

RECOVERY PLAN IS WORKING

Economy **grew by 0.9%** in 2012 and will grow by **1.5%** in 2013

NTMA has raised **over €7 billion** in second half of 2012, Banks & Semi-States are back in the market, yields continue to fall and we are on target to emerge from EU/IMF programme in 2013.

Unemployment levels remain **too high** but latest figures show a **fall on an annual basis** for first time since 2005

General Government Deficit of **8.2%** projected for 2012, well within our programme commitments for a second year and Budget 2013 will deliver target of **7.5%**

General Government Debt will **peak in 2013**

IMPLEMENTING OUR PLAN

Fair, equitable and designed to **limit the impact** on the most vulnerable and support **job creation**

After Budget 2013, **85% of adjustment** completed

No increases to income tax credits, rates or bands

No change in basic weekly social welfare rates & frontline services prioritised in Education & Health

BROADENING THE TAX BASE

Motor tax and VRT will be increased with dual registration of 131 & 132 introduced

Excise duty on alcohol increased for first time in a decade & also increased on tobacco

Local Property Tax (LPT) payable at a rate of 0.18% of the market value of properties (by reference to bands of €50,000) up to €1m and 0.25% on any balance above €1m

Household charge will be abolished and LPT will be payable from the 1st of July for half year only

FAIRER TAXES

Tax relief on **pension contributions** limited to pensions of €60,000 or less from 2014 affecting high earners in public and private sector

Top Slicing Relief limited to non-statutory ex-gratia termination and severance payments of less than €200,000

CGT, CAT and DIRT increased to 33%

Standard rates of USC (7%) applied to those aged 70 years of age and over and all medical card holders earning €60,000 (twice the average industrial wage) and above.

SECURING THE PRSI SYSTEM

PRSI base broadened by increasing the annual minimum contribution for self-employed to €500 and removing the €127 weekly PRSI allowance

Employees who earn **€352 or less** per week continue to have **no liability** to make a PRSI contribution are **not affected**

For **modified rate contributors** income from a trade or profession will be subject to PRSI as will their **unearned income** with effect from 1 January 2013

Unearned income including rental, investment, dividends and deposits income will be subject to PRSI for PAYE employees from 2014

SUPPORTING JOB CREATION AND ECONOMIC RECOVERY

A **Ten Point Tax Plan** introduced for SME's, including farms, to enhance cash flow, to reduce administrative burden and to assist companies to grow and expand into new markets and products

A **Rebate on Diesel for licensed hauliers** from 1 July 2013 to reduce transportation costs

Support for the Tourism sector through the Gathering 2013 and **9% VAT** maintained for 2013

Local property tax (LPT) introduced as opposed to income tax increases, to minimize negative effect on jobs and the economy

LPT includes **exemptions up to 2016 for new and previously unoccupied homes** and also for **first time buyers** in 2013 to support emerging recovery

Five-year Capital Framework of €17 billion out to 2016 of which €3.5 billion allocated in 2013 and capital programmes augmented by PPPs

Access to 30% of AVCs to be allowed until 2016 and **0.6% Pension levy** will be abolished in 2014

New SME Funding Supports being developed by NPRF

Launch of a **new ten-year €175 million Venture Capital Fund**, which will fund new and expanding Irish companies over the medium term
Additional €12 million in 2013 and €26 million in a full year to **increase the numbers of placements available on labour activation schemes**

KEY EXPENDITURE MEASURES

Social Protection, Health and Education expenditure is 83% of total current spend.
Affecting these areas is unavoidable

The headline social welfare payments, including pension payments are **protected and frontline services will continue to be prioritised** in Education & Health

SOCIAL PROTECTION

Duration of **jobseeker's benefit** reduced by 3 months

Child benefit will be reduced by €10 per month saving €142 million in a full year

Respite Care Grant reduced by €325 to €1375

Changes to **Household Benefits Package** saving €84 million in a full year

HEALTH

Reduction in cost of **drugs and prescriptions**

Increase in **Drug Payment Scheme** threshold and charges for medical card holders

Significant **pay-related savings** will be delivered

EDUCATION

Increase **student contribution** by €250 in 2013, 2014 and 2015

2 point increase in **Pupil Teacher Ratio** for fee charging and PLC schools only

REFORMING OUR PUBLIC SERVICES

Fundamental reform of public services is underway and a new process is commencing under the Croke Park Agreement

REFORMING HOW WE PRACTICE POLITICS

Extension of the **Ombudsman's remit**

Work on the **Protected Disclosures in the Public Interest Bill** continues

Reform of the **Freedom of Information framework** ongoing

Priority drafting of a Bill for **Oireachtas inquiries** is underway

POLITICAL ALLOWANCES REFORM

The expenditure limits of the **Parliamentary Standard Allowance** will be reduced by between 10% and 25% and the **unvouched element** will be abolished

Pre-paid envelope allocation to be halved

The Party Leader's Allowance will be reduced by 10% and a Statement of Expenditure to the Standards in Public Office Commission required for all members

Ministers' severance payments will be abolished