



Rialtas na hÉireann  
Government of Ireland

# The Budget in Brief

## Your guide to Budget 2024

Prepared by the Department of Public Expenditure, NDP Delivery and Reform  
[gov.ie/budget](https://www.gov.ie/budget) | [#Budget2024](https://twitter.com/Budget2024)



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# Welcome to the Budget in Brief

This guide provides a high-level overview of Budget 2024.

Each year at Budget time important decisions are made about how public money will be spent and the level of taxation needed to fund this.

This guide aims to explain how money will be raised and spent in 2024. It has an easy-to-use format so that it can be used by a wide cross-section of society. This will enable people to take part in informed debate about the choices made by Government.

This guide provides a high-level overview of Budget 2024. If you would like to know more about any information found in this guide, [visit www.budget.gov.ie](http://www.budget.gov.ie) where a range of more in-depth material is available to download.

## What is the Budget?

In autumn of each year, the Minister for Finance and Minister for Public Expenditure, NDP Delivery and Reform announce the Government's spending, tax and borrowing plans for the following year.

This is called the national budget.

The budget covers all of Government spending and revenues. It includes all Government Departments and agencies, non-commercial State bodies as well as Local Government sector.



# Overall Breakdown of Tax and Expenditure Measures

## Budget 2024: Protecting Living Standards and Safeguarding our Future

This graphic shows a high-level breakdown of the changes in tax and Government spending that are included in Budget 2024. The dark-coloured boxes represent “core” or permanent measures that reoccur year after year. The light-coloured boxes represent “non-core” or temporary measures introduced to deal with specific challenges in 2024.



# The Budget Process

## The Stability Programme Update

In April, the Stability Programme Update is submitted to the European Commission. This outlines the economic background to the budget and sets out the Government's economic strategy over the next five years.

## Summer Economic Statement

In July, the Summer Economic Statement is published. It provides an updated assessment of how the economy and the public finances are doing and sets out the Government's strategy for the Budget. It allows for an open discussion about options and priorities in advance of the budget.

In June, the National Economic Dialogue is held. It is attended by Ministers, Members of the Oireachtas, business and employee representatives, social and voluntary groups, environmental groups, and other representative bodies. The Dialogue allows for the sharing of views about the competing economic and social priorities facing Government.

## National Economic Dialogue

In July, the Mid-Year Expenditure Report reviews the Government's expenditure position to end-June across all spending areas. It sets out the up to date pre-Budget position.

## Mid-Year Expenditure Report

### White Paper on Receipts & Expenditure

On the weekend before the Budget, the White Paper on Receipts & Expenditure is published by the Department of Finance. It sets out projected national revenues and spending for the current year, and also for the next year (2024). It sets out the opening position for the Budget, and figures are calculated on a pre-Budget basis (i.e. based on the current Budget, and not the Budget to be announced the following week).

### Social Welfare and Pensions Bill & Finance Bill

The Social Welfare and Pensions Bill provides for changes in the social welfare code announced in the Budget, and is usually enacted soon after Budget Day. The Finance Bill, which puts the tax measures announced in the Budget into law, must be enacted within four months of the passing of the Budget Day Financial Resolutions.

On Budget Day, the Minister for Finance and Minister for Public Expenditure NDP Delivery and Reform present the Budget Statements to Dáil Éireann. They explain the changes Government proposes to make to taxes and spending in the following year. These proposals are debated. Any changes that are proposed to have immediate effect are voted on by Dáil Éireann as Financial Resolutions.

### Budget Day

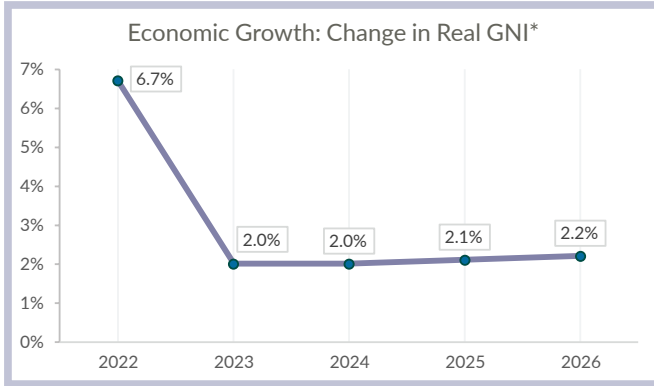
In December, the Department of Public Expenditure NDP Delivery and Reform publishes the Revised Estimates Volume. This book provides full details about spending in each Government Department and agencies, as well as performance information.

