



**Pre-Budget Submission  
2027**

**to**

**Department of Social  
Protection**

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## Executive summary and Budget 2027 asks

Disabled people are disproportionately likely to live with poverty and deprivation. Last year, two in five people unable to work due to long-standing health difficulty (disability) lived in enforced deprivation - unable to afford essentials like heat, new clothes, socialising with friends or family or sufficient healthy food.<sup>1</sup>

2025 CSO SILC data show people unable to work due to disability:

- Have very high consistent poverty rates (13.9%) - almost three times the national average (4.7%). By comparison this rate is 1.5% for employed people and 3% for retired people.
- Are at a much higher risk of poverty - 28.4%, compared to a national average of 12.6%.
- Have an enforced deprivation rate 4 times higher (39.2%) than employed people (9.5%).
- 1 in 5 (19.1%) went without heating at some stage last year, compared to 5.2% of employed people or 3.7% of retired people.

The data also shows yet again 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 significantly higher at 36.3%, while consistent poverty would be 17.3%. This is deeply worrying given choices made in last year's Budget, and we fear that poverty and deprivation have risen in 2026.

The many extra costs of being disabled are significant and continue to rise, as a range of evidence shows.

- Adjusted for inflation, the Indecon-established Cost of Disability range is now likely to be €11,046 - €15,617.
- The ESRI last year evidenced 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.
- When Cost of Disability is factored in, their AROP rate increases to a staggering 65%-76%.

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

- The 2025 weekly poverty line was €366.30.

Yet the basic weekly income currently provided by Disability Allowance is €254. This is more than €100 below the poverty line, and in some cases covers less than half the additional disability-related costs.

Our social protection system is failing to deliver for people with disabilities. This is unacceptable. Something is wrong with a system that expects disabled people who cannot work to eke out their lives constantly struggling to get by on a deeply inadequate income. Current social protection supports lock thousands of people in below the poverty line, and ignore the many extra costs they live with. This leaves many disabled people unable to afford the basics, let alone a decent standard of living. And facing immovable structural barriers and risks when they try to work.

### **Action on Cost of Disability essential after being let down last year**

While Ireland does face economic and political challenges, it is nevertheless a wealthy and well-resourced country. It is also a country where there is very significant popular and political support for redistributive measures that tackle income inequality. And for a social protection system that supports disabled people, rather than pushing them into poverty - 91 per cent of people agree that more should be done to support disabled people to meet their extra cost of living.

People with disabilities were shocked and let down by last year's Budget. Having seen the extra Cost of Disability finally acknowledged in the previous three Budgets through the Disability Support Grant, they reasonably expected this support to continue. The various one-off supports clearly helped to reduce poverty, and the ESRI warned that withdrawing them would have a negative impact on disabled households.

The government had also recently made a commitment, in the Programme for Government, to deliver a Cost of Disability payment. But instead, disabled people were let down when the government chose to remove all one-off supports, with no replacement measures, despite the promises. This cruel mistake must be corrected in Budget 2027.

The government thus clearly has ground to make up this year, given the step backward in last year's Budget. While recent political statements of priority are welcome, they must be backed up by clear and sufficient funding allocation, and policy prioritisation, in Budget 2027.

Poverty is not inevitable and different policy choices can be made. It is time to act on the government's clear and strong political and public mandate to tackle disability poverty. Things can, and must, be different.

DFI's Budget submission outlines key solutions to the issues and problems that lock in disability poverty, deprivation and low employment rates. It is beyond time to bring in the long-called for Cost of Disability payment. Now is also the time to increase the Disability Allowance income disregard and tackle other structural barriers to employment. In doing so, we can finally make permanent progress towards vindicating disabled people's right to an adequate standard of living, equal to others.

Ireland can be a leader on Cost of Disability. Budget 2027 must take the first step, by introducing a basic universal Cost of Disability payment as a starting point, while also committing to a co-design process that can develop a graduated payment scheme over time.

In Budget 2027, DFI calls on the Government and the Department of Social Protection to prioritise action on disability poverty, including:

### **Cost of Disability**

- Immediately provide an Emergency Payment of at minimum €400 - to replace the gap created by the removal of the Disability Support Grant with no replacement in last year's Budget.
- Introduce a recurring, universal and non-taxable Cost of Disability payment of €55 weekly (€2,860 a year) as an interim measure. A graduated Cost of Disability payment scheme based on differential need, recommendations to the public consultation and best practice should be developed over time. This must be developed through a process of co-design with disabled people, according to a timeline agreed through that process.
- Change criteria for the medical card (Department of Health) and 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.

### **Poverty, benchmarking and indexation: Minimum Essential Standard of Living (MESL) - factoring in the Cost of Disability**

- As a step towards improving income adequacy, adjust core social protection rates by at minimum €15, based on Minimum Essential Standard of Living (MESL) recommendations.
- 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 the extra Cost of

Disability, including the evidence from both the Indecon report and the recent ESRI findings, into account.<sup>2</sup>

- Recalibrate eligibility thresholds annually across state schemes (multiple Departments). Ensure eligibility thresholds factor in social protection payment increases to avoid unintended loss of other supports (eg medical card or housing supports).
- Keep the adequacy of current supports under review, in light of the ongoing cost of living crisis, and if necessary, provide targeted extra supports for people with disabilities - which could include double payments, targeted electricity credits etc.

## Employment

- Increase the Disability Allowance income disregard to €1,000, equivalent to the Carers Allowance disregard. For those who cannot work, this disregard should apply to other forms of income, such as a pension from a parent.
- Provide funding for ambitious actions under the Employment pillar of the National Human Rights Strategy for Disabled People, and to deliver and increase the Work and Access Scheme.
- Allocate funding to address Cost of Disability and its impact on disability employment, as per recommendations to the consultation.
- Review rates of Wage Subsidy Scheme annually by offering graduated increases to each band as percentage of National Minimum Wage.

## Means-testing

- Increase the general weekly means disregard from €7.60 to €20.
- Only a disabled person's income/means should be assessed, not their family member, partner, or anyone else they live with.

## Energy poverty

- Restore the purchasing power of the Fuel Allowance by increasing the payment rate by €4 a week and retaining the four-week payment duration increase, as per MESL recommendations.
- Implement DFI's recommendations on Energy Poverty including increasing uptake and provision of the Heating Supplement, expanding the Fuel Allowance to all people on a disability payment, and providing a higher level of support all year for those with higher energy usage due to disability.

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<sup>2</sup> Any benchmarking or indexation should explicitly and carefully factor in the recent ESRI report findings [Adjusting estimates of poverty for the Cost of Disability and its impact](#) on poverty rates of disabled households, along with relevant previous findings (highlighted in our submissions), to avoid the unintended consequence of locking disabled people into greater structural poverty.

## 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 considering the Cost of Disability. Budget 2027 must be rigorously disability-proofed, and show a clear and permanent positive impact on disability poverty.

## Action plan on Cost of Disability

To make progress on commitments on Cost of Disability, in the new Roadmap for Social Inclusion, and other government promises, significant actions and resources will be required.

Working with other government departments, there is now a positive opportunity to make progress on Cost of Disability. It will be important to address immediate needs, to make incremental progress year on year, but also to have a longer-term strategic approach to tackling the Cost of Disability, and its knock-on impact on poverty and employment.

