the new National Human Rights Strategy for Disabled People and the next Roadmap for Social Inclusion.

⁵³ 2024, [Committee on budgetary oversight hearing 17 April 2024](#).

⁵⁴ Read [DFI's detailed submission to the Green Paper on Disability Reform Consultation](#).

D). Action on energy poverty

While energy prices have declined since their peak (by 1.6% over the 12 months to March 2025)⁵⁵, MESL and others have shown that they still remain significantly higher, and unfortunately prices will not reduce back to pre-crisis levels. In this context supports can and should be **more carefully targeted this year than in recent years, in order to use resources efficiently, and to support those with higher levels of energy poverty, like disabled people.**

Given the interconnected issues involved in energy poverty, and the extent to which it is a subset of poverty overall, and often arises as a result of inadequate income, co-ordinated and joined up policy making is required on this issue across multiple Departments – in particular the Department of Social Protection and the Department of Environment, Climate and Communications, but also the Department of Housing, Local Government and Heritage.

A joint manifesto by 14 organisations made policy recommendations for this new government to tackle energy poverty, including actions in the area of social protection – notably indexation, adopting MESL, benchmarking the pension and introducing a Cost of Disability payment.⁵⁶

On energy poverty, the Department of Social Protection should:

- Make a strong case in the Energy Affordability Task Force for a retention of focus on Energy Poverty in policy development.
 - Restore the purchasing power of the Fuel Allowance by increasing the payment rate to €42.50 as per recommendations of MESL.
 - Expand the Fuel Allowance to provide it to all people on a disability-related social protection payment. The recent expansion of the Fuel Allowance for older people clearly had a positive impact on poverty levels, so this should now be extended out to groups like disabled people who are most at risk of energy poverty.
 - Provide a higher level of Fuel Allowance all year round for those with higher energy usage due to a medical and/or disability need.
 - Review, analyse and strengthen the provision of the Heating Supplement, particularly in the context of the Indecon report.
- Increase awareness of this support in the community.

6. Budget 2025: Poverty and disability impact assessment

⁵⁵ MESL Research Centre (2025) [MESL 2025](#), p.23.

⁵⁶ [Warm homes for all manifesto](#) and [Joint civil society submission to energy poverty action plan](#).

A number of one-off measures in the past three Budgets were used to address the cost of living crisis. However **one-off payments just temporarily plug the income gap, and do not address the structural problem of income inadequacy and consistent poverty.** Budget 2025 again brought a weekly increase of €12, substantially less than the €20 call from anti-poverty groups. However with reduced inflation, the gap between this amount and price increases did reduce.

As the ESRI, CSO and social justice organisations have emphasised, temporary measures may be masking the real levels of poverty, which may be revealed when one-off payments stop. As previously highlighted, the ESRI analysis of Budget 2025 flagged concerns that it would lead to an increase in the At Risk of Poverty rate for people with disabilities. In a previous paper analysing welfare measures in Budget 2023 the ESRI recommended that **“once the need for one-off measures to insulate households from inflationary pressures has passed, policymakers may wish to consider benchmarking social welfare payments to reinstate the link between payments and income adequacy.”**⁵⁷

They made the same recommendation when analysing the impact of Budget 2024, and raised similar concerns about Budget 2025 – “careful consideration is needed, regarding both their withdrawal [temporary supports] and how the permanent welfare system will develop, as prices remain at higher levels than before the cost-of-living crisis.”

Anti-poverty groups and the MESL Research Centre are this year recommending **an increase of at minimum €16 in Budget 2026 to** make progress on restoring the real value of the core social protection personal rate and as a step towards improving income adequacy.