### Revised Estimates Volume

# How is the Economy doing?

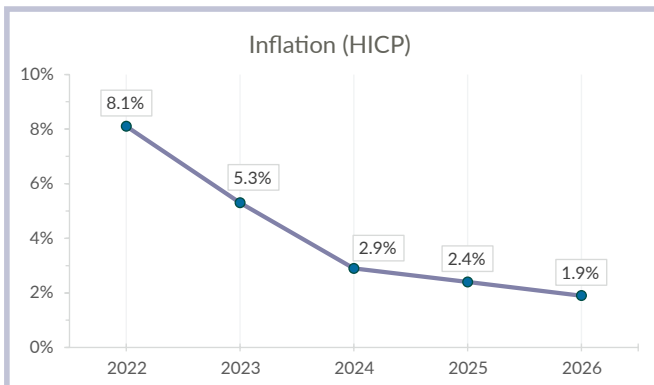
## Economic Growth

Modified Gross National Income (GNI\*) measures the size of our economy in a given year. 'Real' GNI\* strips out the effect of inflation, allowing us to judge whether the economy has 'really' grown (rather than prices simply increasing). If GNI\* is growing, our domestic economy is performing well.



## Inflation – the changing cost of living

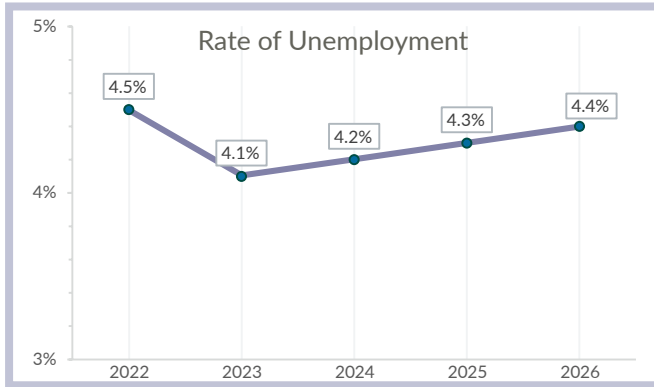
Inflation is an increase in the prices of goods and services. How quickly prices go up is called the rate of inflation. The Harmonised Index of Consumer Prices (HICP) measures the overall change in the prices of goods and services that households typically buy over time. It allows comparisons with other EU countries.





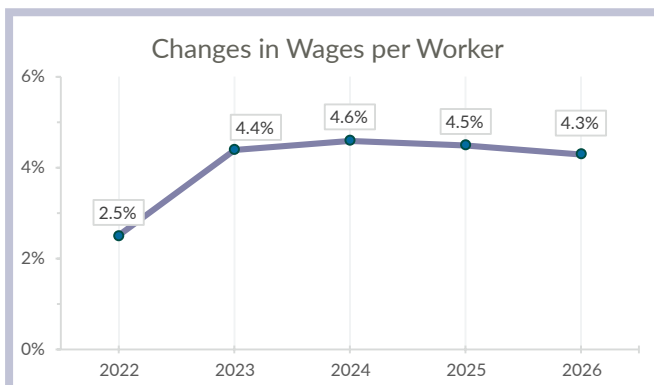
## The Labour Market – Unemployment

There are over 2.6 million people employed in Ireland – this is more than ever before. The unemployment rate reflects those that are not in work but are available for work, as a percentage of the total labour force.



## The Labour Market – Growth in Wages

Average wages have been increasing in Ireland for two reasons. One, the increase in the cost of living means that workers need higher wages to get by. Two, the low rate of unemployment means that workers are in demand and can bargain with employers for the higher wages that they need.