- The government should develop and resource a three-year cross-Departmental Action Plan on Cost of Disability, co-designed with disabled people and disability organisations.
- This plan should include actions, timelines and measurable targets and outcomes which are reported annually. The actions should relate to delivering the Cost of Disability payment (Department of Social Protection), and to tackling other Cost of Disability issues across relevant Departments.<sup>3</sup>

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<sup>3</sup> For more detail on DFI's recommendations on Cost of Disability, see: DFI (2026) [Cost of Disability Submission](#), notably pages 10-11.

## **1. Introduction**

DFI's Budget 2027 asks are outlined in the Executive Summary, for ease of access and simplicity. The body of this submission provides updated relevant recent evidence, analysis and the rationale for DFI's Budget asks.

### **Action on Cost of Disability essential after being let down last year**

People with disabilities continue to be disproportionately likely to live with poverty and deprivation. While Ireland faces ongoing economic and political challenges, this also remains a wealthy and well-resourced country, with annual surpluses and a growing economy. It is also a country where there is very significant and clear popular and political support for a redistributive approach that tackles income inequality.

In that context, people with disabilities were shocked and let down by last year's Budget, which removed all of the one-off supports that had prevented poverty rates from increasing in recent years, with no replacement measures to address Cost of Disability, despite government promises. This cruel mistake must be corrected in Budget 2027.

### **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 (UN CRPD). It should particularly deliver on the following rights:

- 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.

Moreover, Ireland's first review under the UN CRPD will take place next year. The committee has asked several highly relevant questions about Ireland's delivery of the rights enshrined in Articles 28 and 27, which should be central to the Department of Social Protection's approach to Budget 2027 (for more on this see pages 5-6).

### **Updating the evidence**

Important new policy evidence and data have been published in the past year. This submission provides a review and summary of relevant recent publications and data on disability by thematic area, along with our recommendations and analysis. In doing so we aim to support the government to make evidence-based policy decisions for Budget 2027.

## High poverty and low employment persist

Recent evidence again shows that disabled people live with economic precarity and deprivation on an ongoing basis. DFI hears regularly, especially this year, from people who cannot afford basic essentials, or find themselves pushed into impossible choices, which endanger their health and wellbeing. 2025 CSO Survey on Income and Living Conditions (SILC) data shows that people unable to work due to disability:

- Have an at risk of poverty rate of 28.4% - compared to 5.7% of employed people, and 14.9% of those who are retired.
- Have an enforced deprivation rate (39.2%) more than four times higher than employed people (9.5%).

Given that all one-off measures were withdrawn in Budget 2026, with disabled people losing supports and income up to the value of €1,264, we are worried that 2025 poverty figures conceal the actual level of economic strain and precarity that disabled people are currently living with.

Significant concerns remain also regarding employment. The EU Commission's 2025 Country Specific Report marked Ireland red ("critical") only once on its social scoreboard of 17 indicators – for the 38.2% Disability Employment Gap (compared to the EU average of 24%).<sup>4</sup>

## 2025 poverty rate – 8% higher if cost of living measures excluded

The 2025 SILC data show decreases in at risk of poverty and consistent poverty rates, but an increase in deprivation.<sup>5</sup> The data again shows the extent to which apparent improvements in poverty rates last year depended on one-off measures. People unable to work due to disability:

- Have very high consistent poverty rates - almost 3x higher (13.9%) than the national average (4.7%). By comparison 1.5 % of employed people and 3% of retired live in consistent poverty.
- Are at a much higher risk of poverty - 28.4%, compared to a national average of 12.6%.
- Excluding cost of living measures, the at risk of poverty rate would be 36.3%, and consistent poverty would be 17.3%.

Disabled people's poverty rates consistently remain 2-4 times the national average. Last year this group had the second highest consistent poverty, and deprivation rates of all economic groupings.

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

<sup>5</sup> CSO (2025), [SILC 2024](#).

## Deprivation: going without heating and healthy food

People unable to work due to disability also endure severe deprivation:<sup>6</sup>

People are going without sufficient food:

- 23.2% were unable to afford a roast joint once a week, a large increase from 9.2% in 2024. The national average was 4.8%.
- 9.1% were unable to afford a meal with meat, chicken, fish, every second day, up from 4.3%. The comparable rate for employed people decreased from 1.7% to 0.6% in 2025.

People are sitting in cold homes afraid to turn on their heating:

- 19.1% went without heating at some stage last year, compared to 5.2% of employed people or 3.7% of retired people.
- 13.5% were unable to afford to keep their home adequately warm, an increase of 2%. The national average was 4.5%.

Deprivation also locks in social isolation, meaning people cannot participate in their community or socialise:

- 25.9% were unable to afford a morning, afternoon or evening out in last fortnight, compared to a national average of 10.4%.
- 50.3% could not afford to go for a week's holiday away from home, compared to the national average of 20.5%.
- 28.5% couldn't afford to regularly participate in a leisure activity that costs money, more than 2x the national average (13.5%).

Ireland is one of the wealthier countries in the world, with economic growth and an annual budget surplus. And yet year in and year out, people who cannot work because of their disability or health condition are unable to pay their bills, or to afford all the other essentials in life.

Current social protection supports for disabled people are insufficient and inadequate. The ending of one-off supports, which helped to bridge income gaps and reduce poverty rates in recent years, led to a loss in income for some people of up to €1,264. This has put further strain on disabled households that were already struggling. It is beyond time for change, and to seriously address the extra Cost of Disability.

### Lowest income across all economic groups

Every year SILC data shows the extremely low incomes of disabled people. 2025 data shows people unable to work due to disability:

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<sup>6</sup> CSO (2026), [Deprivation 2025](#).

- Have the lowest equivalised disposable income (€22,661) of all economic groupings.
- Almost half (46.2%) are in the lowest 20% of the equivalised income distribution, compared with one in ten employed people.
- Are the least likely of all groups to be in the top 20% of income.<sup>7</sup>

### **Lower wellbeing and life satisfaction**

2025 'well-being' data also shows people unable to work due to disability:

- report much lower overall life satisfaction scores, at 5.8, when compared with other groups (e.g. 7.7 for employed people).
- were most likely to report feeling downhearted or depressed at least some of the time in 2025. Almost half (45.2%) of this group reported feeling this way, a 6% increase on the 2024 (39.2%). As compared to a general average of 15.6%.<sup>8</sup>

The above make for stark and worrying reading, demonstrating how far Ireland is failing to support disabled people to lead lives equal to others.

## **2. Government commitments**

### **Programme for Government and Human Rights Strategy**

The Programme for Government makes several significant promises on disability. At an overarching level, the government committed to adopting a whole-of-government approach and to working in partnership with disabled people and their representative organisations to co-design improvements to services, prioritising measures they identify.

On social protection, poverty and disability, the government committed to continuing the focus on addressing poverty and social exclusion, to implement progressive reform and ensure that resources are targeted at groups unable to work including people with disabilities. It also committed to introduce a permanent annual Cost of Disability payment, reform the Disability Allowance Payment, remove anomalies in the means test and progressively increase weekly payments, amongst other promises.

The National Human Rights Strategy for Disabled People acknowledges the need to make progress on disability employment rates, and disability poverty, with a full pillar focused on employment. The Strategy also contains commitments on Cost of Disability - on which there has been some positive recent momentum in the form of a public consultation and the first Cost of Disability Summit last month (see below).

