



MINIMUM  
ESSENTIAL  
BUDGET  
STANDARDS  

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RESEARCH CENTRE

# LOW HOUR WORK & INCOME ADEQUACY

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MINIMUM ESSENTIAL STANDARD OF LIVING WORKING PAPER

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# Minimum Essential Standard of Living

- VPSJ has conducted Consensual Budget Standards research since 2004

Two parts to the research:

1. **Expenditure** required for a Minimum Essential Standard of Living (*MESL*) which meets physical, psychological and social needs.
2. **Income** needed to afford the expenditure – Minimum Income Standard (*MIS*)

# Minimum Essential Standard of Living



FOOD



CLOTHING



HEALTH



HOUSING



CHILDCARE



PERSONAL CARE



INSURANCE



SAVINGS



TRANSPORT



ENERGY



COMMS



EDUCATION



SOCIAL INCLUSION



HOUSEHOLD GOODS



HOUSEHOLD SERVICES



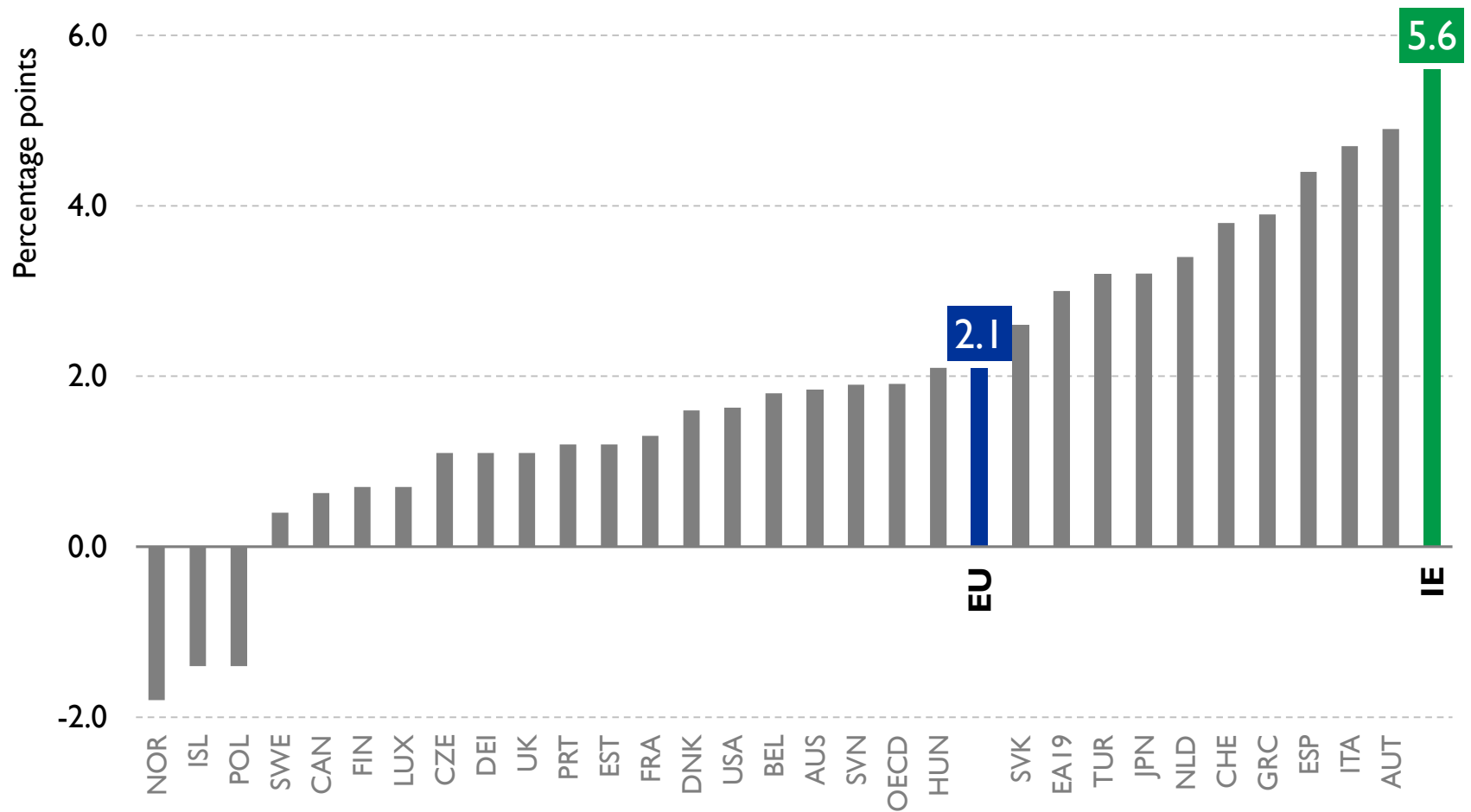
PERSONAL COSTS

- Standard which no one should be expected to live below
- Emphasis is on needs & not wants
- Cost is based on actual price of detailed basket of over 2,000 goods & services

# Minimum Wage & Low Hour Work

- Minimum Wage
- Need also to look at issue of hours
- Under-employment
- How Tax & Social Welfare System interact with Minimum Wage & Low Hours

# Change in Part-Time, 2007 to 2014



# Supports for Low Hour Workers

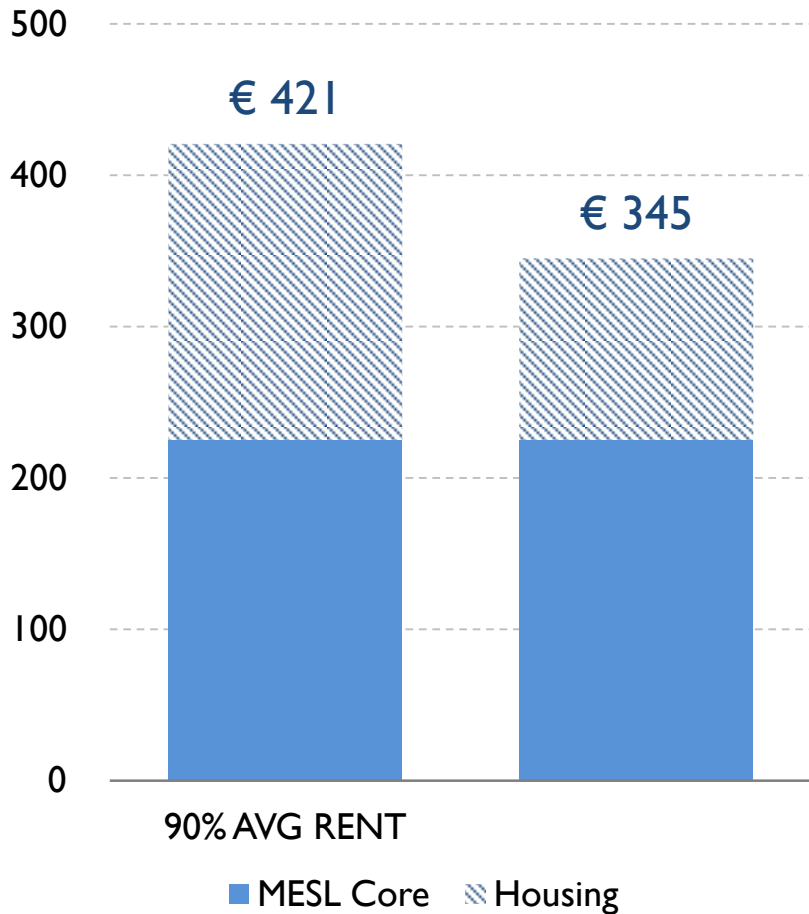
## TAX

- PAYE Income Tax
  - Exempt  
First 35 hours NMW
- USC
  - Exempt  
If less than 27 hours NMW
- PRSI
  - Exempt  
If less than 38 hours NMW