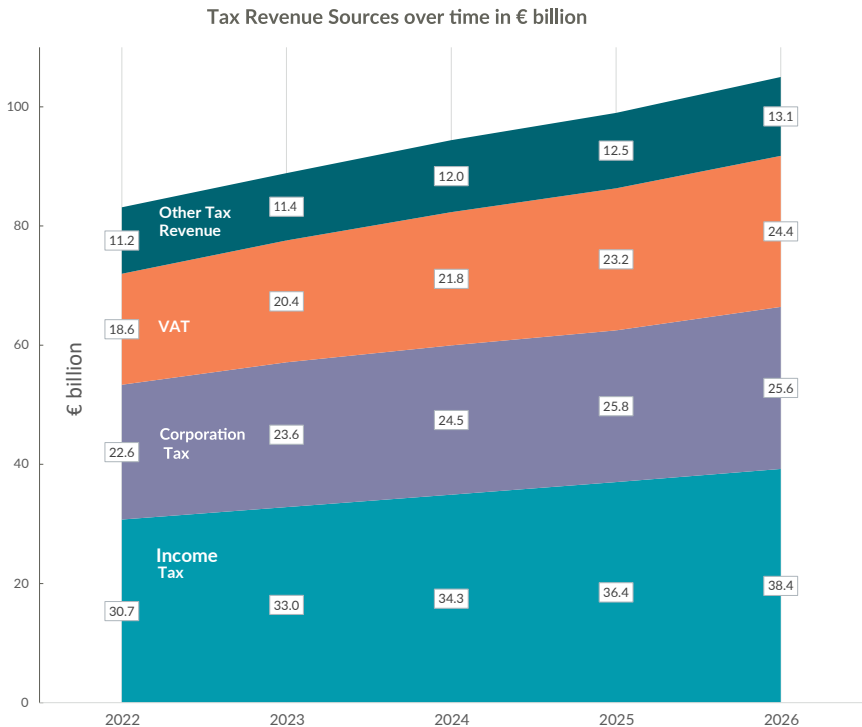
## Where does the money come from?

All tax payments and other revenues received by the State are paid into a central fund, called “the Exchequer”. Government expenditure is funded from the Exchequer.

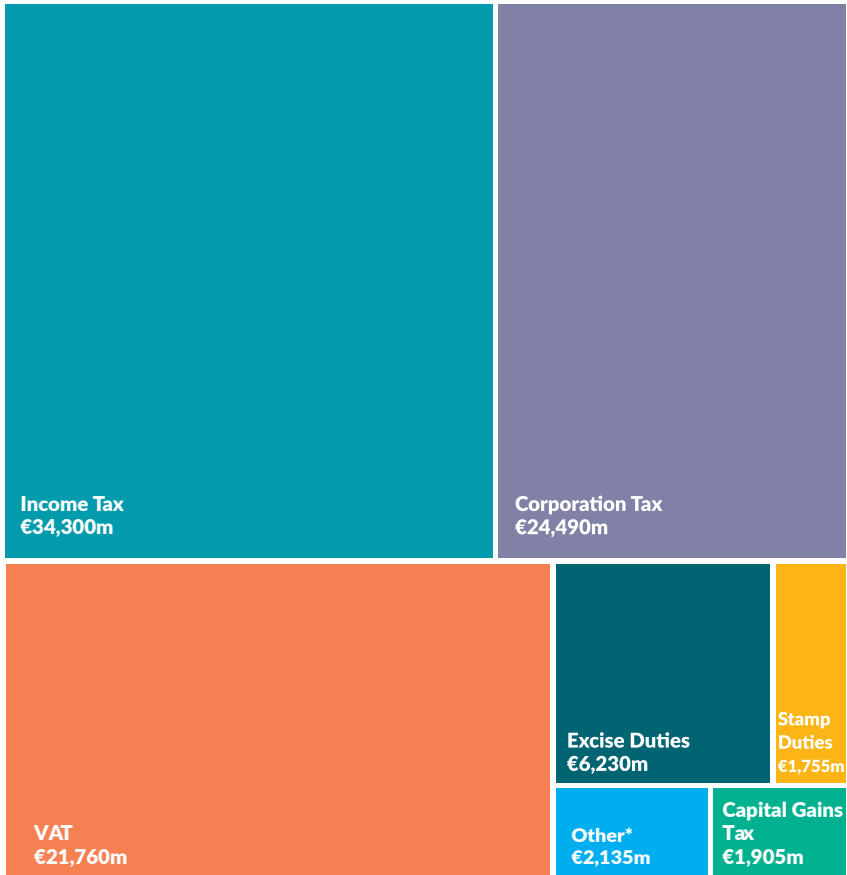
Government receives money from a number of sources, with most of this coming from tax revenue and Appropriations-in-Aid.