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<sup>7</sup> CSO (2026), [SILC 2025](#).

<sup>8</sup> CSO (2026), [Wellbeing - CSO SILC 2025](#).

### **Roadmap for Social Inclusion – previous targets not achieved**

Ireland also made commitments to address poverty through the Roadmap for Social Inclusion 2020-2025, which aimed to reduce consistent poverty to 2% by 2025. However ultimately this goal was not achieved.

While the national average for consistent poverty was 4.7% last year, it was 13.9% for those unable to work due to disability - a rate almost three times higher. Not only that, but one-off measures have skewed current poverty levels – without them average consistent poverty would be 5.4% (an increase of less than 1%). But for people unable to work due to disability the rate would be 17.3% - an increase of 3.4%.

The old Roadmap committed to reduce the disability AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9% to 28.7% by 2025 and 22.7% by 2030. It also aimed to reach the top 10 EU ranking. This was consistently one of the EU level indicators where Ireland fared the worst across its rankings. While the final Roadmap Progress report has yet to be published, the new Roadmap for Social Inclusion 2025-2030 shows neither of these targets were achieved. The new Roadmap records Ireland's current AROPE rate as 32.6%, and EU ranking as 14<sup>th</sup>.<sup>9</sup> While this appears to be an improvement, we are concerned that this may be due to one-off measures from 2022-2025, which were removed last year.

With the new Roadmap published in late May, there has not yet been enough time to undertake a careful analysis of the new policy. That said, we are concerned at what appears to be lowered ambition for disability poverty reduction, relative to the previous Roadmap – whose target was a 22.7% AROPE by 2030. The new Roadmap now only seeks to reach 25% by then (meaning one in four disabled people). Moreover, the Roadmap is much more ambitious for the general population, seeking a 16.5% AROPE by 2030. This again demonstrates a troubling level of acceptance at policy level that being disabled inevitably means being impoverished.

## **3. Recent evidence and policy recommendations**

### **UN CRPD List of Issues asks about poverty and Cost of Disability**

The UN Committee on the Rights of Persons with Disabilities will examine Ireland for the first time in 2027. The committee received submissions from Irish organisations last year, to prepare for the hearing. DFI submitted a joint shadow report with other organisations, outlining concerns about poverty and adequate standard of living.<sup>10</sup>

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<sup>9</sup> Department of Social Protection (2026), [Roadmap for Social Inclusion 2026-2030](#), page 38.

<sup>10</sup> DFI, Chime, Enable Ireland, Irish Wheelchair Association, Mental Health Reform and Rehab Group, (2025), [UN CRPD Alternative Report for Ireland](#).

The Committee recently published its 'List of Issues', a set of questions which Ireland will have to answer next year. The Department and government would be advised to address these areas in choices it makes for Budget 2027. Amongst other areas, the Committee asked:<sup>11</sup>

### **Work and employment (art. 27)**

Please provide information about measures:

- a) To address the employment gaps and challenges raised in the review of the Comprehensive Employment Strategy for People with Disabilities 2015–2024 by the National Disability Authority;
- b) To address the lower employment rate for women with disabilities, including information on whether employment strategies include gender-specific measurable actions and indicators;
- c) To support persons with disabilities to exit rehabilitative training and adult day services into employment and further education or training and the outcomes of these measures;

### **Adequate standard of living and social protection (art. 28)**

Provide information about:

- a) The outcomes of commitments under goal 5 of the Roadmap for Social Inclusion 2020–2025 and whether further poverty alleviation commitments have been made for persons with disabilities, including specific commitments for women and girls with disabilities;
- b) Measures to ensure that the disability allowance provides an adequate standard of living and to introduce a permanent annual cost of disability support payment, as outlined in the 2025 Programme of Government;
- c) Measures to remove disincentives in the social protection system that prevent or limit access to employment for persons with disabilities and to implement recommendations from the 2017 "Make work pay" report;
- d) Measures to remove the spousal/family income means test, which impacts economic independence and poses a risk of women with disabilities being subject to control or violence;
- e) Measures to ensure older persons with disabilities are not disadvantaged in the social protection system by age cut-offs for disability allowance and shifts to "older person" social protection categories.

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<sup>11</sup> UN CRPD (2025), [Committee on the Rights of Persons with Disabilities: List of issues in relation to the initial report of Ireland\\*](#).

The Committee queries reflect key DFI concerns, and implementing our Budget recommendations would address many of the questions above.

### **EU Commission recommends action on poverty and employment**

Ireland's disability employment and poverty record continue to be weak at EU level. At the time of writing the 2026 EU Commission Country Specific Report had not been published, and so we unfortunately cannot include its analysis in this submission as we usually do. However, 2024 EU SILC data showed Ireland's employment gap increased to 38.2%, compared to the 24% EU average.<sup>12</sup> 2025 data appear to show a significant improvement, with the gap reducing to 30.5%. This is a surprising change of almost 8%, something not seen before across Ireland's data since 2016.

Last year's EU Commission Country Specific Recommendations included a social recommendation among the six key recommendations. 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."<sup>13</sup> This was one of only four disability recommendations across all 27 EU member states.

The Commission's 2025 Country Specific Report emphasised the longstanding low disability employment rates, and significant disability employment gap. It highlighted many financial and non-financial barriers in the areas of employment, housing, education and transport. The report also expressed concern that "the Irish social protection system cannot adequately compensate for the additional costs of disability", and observed that without these supports, the already significant Cost of Disability becomes greater if a disabled person takes up employment.

The report advised that "permanent in-work payments could help compensate for the additional costs of living with a disability". This anticipated and echoed a common line from disability organisations into the recent Cost of Disability consultation. It also echoed another DFI concern, 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."<sup>14</sup> The Commission noted the 2024 at-risk-of-poverty or social exclusion rate for disabled people was twice the general average. It recommended

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<sup>12</sup> Eurostat, [Disability employment gap by level of activity limitation and sex](#).

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

<sup>14</sup> Op. cit., p. 97, 91.

safeguarding the real value of means-tested supports, instead of one-off untargeted benefits as a cost-effective measure to reduce poverty.<sup>15</sup>

Adding further evidence, a recent Eurofound publication evidenced alarmingly high levels of depression amongst the disabled community across the EU.<sup>16</sup> The study found that, in 2024, while 27.7% of people reporting no limitations in daily activities were at risk of depression, 52.0% of people reporting some limitations were at risk and 72.2% (ie seven in ten) of people reporting significant limitations were at risk of depression. The study also established that those who were working but had some form of disability were also at risk – those with significant limitations had a notably higher risk (64%) than those with none.

### **Research recommends targeted disability supports**

A number of recent research publications are highly relevant, and their findings should be considered when making choices about disability social protection measures in Budget 2027. Several ESRI publications highlighted in last year's submission also remain relevant.<sup>17</sup>

A very interesting report 'Spinning Plates – Food Poverty in Dublin 10', documented a community-level food poverty needs assessment in Ballyfermot and Cherry Orchard. The report found that both areas had a higher level of disabled people, compared to the national or Dublin average. It also found that people with disabilities and chronic illnesses are at a higher risk of persistent poverty due to a vicious cycle of poverty, deprivation, and social exclusion, which in turn has adverse effects on both physical and mental health, and thus, overall wellbeing. The literature review established that people living with disabilities and/or health conditions are at higher risk of experiencing food poverty.

