

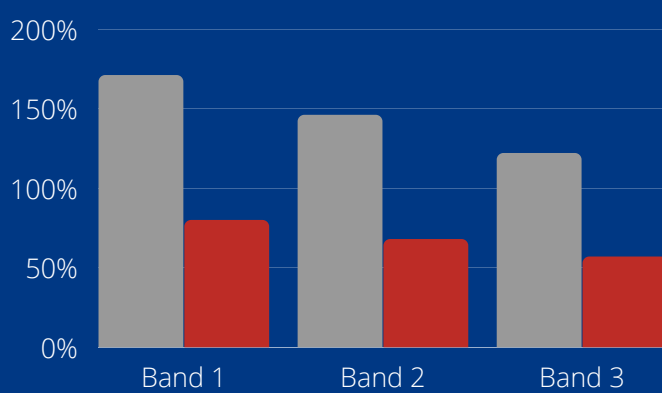
There is strong evidence to suggest that the interaction of our tax and welfare policies penalises low-income workers with earnings between €18k and €30k per annum so severely that it undermines their economic rationale for working. We call this income region the Jobs Kill Zone.

Low paid workers

Housing

Band 1 (urban) = €35,000
Band 2 (regional) = €30,000
Band 3 (rural) = €25,000

■ As A Percentage of Minimum Wage
■ As A Percentage of Average Industrial Wage (Q4 2020)



Each band is an income limit set by the Department of Housing, Local Government and Heritage. These income limits are relative to the cost of housing in Ireland. We believe they provide reason for many people to decline higher rates of pay or to work at all. In many cases, individuals may decline a job or a promotion purely because of the impact on their ability to remain on the social housing list. This is unsustainable.

Policy recommendations

- **Pay Related Social Insurance** | Eliminate high marginal PRSI rate in the Transition Zone (€18,304 to €22,048 per annum)
- **Access to the Medical Card** | Set the basic qualifying rate at more than 30% above the comparable Jobseekers assistance rate
- **Jobseekers Allowance** | Replace child element by increasing and taxing Child Benefit, phase out Working Family Benefit
- **Access to Social Housing** | Increase income thresholds, reform or remove link between income and local authority rent



“These four policy changes taken together would eliminate the Jobs Kill Zone and significantly improve the incentive to work among low-skill workers. We believe that there are strong economic, social and moral arguments in favour of changing the policies which have created the Jobs Kill Zone. We believe that our conclusions and recommendations are evidence-based and would transform the position of low-income workers. We hope that the newly established Commission on Taxation and Welfare will endorse our findings, and that the Government will commit to addressing these issues in Budget 2022.”

- NEIL MCDONNELL, CEO