## SOCIAL WELFARE

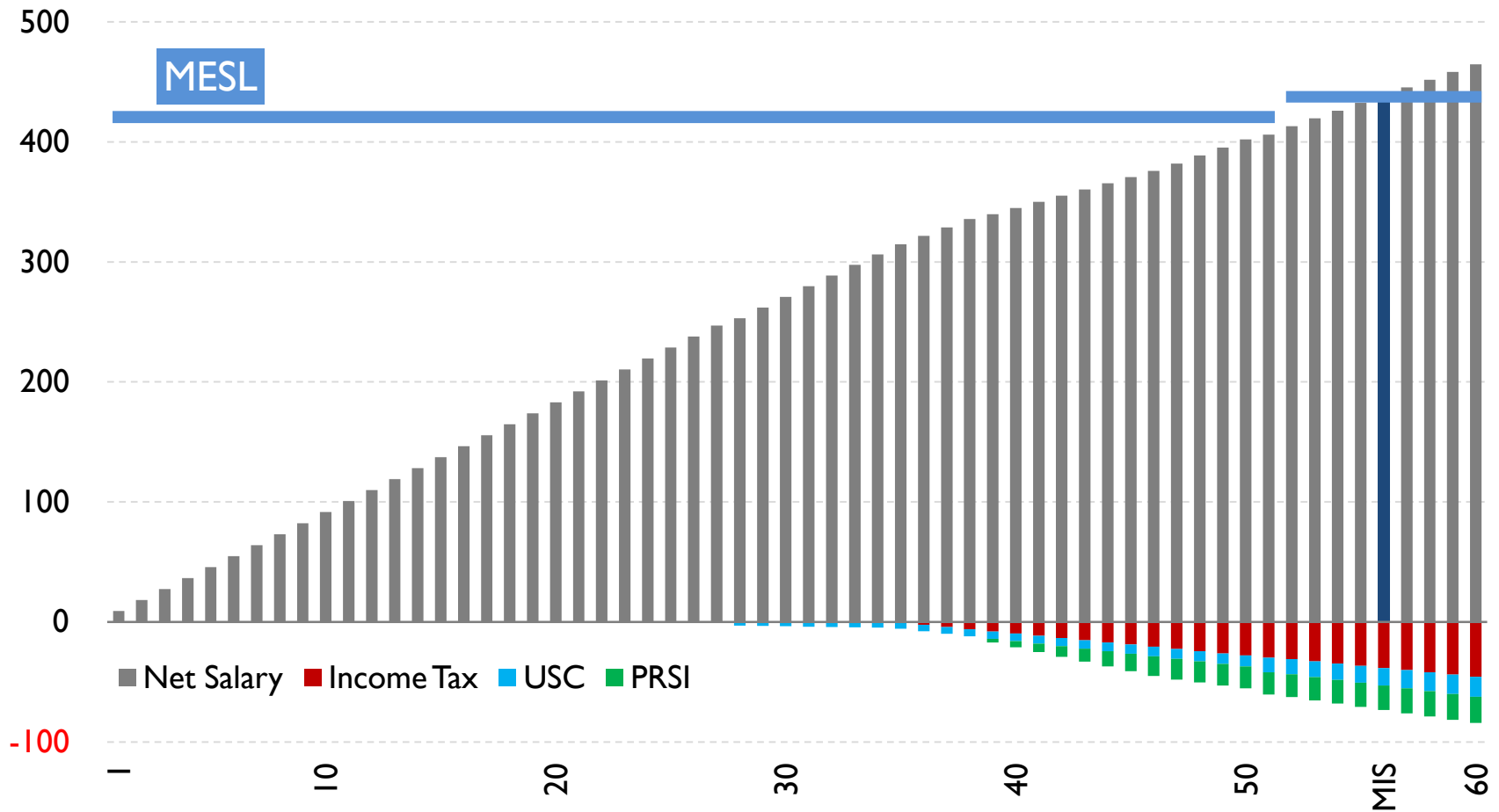
- Jobseeker's Allowance
- Part-Time Jobs Incentive
- Family Income Supplement
- One-Parent Family Payment
- Jobseeker's Allowance  
Transitional