The study found households with at least one disabled person had a higher prevalence of food poverty - 51.6%. As compared to 39.3% of households with no disability reported. Focus group discussions highlighted how the cost of alternative foods for those with health needs or conditions could cause strain on household budgets, as did issues with accessibility of public transport to supermarkets. The survey found that 46.67% of those using foodbanks were from household with at least one disabled member. The report recommends a targeted focus: "priority should be given within the provision of direct food supports to groups

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<sup>15</sup> Op. cit, p. 96, 23.

<sup>16</sup> Eurofound (2026), [Uneven picture of a changing Europe: Findings from Living and Working the EU e-survey 2025](#).

<sup>17</sup> See pp. 7-10, [DFI Pre Budget 2026 submission to Department of Social Protection](#).

identified in the needs analysis as having particularly high prevalence and specific access needs”, including people with disabilities.<sup>18</sup>

Another report entitled ‘Pride and Poverty’ reminds us of the importance of an intersectional approach when considering disability poverty. The survey of 373 participants which formed part of the report’s evidence base found that “a substantial proportion of respondents reported living with a disability or long-term condition”. For example, 42% reported a mental health condition, and 28% reported a chronic illness. Furthermore, around 26% of respondents indicated a learning-related condition such as ADHD or dyslexia, with the proportion increasing further “when autism-related responses and suspected neurodevelopmental conditions are included”<sup>19</sup>. As the report points out, these rates indicate a disability prevalence that is significantly higher than the average across the general population. Although the report did caution about broad inclusive survey categories and the potential non-representative nature of the sample.

Certain trends emerged. Across the survey sample, disabled LGBT+ people were more likely to report feeling anxious more than half the time than the general sample. Among those receiving state supports, 24.2% reported receiving Disability Allowance. The report also contained quotes from individuals, highlighting intersectional issues. One respondent said “finding work is very difficult, getting disability allowance is more complex with my LGBT status, as I face discrimination from healthcare professionals.” Another example highlighted the experience of someone who is LGBT, disabled and living in the international protection system. As they said: “I’m on the DCC housing list, but they are not recognising that I’m disabled, being bullied in IPAS, or help in any way.”

A 2025 ESRI paper found that people with disabilities had a greater likelihood of experiencing loneliness. The paper recommended further research on this, which “should focus on the experiences of specific demographic groups, including [...] individuals with disabilities to investigate the impact of social integration, accessibility, and cultural factors on loneliness and mental health within these populations.”<sup>20</sup>

The fifth annual ESRI report on poverty showed while households without disability have a 12.2% material deprivation rate, those where there is a disabled person have a rate almost 9% higher – 20.9%. Also, the at risk of poverty rate for non-disabled households is 10.6%, while it is 16% for

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<sup>18</sup> Liffey Partnership (2025), [Spinning Plates: Food Poverty in Dublin 10- A Community Needs Assessment](#), p. 95.

<sup>19</sup> Singleton, S. (2026). [Pride and Poverty: A study of the economic challenges in the LGBTQ+ community](#), p. 32.

<sup>20</sup> Mohan, Gretta, ESRI (2025), [Who is Lonely in the EU’s Loneliest Nation?: A Post-pandemic Examination of Loneliness among the Adult Population in Ireland.](#)

disabled households.<sup>21</sup> The paper also focuses on the link between childhood poverty and outcomes in adulthood. Models developed for the study show that “those with disabilities face the highest likelihoods of being unemployed or inactive” and that being disabled increases the probability of being deprived by 10 percentage points.<sup>22</sup> The authors conclude that “the analysis also highlights the mediating role played by health status: those growing up in poverty have a higher rate of disability which in turn is strongly linked to deprivation and employment status. These results suggest a multi-faceted and cross-departmental approach is necessary to address the intergenerational persistence of poverty.”<sup>23</sup>

An ESRI ‘Thematic Report on Persistent Income Poverty and Deprivation in Ireland’ took a longitudinal approach. It found that households with someone with a disability were more vulnerable to deprivation, and families of working-age adults with a disability faced the second highest risk of being in transient At Risk of Poverty (AROP), and both transient and persistent deprivation. Families with a disabled person of working-age also had the second highest AROP rates.<sup>24</sup> It showed that while improvements occurred over the study period (2015-2023), certain groups, including disabled people “remain disproportionately affected” by persistent poverty.<sup>25</sup> The authors recommended “targeted support for vulnerable groups” - policies should prioritise households with disabilities.

A July 2025 ESRI working paper assessed the impact of the pandemic on disabled people, particularly on employment. The study found that people with disabilities were more likely to be unemployed during the pandemic, and remained so even in 2023, showing a slower recovery post-pandemic than for non-disabled people. The authors conclude that there is a “need for targeted policy interventions for keeping and supporting the reintegration of people with disabilities into the labour market, particularly following disruptions such as the COVID-19 pandemic, or any future economic recessions or societal crises that may disproportionately affect groups which may be made vulnerable by circumstances or disabling barriers in society, such as people with disabilities.”<sup>26</sup> They argue that social protection and other financial supports must be easily “accessible and sufficient, considering that individuals with disabilities often face longer periods of unemployment compared to those without disabilities.”<sup>27</sup>

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<sup>21</sup> ESRI (2025), [Poverty, income inequality and living standards in Ireland: Fifth report](#), p. 17.

<sup>22</sup> Op. cit., p. 47, 39.

<sup>23</sup> Op. cit., p. 54.

<sup>24</sup> ESRI (2025), [Thematic Report on Persistent Income Poverty and Deprivation in Ireland: An Analysis of the Longitudinal CSO Survey on Income and Living Conditions \(SILC\), 2015-2023](#).

<sup>25</sup> Op. cit., p. 52.

<sup>26</sup> ESRI (2025), [The labour market impact of the COVID-19 pandemic on individuals with disabilities: The case of Ireland](#). ESRI Working Paper No. 805 July 2025, p.31.

<sup>27</sup> Op. cit., pp. 34-35.

Another ESRI paper which considers public support for welfare and redistributive policies in Ireland shows the government has popular support for policies that invest in poverty reduction. 76% of people agree that the government should reduce income differences. This is “among the highest proportions in Europe.”<sup>28</sup> Not only that, but over the period studied (2002-2024), while the level of support fluctuated, it never fell below 69%, making clear the government has a permanent popular mandate to take positive action to tackle poverty through redistributive policies.<sup>29</sup> The study also showed that a higher proportion of people are willing to pay more taxes if that leads to improved public services, as compared to the rest of Europe. This echoes earlier research we have highlighted previously - a 2023 ESRI paper showed very high public support for action to tackle disability poverty. The 2023 study showed “most people in Ireland acknowledge the financial challenges of living with a disability and are supportive of stronger government assistance... 77 per cent of people agree that welfare payments for disabled people should be increased and most (91 per cent) agree that more should be done to support disabled people to meet their extra cost of living.”<sup>30</sup>

While we included it last year, a 2025 ESRI report remains highly relevant. The report looks at the circumstances of children who are officially deemed deprived, but do not fall under the poverty line. The report found that 39% cent of children in the deprived not AROP group live in households where at least one member has a disability, while 42% are in households in consistent poverty. As they conclude, “this suggests that the additional costs of disability are another reason for experiencing deprivation while not being income poor.”<sup>31</sup> The report recommends that policies aiming to reduce child poverty factor in the extra Cost of Disability and address the impact it has on income. This echoes earlier findings by the ESRI in October 2022<sup>32</sup> which we have highlighted annually in our Budget submission. The authors advise that “adjusting income for the cost of disability to take account of this group’s significant

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<sup>28</sup> ESRI (2026), [Public support for welfare and redistributive policies in Ireland](#), p. 37.