As previously noted, the continuity of providing a ‘Disability Support Grant’ for three years in a row was welcome. **However the 20% cut in the grant in Budget 2024 is very hard to justify in terms of the available evidence,** including updated evidence published this year. This provision was clearly far from sufficient, addressing less than one twentieth of the costs in the Indecon report, and providing one-off support for costs that are lifelong. DFI reiterates its call to build on this first step by **bringing in a Cost of Disability weekly payment of €55.**

It was disappointing to once again not see an increase in the disability income disregard in Budget 2025, especially with such positive moves being made in increasing the disregard for those in receipt of Carers Allowance. **Budget 2026 must address the fact that Disability Allowance income disregard hasn’t increased since January 2023.**

⁵⁷ ESRI (2023), [Distributional impact of tax and welfare policies: Budget 2023](#), p.18.

DFI expressed concern for some years regarding the disability-proofing of the Budget, in the context of the ESRI's SWITCH model not having the capacity to test the impact of Budgetary provisions on disabled people. It is positive that this gap in effectiveness has been addressed, and the capacity of this function is presumably being fine-tuned on an ongoing basis. It is concerning that the ESRI's Budget analysis consistently shows that gains for people with disabilities in recent years depended on temporary measures, and that it concluded that Budget 2025 was likely to lead to an increase in the disability At Risk of Poverty Rate. Given the significantly higher levels of deprivation of people with disabilities and public commitments made by the government, **it is imperative that effective and rigorous disability proofing is undertaken of Budget 2026 proposals, and a strong positive and permanent impact on disability poverty must be a key outcome of this budget.**

Disabled people's dependence on Additional Needs Payments

The Department's own statistics continue to offer further evidence the inadequacy of core payments. If we see the Additional Needs Payments as an indication of poverty and financial distress, the uptake figures indicate that people with disabilities live with great economic vulnerability.

Looking at the Additional Needs Payments breakdown by category, the extent to which people on disability payments rely on them to supplement an inadequate income is clear and consistent. **Since 2020, between 29 and 31 percent of Additional Needs Payments went to recipients of disability-related social protection payments.**⁵⁸ The level of disability related drawdown from this fund consistently across the past five years provides further evidence that existing social welfare provision is insufficient to meet the basic needs of the disabled individuals who rely on these payments to live.

7. Conclusion: Time to deliver on promises

Despite being a wealthy and well-resourced country, one in five people unable to work due to disability live in consistent poverty, and two in five live in enforced deprivation - unable to afford basic essentials like heating, new clothes, or socialising with friends or family. This cannot continue.

No one should be forced to live in deprivation, with a lack of supports and services, and so many barriers preventing them from participating in society on an equal basis with others. This is not inevitable. Things can, and must, be different.

The new government has made significant commitments to change this. At the recent National Economic Dialogue (June 2025), Taoiseach Micheál

⁵⁸ Department of Social Protection Responses to "Written Requests for Information in advance of the June DSP Bilateral with C & V Pillar", June 2025.

Martin admitted that the system is not delivering for disabled people. He promised that “we can and will do better.” He said that in every area of policy the government “wants to be transformative in terms of how we approach the lives of people with disabilities.”

To deliver on the strong public and political mandate to tackle disability deprivation, action must be taken to address the shockingly high poverty levels that people unable to work due to disability live with. Across Ireland, people want to see our social protection system provide disabled people with an income sufficient to live a life of dignity and equality, and actively shield people from poverty and deprivation.

DFI’s Budget submission outlines essential areas of focus, and key solutions. Now is the time to bring in the long-called for Cost of Disability payment, and to make progress on other issues that lock in disability poverty and deprivation. If Government is serious about delivering lasting change for people with disabilities, Budget 2026 must provide the investment needed to do so. Otherwise, not only will it fall short on meeting its commitments in the Programme for Government, but also its international obligations under the UN CRPD.