# Single Adult MESL Expenditure Need



- 2015 MESL Figures
- 2016 Incomes
- Avg Private Rent (90%)
- Rent Supplement

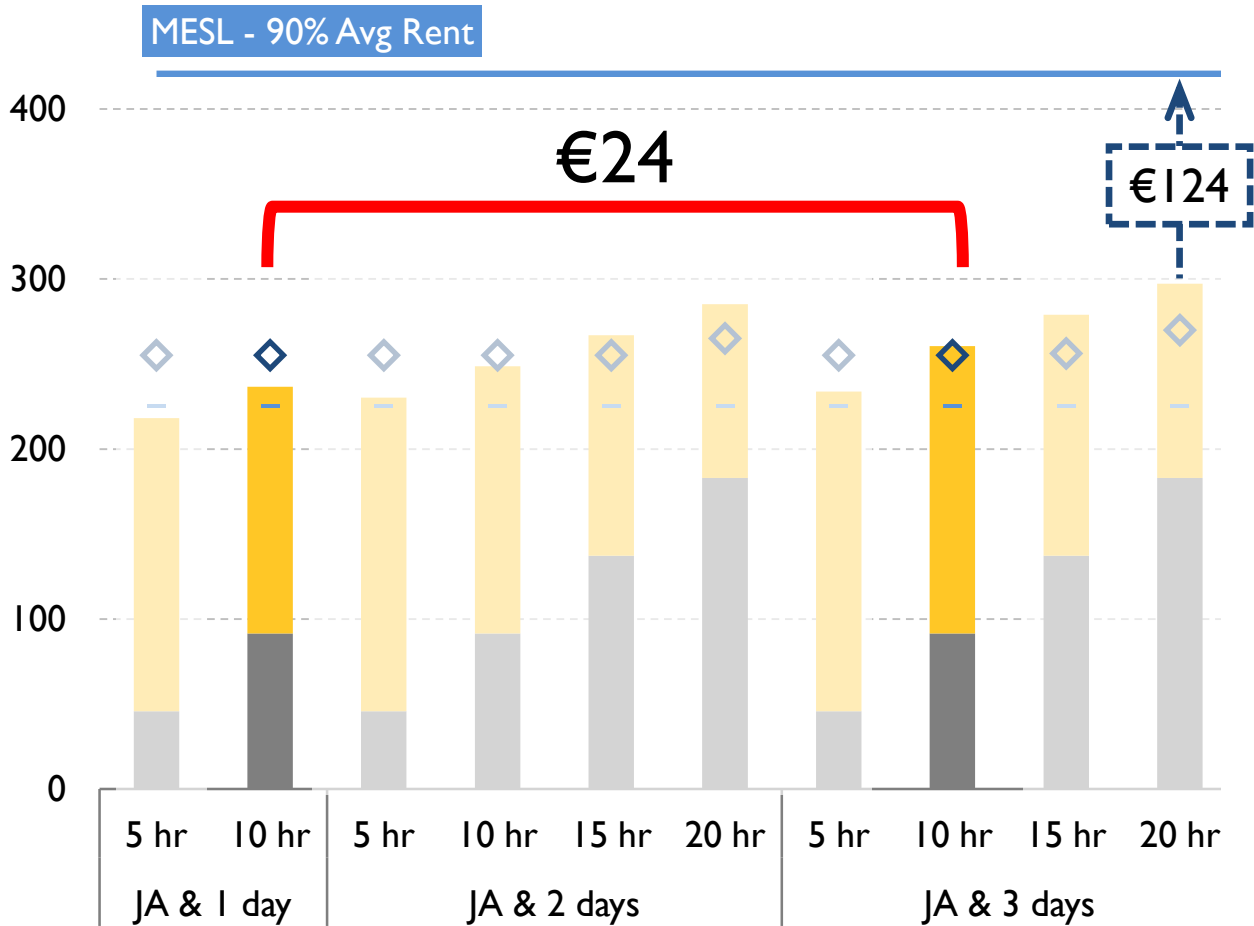
# Salary per week, by hours of NMW employment