<sup>29</sup> *ibid.*

<sup>30</sup> ESRI (2023), [Experimental tests of public support for disability policy](#), p. 24.

<sup>31</sup> ESRI (2025), [Deprived children in Ireland: Characterising those who are deprived but not income-poor](#), p. x.

<sup>32</sup> “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 equalised 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.”

additional needs should also be considered.” As well as being highly relevant for Budget 2027, these conclusions have important implications for broader policy development and strategies to reduce poverty.

Finally, on a different note, a recent Oxfam report authored by the Nevin Economic Research Institute showed that the state has the scope to generate more revenue to support welfare and redistributive policies. Taxing the wealthiest one percent of Irish households at a rate of 1% would create an annual €1 billion in tax revenue<sup>33</sup> – which could fund a Cost of Disability payment!

## 4. Key issues for Budget 2027

### A) Significant extra Cost of Disability must be addressed

An ongoing issue that perpetuates disability poverty is the extra Cost of Disability. DFI have provided detailed analysis and evidence on this issue previously in several submissions, which we will not repeat again here.<sup>34</sup>

As we have pointed out since the cost-of-living crisis, the Indecon Cost of Disability estimate<sup>35</sup> is increasingly out of date. Adjusted for inflation, the Indecon-established range is now likely to be €11,046 - €15,617: the CPI Calculator shows 27% inflation from January 2021 to April 2026.<sup>36</sup>

Moreover, last year an ESRI report provided evidence showing the Indecon costs may be on the lower end of the spectrum.<sup>37</sup> That study estimated extra average weekly costs of €488-€555, and established that disabled households require 41% to 93% extra disposable income to achieve the same standard of living as a similar non-disabled household. Not only that, but the study built on an observations in several earlier ESRI publications, which we highlighted already. According to the study, when Cost of Disability is factored in, the AROP rate for people with disabilities increases to a staggering 65% to 76%.

The basic weekly income currently provided by Disability Allowance is €254, which means that, in some cases the payment covers less than half the weekly costs according to the ESRI estimate. This lays bare the deep inadequacy of current social protection supports. Disabled people

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<sup>33</sup> McDonnell, Tom, Nugent, Ciaran & McCaughey, Sorley (2026), [Confronting wealth inequality in Ireland](#).

<sup>34</sup> See for example, the following recent submissions: [Submission on the Green Paper on Disability Reform](#) (2024); [Submission on successor to the Roadmap for Social Inclusion](#) (2025); and [Submission to the Cost of Disability consultation](#) (2026).

<sup>35</sup> Indecon (2021) [The Cost of Disability in Ireland](#).

<sup>36</sup> CSO, [Consumer Price Index Inflation Calculator](#).

<sup>37</sup> ESRI (2025), [Adjusting estimates of poverty for the cost of disability](#).

obviously also have to pay for the everyday costs everyone lives with - rent, food, heating, internet, transport etc - as well as their extra costs.

### **B) Income adequacy, below poverty line payments and inflation**

Aside from the extra costs, the broader question of the income adequacy of disability social protection also remains. The at risk of poverty threshold increased to €19,060 in 2025, making the weekly poverty line €366.30.<sup>38</sup> Core social welfare payments thus remain more than €100 below the poverty line. This is of course particularly problematic given that Disability Allowance is the same amount as Jobseeker's Allowance, in spite of the many extra expenses that disabled people live with.

The Minimum Essential Standard of Living (MESL) Research Centre provides importance evidence to inform policy annually.<sup>39</sup> In the past five years we have seen very significant inflation, and ongoing price increases. While inflation has reduced to more normal levels, prices have not returned to pre-crisis levels. As has been emphasised in recent years, evidence shows that families on lower incomes are more negatively impacted by inflation in essential areas such as food and fuel. The 2026 MESL research has not yet been published, however a briefing for civil society indicated a cumulative 23.5% increase in MESL costs since 2020, with 103.7% increase in energy costs. They anticipate a potential cumulative increase in costs of between 30% and 36% in 2027. MESL thus recommend an increase in core rates of at least €15 in Budget 2027.

The work of the MESL Research Centre has broad support from anti-poverty organisations. Every year at the Department's Pre-Budget Forum, the MESL recommendations get unanimous support from attendees. Numerous Oireachtas Committees have also endorsed Ireland delivering MESL - indicating cross-party support.<sup>40</sup> It is important, though, to remember that MESL does not account for the extra Cost of Disability.

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

In recent years, Budgets relied on one-off supports to insulate people temporarily from the cost of living and the potential increase in poverty, as SILC and other evidence shows. But ultimately people with disabilities were left with a core income that is inadequate to meet basic needs and live a dignified life. Many people were shocked by the de-facto cuts to their income in Budget 2026, which removed one-off supports, with no measures to replace the lost income – up to €1,264 for some people.

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<sup>38</sup> CSO, (2026), [SILC 2025](#); Social Justice Ireland (2025), [Poverty Focus 2025](#).

<sup>39</sup> MESL Research Centre (2025), [MESL 2025](#).

<sup>40</sup> 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.

As we emphasised in our response to the one-off supports including the Disability Support Grant since 2023, the extra Cost of Disability and its impact on poverty and deprivation of disabled people existed long before the cost of living crisis, and should not be tackled with one-off supports.

In annual analysis of the distributional impact of Budgets, the ESRI have continuously emphasised the economic vulnerability of disabled households. Analysing Budget 2025 they flagged an ongoing concern about the reliance on one-off measures to bridge income gaps. As we highlighted last year, the ESRI warned 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.”<sup>41</sup>

Sadly, this consideration did not happen in Budget 2026, and we do expect poverty rates to rise, given the income loss and price increases.

#### **D) Energy poverty and Cost of Disability**

Eurostat research shows Ireland has the highest household electricity prices in the EU, almost 40% above average.<sup>42</sup> Recent ESRI research also shows household electricity prices were the highest across Europe in 2024.<sup>43</sup> The impact of the war on the price of fuel (including oil, gas, diesel etc) has added more pressure, with further price increases to come later this year, according to the Commission for the Regulation of Utilities.

These high and increasing costs continue to cause huge difficulties for people with disabilities. Many disabled people have to use significant electricity all year round. They rely on it to charge assistive technology, essential medical equipment, power wheelchairs etc. For example, a person with muscular dystrophy may rely on three energy-intensive machines to breathe - a bipap machine, an humidifier and an oxygen concentrator. This energy requirement continues year-round.

The Indecon report, annual SILC deprivation data, and ESRI publications all show the higher likelihood of disabled households living in energy poverty, going without heating due to cost, and being in arrears. SILC 2025 data confirms what we are hearing from the community, that people are sitting in cold homes afraid to turn on their heating (and this data is

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<sup>41</sup> [Distributional impact of tax and welfare policies: Budget 2025](#). pp. 13-14.

<sup>42</sup> Eurostat (2026), [Electricity price statistics](#).