Appendix: Relevant Programme for Government 2025 Commitments

In areas relevant to the Department of Social Protection's responsibilities, the Programme for Government commits to the following:

General Commitments (pp. 92-95)

- Advancing the rights and improving the lives of people with disabilities.
- Prioritise the publication and fund a new National Disability Strategy, setting out a vision to 2030.
- Adopting a whole-of-government approach and advancing the implementation of the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the Convention of Persons with Disabilities
- Working in partnership with disabled people and their representative organisations in co-designing improvements to services and prioritising what measures are most important to them.
- Retain the Cabinet Committee on Children, Disability and Education to break down silos and ensure delivery.
- Continue to support the rollout of personalised budgets nationally.
- Work to deliver the European Disability Card, ensuring rights of individuals are recognised and upheld throughout Europe.

Social Protection (p. 99)

- Protect core welfare rates while ensuring that available resources are targeted at vulnerable groups who are unable to work such as carers, people with disabilities and pensioners.
- Continue to implement progressive reforms to our social welfare system and our policies will be guided by the core principles of sustainability and fairness.
- Improving supports and ensuring that the social welfare system is progressive and empowers people with a disability to live full and independent lives

Valuing Carers (p. 100)

- Continue to significantly increase the income disregards for Carer's Allowance in each Budget with a view to phasing out the means test during the lifetime of the Government.
- Progressively increase weekly Carer's Payments.
- Continue to increase the annual Carer's Support Grant.

- Ensure Parents who are aged 66+ and caring for children with lifelong disabilities retain the rate at which they are paid their Carer's Allowance and concurrently receive the State Pension.
- Examine how we can better support carers who are providing full-time care and attention to more than one person.
- Examine the introduction of a Pay Related Carer's Benefit for individuals who have to give up work suddenly in order to provide full-time care to a loved one.

Addressing the Cost of Disability (pp.100-101)

"We recognise that people with a disability face significant additional costs in their daily lives. We are committed to improving supports and ensuring that the social welfare system is progressive and empowers people with a disability to live full and independent lives".

- Introduce a permanent Annual Cost of Disability Support Payment with a view to incrementally increasing this payment.
- Reform the Disability Allowance Payment and remove anomalies in the current means test for the payment.
- Progressively increase weekly Disability Payments and the Domiciliary Care Allowance.
- Review the minimum hours requirement under the Wage Subsidy Scheme for people with disabilities and examine an increase to the payment rate.
- Expand and build on successful programmes like WorkAbility, Employability, and the new Work and Access Programme to support people with disabilities into employment.
- Examine the 'ability to work' criteria for certain payments and ensure that ongoing medical assessments are not carried out in respect of people with lifelong conditions that are not going to change.
- Protect the Free Travel Pass and examine extending it to children in receipt of Domiciliary Care Allowance.
- Promote training initiatives to raise awareness and understanding of disabilities amongst Intreo staff.

Employment (ps 17, 93 and 100)

- Develop a Code of Practice to support the hiring of workers with a disability.
- Work with employers and across Government to improve employment of people with disabilities and ensure that supports for entrepreneurs and enterprise are accessible to all, including people with disabilities with a goal of reaching at least the EU average.

- Ensure citizens with disabilities can access employment on an equal basis to others by focussing on building skills, capacity and independence, and develop bridges from special schools into employment.
- Continue to ensure employers make reasonable accommodation for people with disabilities in the workplace.
- Ensure there are intensive and appropriate activation measures and employment supports in place to help those most distant from the labour market into the workforce.
- Expand and build on successful programmes like WorkAbility, Employability, and the new Work and Access Programme to support people with disabilities into employment.
- Examine ways to make it easier to regain Disability Allowance if employment ceases.
- Review the minimum hours requirement under the Wage Subsidy Scheme for people with disabilities and examine an increase to the payment rate



DFI's vision

An Ireland where people with disabilities are participating fully in all aspects of society.



DFI's mission

DFI is a federation of member organisations working with people with disabilities to implement the UN CRPD and ensure their equal participation in society.



Four-year goal

Member organisations are actively involved in DFI, working to implement the UN CRPD and to achieve the equal participation of people with disabilities in society.

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