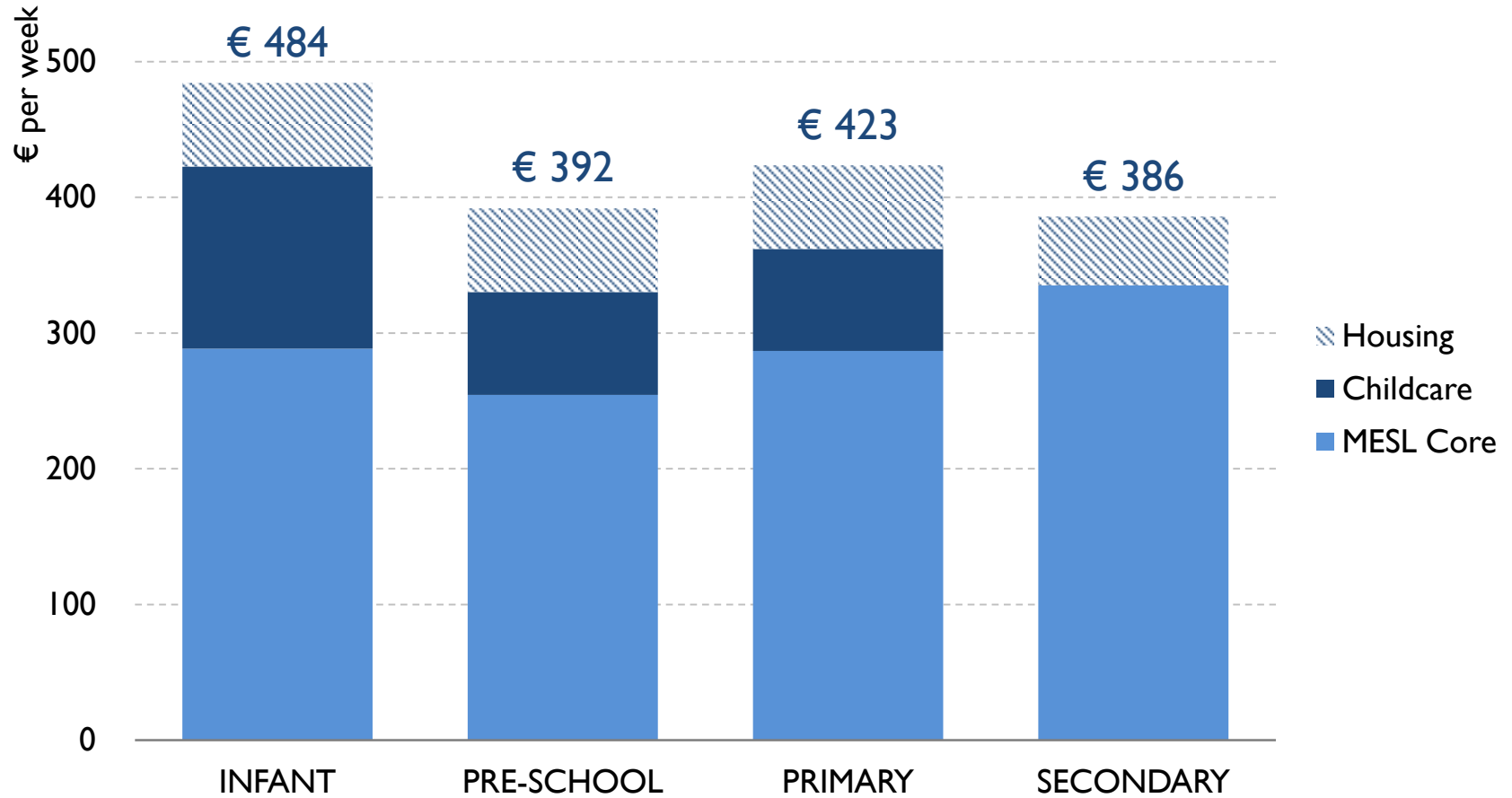
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# Single Adult – NMW & Social Welfare