<sup>43</sup> ESRI (2026), [A descriptive comparison of Irish and European electricity prices: 2018 2024](#).

from last year, when one-off supports were still available). As we have already seen, for people unable to work due to disability, in 2025:

- 19.1% went without heating at some stage last year, compared to 5.2% of employed people or 3.7% of retired people.
- 13.5% were unable to afford to keep their home adequately warm, an increase of 2%. The national average was 4.5%.<sup>44</sup>

Tracking by the Commission for the Regulation of Utilities shows that 316,838 people are in arrears on electricity (14% of customers), and 179,439 people are in arrears on their gas bills, making up 26% of gas customers. While it is not possible to establish with certainty how many of those people are disabled, the Indecon report did establish that people with disabilities are much more likely to be in arrears.

DFI, Access for All and Irish Wheelchair Association have campaigned since Budget 2026 to highlight the negative impact the withdrawal of supports is having on a community that already has high deprivation rates. At our events we heard stories of a very difficult winter, including:

- An older woman with a disability who relies on a mobility aid to move around. She lives at home with her adult daughter. The two made the impossible choice to prioritise heating their home over charging the mobility aid, with the result that the older woman had travelled far from the house only once during the winter months.
- A man with a disability who relies on Disability Allowance to survive. He described sitting beside the gas heater in his house, trying to figure out if he could manage with one bar of the heater, or afford to put the heating up to two bars.

These are just a few of many stories of hardship we have heard from disabled people across the country.

While some supports have been provided, it is important to remember that only about 50% of people on disability-related payments receive the Fuel Allowance. We have heard this year from several disabled people who are forced to live with their parents, due to lack of independent living supports, but who cannot get Fuel Allowance, meaning they contribute to heating bill costs from their core payment. And fuel supports this year do not match 2025 levels, when we factor in electricity credits.

The electricity credits were strongly welcomed by disabled families, who felt less fearful of their utility bills. However recent ESRI analysis confirms the perspective of DFI and other social justice organisations, that this significant financial outlay on universal supports was not an efficient

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<sup>44</sup> CSO (2026), [Enforced Deprivation](#).

deployment of state resources. The report argues targeted supports are the most effective and efficient way to reduce energy poverty. It has shown that an investment of €370 million could enable households to exit energy poverty. This cost “is significantly lower than the €550–575 million spent on universal electricity credits in 2024, suggesting that well-targeted measures could deliver similar support at roughly 40% lower cost”.<sup>45</sup> The report also found that a significant share of households in energy poverty rely on disability benefits. It observed: “it is noteworthy that the high frequency of disability benefits [...] suggests that health outcomes exacerbate the vulnerability of households in energy poverty.”<sup>46</sup>

While parliamentary questions and political responses have highlighted the Additional Needs Payment and the Heating Supplement as available supports, we are concerned that at the most fundamental level, many disabled people do not have enough income to pay their heating bills, an ongoing structural problem which cannot be solved through one-off ANPs.

Moreover, Ministerial responses have highlighted the 692 recipients of the Heating Supplement. However this seems like a very low number, given that there are 96,089 recipients of Fuel Allowance on disability-related payments. Not only that, but recent written responses indicate that only 298 Heating Supplement recipients receive a disability-related payment. Given that Electric Ireland (the largest energy provider) have around 8,000 people on their priority services register (ie homes with a resident who has a dependence on electrically powered equipment), this seems like a very low number of people getting this extra support.

While it is broadly out of the scope of the Department of Social Protection’s areas of responsibility at a policy and budgetary level, it is still relevant to acknowledge that recent research shows that it is more affluent communities that are primarily benefiting from retrofitting supports, renewable energy grants etc, potentially further locking in energy poverty and disadvantage.<sup>47</sup> Given that the Department of Social Protection is the Department with the poverty reduction mandate and responsibility, paying strong attention to these findings when working to reduce energy poverty will be crucial. It is important to avoid siloed approaches – multiple Departments need to work collaboratively to address this issue. Last year we expressed concern about the dilution of focus on energy poverty, through the move to focus on ‘energy affordability’. It is positive the National Energy Affordability Taskforce has

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<sup>45</sup> ESRI (2026), [More than one in ten households cannot afford a warm home or their energy bills](#).

<sup>46</sup> Op. cit., p. 44, 45.

<sup>47</sup> Pobal (2025), [Renewable Energy and Deprivation: Investigating the Relationship between Area-Level Deprivation and Household Renewable Energy Usage using the Pobal HP Deprivation Index](#), Abhilash C. Singh and Brian Caulfield (2026), [Affluence, Spatial Spillovers, and Inequality in Household Energy Transitions: Exploring the Determinants of Sustainable Technology Adoption in Ireland](#). Energy Research & Social Science Volume 134, April 2026.

recently engaged with civil society, and that one pillar of the forthcoming plan focuses on energy poverty. In the context of a just energy transition, DFI and other civil society organisations previously called on the 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.”<sup>48</sup>

## 5. Solutions and investment areas

### A) Cost of Disability payment and Action Plan essential

A positive development in Budgets 2023-2025 was the creation and retention of the ‘Disability Support Grant’. This was an important first step in acknowledging the extra disability-related costs, although it was clearly insufficient to address the Cost of Disability with a one-off payment. Equally the commitment in the Programme for Government to bring in an annual Cost of Disability payment was very welcome.

As we have highlighted since Budget 2026, it was a huge disappointment and step backward to see this support and acknowledgement taken away by a new government, especially one which had recently promised to address the Cost of Disability permanently. A precedent and expectation was established over the previous three years, and disabled people did not expect that this grant would be removed. The withdrawal of this support (and others), meant some people with disabilities were €1,264 worse off after Budget 2026. This was all the more shocking given the government commitment to deliver a Cost of Disability payment.

This error must be corrected in Budget 2027. We welcome the Minister for Social Protection’s indications that a Cost of Disability payment is his top Budget priority, and the policy focus and momentum demonstrated by the Department and government on this issue in the past six months.

A Cost of Disability payment was first recommended by the Commission on the Status of People with Disabilities in 1996.<sup>49</sup> DFI made a detailed submission to the consultation on Cost of Disability,<sup>50</sup> and attended the recent Summit, along with more than 15 members of the federation.

The amount of time between the Summit and the deadline for this Budget submission was very short - meaning there was insufficient time for post-summit analysis, reflection and sectoral consultation before submitting.

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<sup>48</sup> [Warm homes for all manifesto](#) and [Joint civil society submission to energy poverty action plan](#).

<sup>49</sup> For more on this, see [DFI’s submission to the 2024 consultation on the Green Paper on Disability Reform](#), pp. 23-26.

<sup>50</sup> DFI (2026), [Cost of Disability Submission](#).

We look forward to follow-up on the summit and further consultation on next steps and approaches, to deliver on the commitment to co-design.

Based on the common concerns in our own submission, those of our members and other disability organisations, we recommend the following initial actions in Budget 2027, to start to tackle Cost of Disability:

- Immediately provide an Emergency Payment of at minimum €400 - to replace the gap created by the removal of the Disability Support Grant with no replacement in last year's Budget.
- Introduce a recurring, universal and non-taxable Cost of Disability payment of €55 weekly (€2,860 a year) as an interim measure. A graduated Cost of Disability payment scheme based on differential need, recommendations to the public consultation and best practice should be developed over time. This must be developed through a process of co-design with disabled people, according to a timeline agreed through that process.
- Change criteria for the medical card (Department of Health) and 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.

