

Law & Policy Group

GRIST

Ireland: Employment-related provisions feature in Budget 2022

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Ireland's Budget 2022 — delivered on 12 Oct 2021 — is significantly less than the 2021 budget (€4.7 billion versus 17 billion), and focuses on a range of measures to address the impacts of the COVID-19 pandemic and Brexit. A much-improved 6.5% growth rate is expected for 2022, with employment figures reverting to pre-pandemic levels.

Highlights of the employment-related measures

- An increase to the contributory state pension full rate by €5 per week to €253.30 (€13,171.60 per year). This will affect all “integrated” defined benefit schemes that refer to the state rate to calculate benefits and/or contributions. It is unclear when the increase will take effect — in recent years, increases have applied from March, creating additional calculation complications for integrated schemes.
- Expansion of the Parents' Benefit to seven weeks from July 2022 (the current leave allowance is five weeks)
- Increased maternity and paternity leave benefits by €5 per week
- Increased minimum wage to €10.50 per hour — up from €10.20
- Increased Universal Social Charge ceiling to €21,295 — up from €20,687
- Increased weekly income threshold to €410 — up from €398 — for payment of the higher rate of employer's contribution to the Pay-Related Social Insurance.
- Continuation of the Employment Wage Subsidy Scheme until 30 Apr 2022 — the scheme will be closed to new employers from 1 Jan 2022, and will be gradually phased-out
- Permitted 30% tax deduction of vouched expenses (heat, electricity and broadband costs) for remote workers working from home

The budget did not include any expenditure allocation to implement the automatic enrolment retirement savings system (the policy featured in the 2020 Programme for Government), or recommendations arising from the Report of the Commission on Pensions published on 8 Oct 2021.

Related resources

- [Budget 2022](#) (Government, 12 Oct 2021)
- [Report of the Commission on Pensions](#) (8 Oct 2021)

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