# One Parent & One Child



# Social Welfare Supports by Age of Child

**Under 7**      One-Parent Family Payment      **AND**      Family Income Supplement

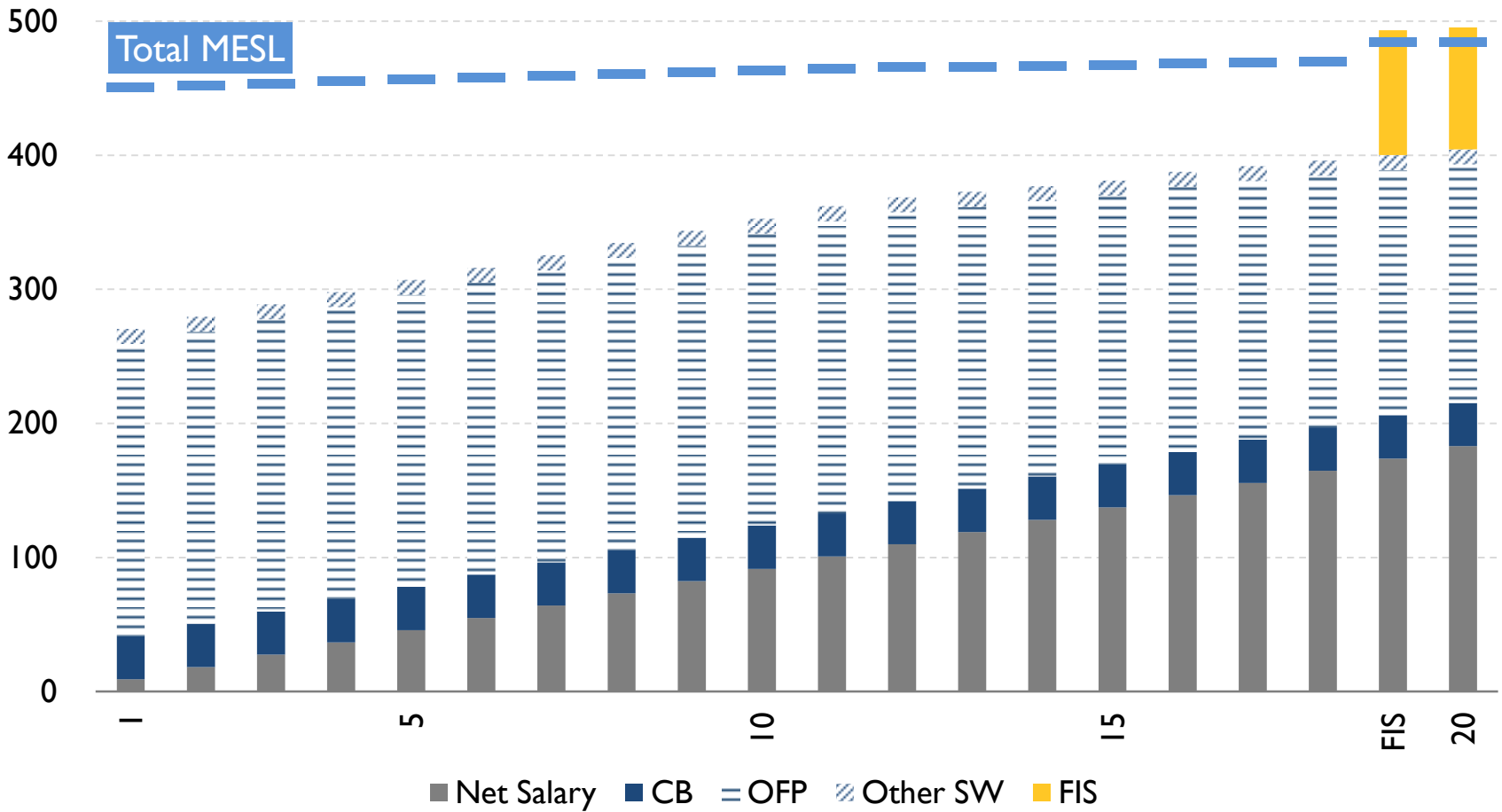
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**Aged 7 to 14**      Jobseeker's Allowance Transition      **OR**      Family Income Supplement