The many extra costs disabled people face occur on a daily, weekly and monthly basis. To provide meaningful and predictable financial support, this payment needs to be provided weekly (or monthly) – this would support people to budget, provide financial predictability and stability.

This payment would clearly not address all the extra costs established by the Indecon report, and would 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. It was very positive to see strong acknowledgement of this at the recent Cost of Disability summit, through both political leadership and Departmental attendance. There is an opportunity and need for a longer-term strategic approach on this issue. The government should develop and resource a clear cross-Departmental Action Plan to fully address the Cost of Disability. This can be integrated into the second Programme Plan for the National Human Rights Strategy for Disabled People, and the new Roadmap for Social Inclusion.

For the Department of Social Protection, there is now a positive opportunity for Ireland to be a global and European leader by bringing in a Cost of Disability payment. Budget 2027 can bring in a basic universal payment as a starting point, while the co-design process gets underway towards developing a graduated Cost of Disability payment.

## **B) Benchmarking and indexation: MESL and Cost of Disability**

The inadequacy of social welfare rates has been highlighted since 2020, through the cost-of-living crisis, and the earlier gap between core social protection rates and the €350 Pandemic Unemployment Payment. This brought an important focus on the necessity to index and benchmark social protection payment levels, as the Irish Human Rights and Equality Commission and social justice organisations have recommended.<sup>51</sup>

There is no systematic approach to increases in Ireland's social protection rates, which are subject to annual political decisions. In Britain there is a statutory requirement to review social protection benefits annually, with reference to increases in the cost of living. The Social Security Act 1975<sup>52</sup> requires the relevant Minister to increase payments in line with inflation.

In 2024 the EU Commission recommended a move to indexation, advising that "indexing welfare payments could help Ireland reach the national 2030 target of 90,000 fewer people at risk of poverty."<sup>53</sup> Similarly the UN Committee on Economic, Social and Cultural Rights expressed concern about social protection inadequacy.<sup>54</sup> It recommended that Ireland establish a social protection floor, ensure social security covers everyone equally, provides sufficient support, and is indexed to the cost of living. Last year, the UN CRPD List of Issues asked about "measures to ensure that the disability allowance provides an adequate standard of living".

Social protection payments should be indexed or benchmarked on an annual basis, using the MESL as a guide. The Department can also refer to recent advice from the Nevin Economic Research Institute and Social Justice Ireland to the Committee on Budgetary Oversight on indexation.<sup>55</sup> However, any such endeavour must explicitly factor in the extra Cost of Disability - particularly the Indecon report and the 2025 ESRI findings. To benchmark 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**

Discussions at recent events, including the Cost of Disability summit and Social Inclusion Forum, again emphasised the urgent need for reform of the system of disability supports. While previous reform proposals were

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<sup>51</sup> 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](#).

<sup>52</sup> See pp. 3-4 of 'JRF, [Fifty Years of Benefit Uprating](#)'. Also [Benefit uprating: estimated number and type of GB families and individuals in families benefitting from the uprating of benefits in 2024/25](#).

<sup>53</sup> European Commission (2024), [2024 Country Report – Ireland](#), p.65.

<sup>54</sup> See [Summary of the concluding observations ICESCR](#) and [Committee on Economic, Social and Cultural Rights: Concluding observations on the fourth periodic report of Ireland](#).

<sup>55</sup> Oireachtas.ie (2024), [Committee on budgetary oversight hearing 17 April 2024](#).

rejected, no-one disagrees that progressive reform is needed. Meaningful reform requires action from multiple government Departments.

As we have previously emphasised, any reform should have the UN CRPD as its starting point. It should adopt a social model of disability, focusing on removing structural barriers to inclusion, participation and employment. In this context, the government has committed to address several issues in the Programme for Government, including reforming Disability Allowance, addressing anomalies and reviewing means-testing approaches, targeting supports and ensuring they are progressive.

While the outcomes of the Green Paper consultation were not published, key issues highlighted in DFI's submission to that process<sup>56</sup> and again to the recent Cost of Disability consultation include the need for tailored solutions and supports, the need to decouple secondary benefits, the necessity for a Cost of Disability payment, and to act to tackle the many structural barriers to employment. Our Budget 2027 recommendations address some of these key issues, which we hope will also see more permanent structural reform during the tenure of this government.

#### **D). Action on energy poverty**

Energy prices remain significantly higher than EU average, and look likely to rise further in the future. Supports should be more carefully targeted in this year's Budget. Given the interconnected issues involved in energy poverty, and the extent to which it arises as a result of inadequate income, co-ordinated policy-making is required across multiple Departments - including Social Protection, Environment, Climate and Communications, and Housing, Local Government and Heritage.

A joint energy poverty manifesto by 14 organisations including DFI previously made sever recommendations, including social protection actions – notably indexation, adopting MESL, benchmarking the pension and introducing a Cost of Disability payment.<sup>57</sup> In Budget 2027 the Department of Social Protection should:

- Actively participate in the National Energy Affordability Taskforce to promote a policy focus on Energy Poverty - emphasising targeted supports for the groups most at risk, including disabled people.
- Restore the purchasing power of the Fuel Allowance by increasing the payment rate by €4 a week and retaining the four-week payment duration increase, as per MESL recommendations.
- Develop an awareness campaign about the Heating Supplement to increase knowledge about it, and to significantly increase the numbers of disabled people who receive it.

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<sup>56</sup> Read [DFI's detailed submission to the Green Paper on Disability Reform Consultation](#).

<sup>57</sup> [Warm homes for all manifesto](#) and [Joint civil society submission to energy poverty action plan](#).

- Expand the Fuel Allowance to provide it to all people on a disability-related social protection payment.

## 6. Assessing the impact of Budget 2026

SILC data has shown that one-off measures in previous Budgets were quite effective at staving off increases in poverty. Ultimately though, they only temporarily bridged gaps, and didn't address the structural problem of income inadequacy and high consistent poverty for some groups. Temporary measures likely masked the real levels of poverty, which may be revealed from next year onwards. SILC 2025 data shows excluding cost of living measures, the at risk of poverty rate for people unable to work due to disability is almost 8% higher - 36.3%.

ESRI analysis flagged concerns that Budget 2025 would increase the At Risk of Poverty rate for disabled people. The authors warned, "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."

### Impact of removal of one-off measures

Unfortunately, this warning was not heeded, and supports ended with no replacement. As the ESRI's Budget 2026 analysis showed, "households affected by disability experience sharper losses in income, particularly those in lower income groups."<sup>58</sup> That article references previous publications which showed temporary measures protected the incomes of disabled people, saying "therefore, it is unsurprising that households containing a person with a disability are more negatively impacted by their withdrawal."<sup>59</sup> A graph shows disabled people experienced greater loss of income than those without disabilities, especially across the lowest three income quintiles. The report also flags that deprivation may increase, given permanent welfare and tax changes do not fully compensate for the withdrawal of one-off supports.<sup>60</sup>

Speaking at an Oireachtas hearing last year, one of the authors of the paper, Dr Karina Doorley, said their analysis "showed that the withdrawal of the temporary measures was particularly felt by disabled people. They lost disproportionately more of their disposable income in real terms as a result of that withdrawal than other households. With the reliance on one-off cost-of-living measures over a number of years, that was inevitable."<sup>61</sup> In another hearing with the Budgetary Oversight committee, when asked

<sup>58</sup> ESRI (2025), [ESRI special article: Distributional impact of tax and welfare policies: Budget 2026](#), p. 19.