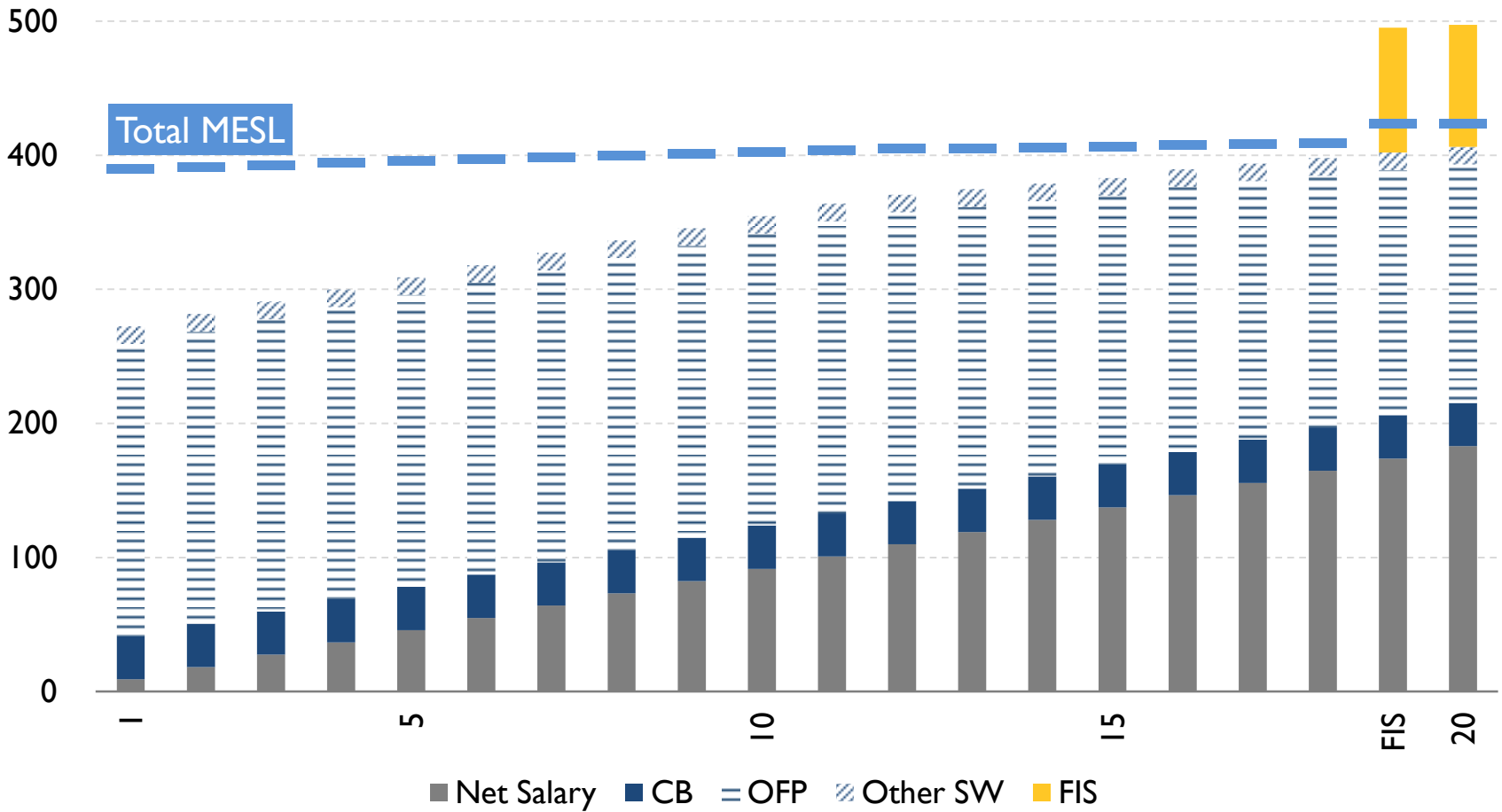
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**Aged 14+**      Jobseeker's Allowance      **OR**      Family Income Supplement