<sup>59</sup> Op. cit., p. 20.

<sup>60</sup> Op. cit., pp. 21-22.

<sup>61</sup> Oireachtas.ie (2025), [Joint Committee on Disability Matters debate - Wednesday, 26 November 2025. Adequate Standard of Living for Persons with Disabilities: Discussion](#)

about people with disabilities, Dr Doorley said “our estimates show the at-risk-of-poverty rate for disabled households is likely to increase next year compared with a scenario where their payments had kept up with inflation. There is something to that for sure - they are losing out.”<sup>62</sup>

### **Cost of Disability support ended, despite promises**

As previously noted, the continuity of providing a ‘Disability Support Grant’ for three years in a row across Budgets 2023-2025 was welcome. While the provision was far from sufficient, addressing less than one twentieth of the Indecon costs range, and providing one-off support for costs that are lifelong, it was nevertheless an important precedent. This positive development was significantly undermined by the decision to end this support, with no replacement. DFI reiterates its call for government to take the first step towards delivering a co-designed Cost of Disability payment, by bringing in an interim weekly payment of €55.

### **Income disregard: static since 2023**

It was disappointing that the government again chose not to increase the income disregard in Budget 2026. Budget 2027 must address the fact that Disability Allowance disregard hasn’t increased since January 2023.

This is all the more striking given that the past two budgets have seen huge leaps forward in the income disregard for Carers. From 2021 until last year’s budget, means-testing income limits for Carers Allowance increased from €332.50 to €625 for single person, and from €665 to €1,250 for a couple. In Budget 2026 the weekly income disregard increased by almost €400, from €625 to €1,000 for a single person, and by €750, from €1,250 to €2,000 for a couple. This means the income disregard for carers tripled over a period of five years. The government has also committed to phase out means testing of Carers Allowance.

Compared to this, Disability Allowance shows a significant difference in treatment. Since 2021, the weekly income disregard has increased over the same five-year period by just €45 - from €120 to €165. Moreover, the income disregard has not increased in the past three years. Were it to have tripled in value like it did for carers, it would have reached €360.

Even to maintain its value in the context of inflation and wage growth, the income disregard would have needed to increase. Between January 2023 and April 2026 to keep up with inflation, the €165 figure would have needed to increase to €185.19.<sup>63</sup> Equally, in 2023 €165 was worth 14.6 hours of minimum wage work. But in 2026 the income disregard only allows someone to work for 11.66 hours at minimum wage, showing its

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<sup>62</sup> Oireachtas.ie (2025), [Committee on Budgetary Oversight debate - Tuesday, 18 November 2025. Post-Budget Engagement: Economic and Social Research Institute.](#)

<sup>63</sup> CSO, [CPI Inflation Calculator.](#)

declining value in real terms and that someone working a minimum wage job would have had to reduce their working hours to stay within the €165 bracket. Given the government's commitment to address employment, a significant increase in the disability income disregard is long overdue.

### **Disability proofing the budget**

DFI expressed concern for some years about the disability-proofing of the Budget, given that the ESRI's SWITCH model could not test the impact of Budgetary provisions on disabled people. We were pleased that this gap in effectiveness was addressed in recent years. It remains worrying, however, that the ESRI's post-Budget analysis consistently flags concerns about the welfare impacts for people with disabilities.

We also note the difference between the ESRI's analysis and predictions, and that of the Department of Finance. In response to a parliamentary question about how his Department calculated the Budget's impact on disabled people, the Minister for Finance responded that "when comparing new tax and welfare measures in Budget 2026 with permanent Budget 2025 measures, the analysis finds that households with disabilities see higher disposable income gains (1½ per cent on average) than non-disability households (0.6 per cent on average). Furthermore, lower income households affected by disability see a larger increase in their disposable income than high income households. The lowest income households with disability see gains of 3.9 per cent, compared with gains of 0.1 per cent for the highest income cohort."<sup>64</sup> This analysis seems to vary from the ESRI's above. Moreover, it deliberately focuses only on *permanent* measures, conveniently ignoring the income losses of up to €1,264 that some disabled people experienced when one-off measures were withdrawn. It is also important to remember that disabled households are much more likely to be in the lower income quintiles. Bearing this in mind, 1.5% of €254 is €3.81, while 0.6% of the average wage in Quarter 1 2026 (€1,074.61) is €6.45 - showing there are very different ways of understanding and assessing increases in income.

Given the significantly higher deprivation rates of people with disabilities, and in the context of government commitments, it is imperative that Budget 2027 proposals are rigorously disability-proofed, to ensure a strong and permanent impact on disability poverty is a key outcome.

### **Disabled people's dependence on Additional Needs Payments**

If we see the Additional Needs Payments (ANPs) as an indication of financial distress and income inadequacy, the consistent demand from people on disability payments shows they live with great economic vulnerability. Looking at the ANP breakdown by category, the extent to

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<sup>64</sup> KildareStreet.ie, [Written answers: 13 January 2026, Department of Finance Budget 2026](#).

which disabled people rely on them to supplement an inadequate income is clear and consistent. Since 2020, between 29 and 31 percent of ANPs have gone to recipients of disability-related social protection payments.<sup>65</sup> The level of consistent disability related drawdown from this fund provides further evidence that existing social welfare provision is insufficient to meet the basic needs of the disabled individuals.

## **7. Conclusion: Now is the time**

One in five people unable to work due to disability live in enforced deprivation. One in four couldn't afford a roast joint once a week, and were unable to afford a morning, afternoon or evening out in last fortnight. One in five went without heating. While the specific percentages of poverty rates change, the key issue doesn't - year in and year out, people with disabilities are disproportionately at risk of poverty.

This is unacceptable. All the more so in a country that is wealthy and continues to experience economic growth. It is time to act on the clear and strong political and public mandate to tackle disability poverty. Things can, and must, be different.

The government has ground to make up this year, given the steps backward taken in last year's Budget. At the 2026 Social Inclusion Forum An Taoiseach Micheál Martin recently said "we do have the resources available to tackle problems of social inclusion". Minister for Social Protection Dara Calleary has frequently said that bringing in a Cost of Disability payment his top priority. These are welcome statements, but they must be backed up by sufficient resource allocation in Budget 2027.

DFI's Budget submission outlines key solutions. Now is the time to bring in the long-called for Cost of Disability payment, to increase the income disregard and tackle other structural barriers to employment. In doing so, we can finally make permanent progress on issues that lock in disability poverty, deprivation and low employment rates.

Ireland can be a leader on Cost of Disability, by working with people with disabilities and disability organisations to develop solutions. A Cost of Disability payment that actively compensates disabled people for the financial barriers to equal participation that they experience, and protects from poverty, can help to ensure no disabled person has to go without due to their disability.

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<sup>65</sup> Department of Social Protection Responses to "Written Requests for Information in advance of the June DSP Bilateral with C & V Pillar", June 2026.



## **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.

DFI, Fumbally Court, Fumbally Lane, Dublin 8

Tel: 01-4547978

Email: [info@disability-federation.ie](mailto:info@disability-federation.ie)

Web: [www.disability-federation.ie](http://www.disability-federation.ie)

Registered Charity Number: 6177 Company Number: 140048

Charities Regulator Number: 20010584



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