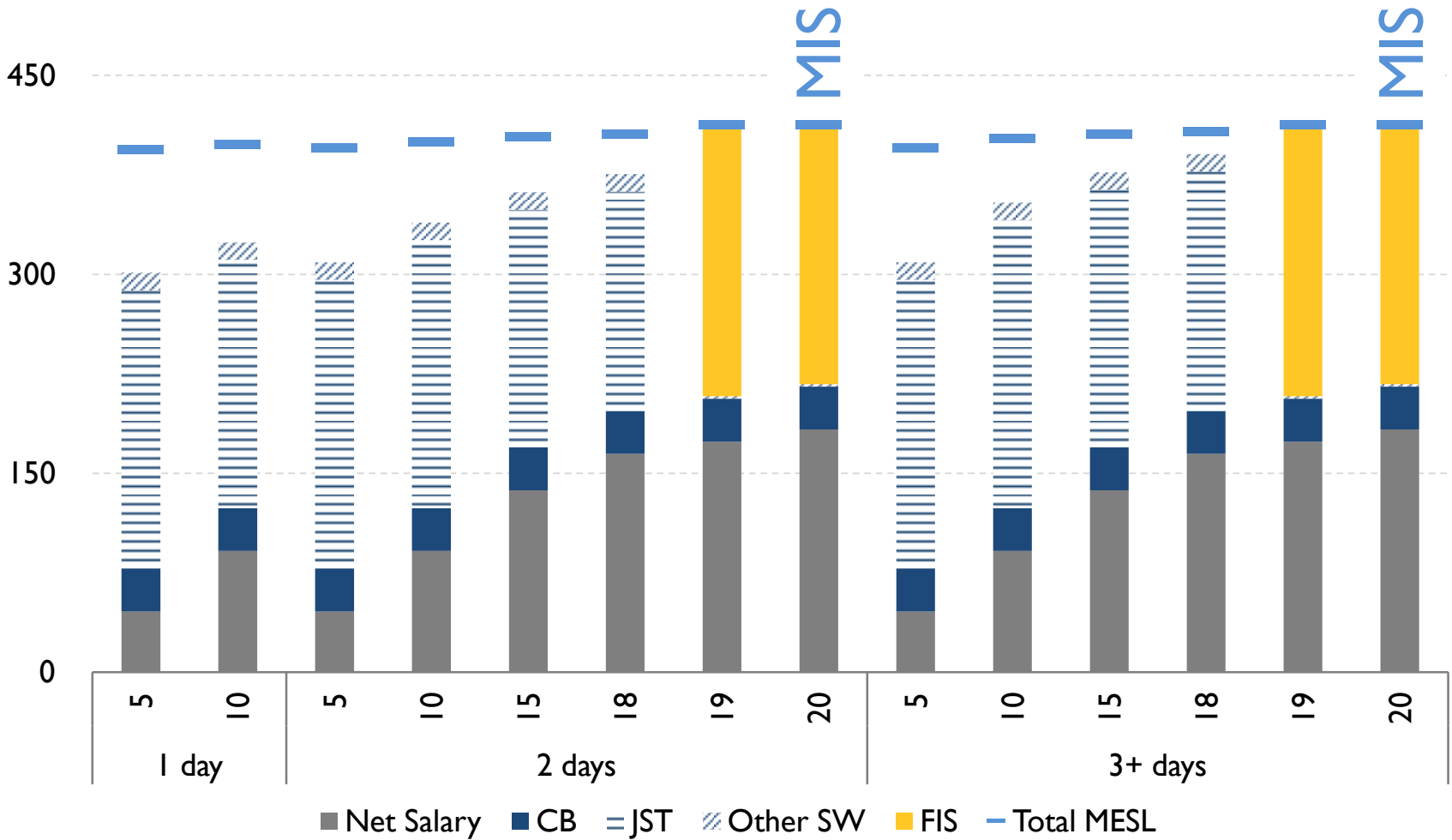
# One Parent & Infant



# One Parent & Primary School (Under 7)



# One Parent & Primary School (Over 7)



# Conclusion

- Adequacy of hours must be examined as well as adequacy of minimum wage rate
- Combination of part-time work and social welfare can improve the income position of compared to social welfare alone
- Complex system for One Parent households
- Family Income Supplement is vital
- System is inconsistent



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