- Tax revenue is paid by people and businesses (e.g. Income Tax, Corporation Tax).
- Appropriations-in-Aid are the money generated by Government Departments and bodies for their own use.

This chart shows how the size of the three largest tax revenue sources changes between 2022 and 2026, with remaining sources grouped in the “Other Revenue” category:



This chart shows a breakdown of the amount of money that Government expects to raise through each tax revenue source in 2024. The larger the rectangle, the greater the portion of revenue raised by that source.



\*\*Other: projections for 2024 are as follows:

- Motor Tax.....€870m
- Capital Acquisitions Tax.....€660m
- Customs.....€605m

# How is the Money Spent?

Money raised by the Government is spent on delivering public goods and services.

It can be divided into current and capital expenditure.



**Current expenditure** covers day-to-day spending by Government Departments, Agencies and Non-Commercial State Bodies and includes the wages and pensions of public servants .

**Capital expenditure** includes spending on long-term physical assets (such as roads, bridges, hospital buildings and schools) and on non-physical assets (such as computer software).

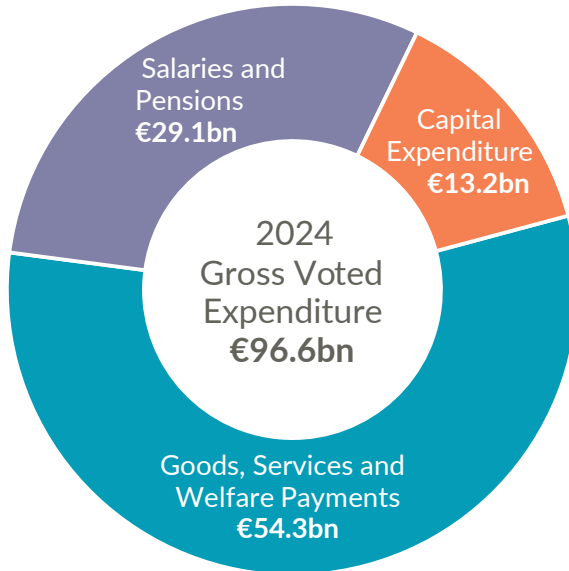


The expenditure that is approved by the Dáil during the budget process is called “**Voted Expenditure**”.



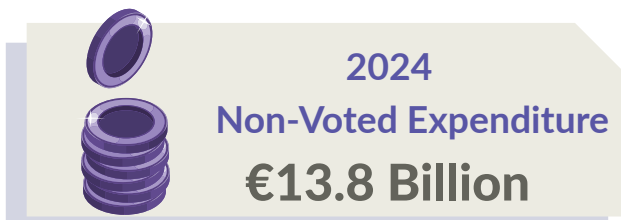
This chart shows how Voted Expenditure of €96.6 billion for 2024 is broken down between spending on goods and services, salaries and pensions, and capital expenditure.

The figures are in € billions.



**Non-Voted expenditure** is not subject to annual Dáil approval but is allowed for under existing laws. It includes spending such as interest on the National Debt and Ireland’s contribution to the EU Budget. It also includes costs such as the Houses of the Oireachtas and the salaries of judges.

Deposits into the “Future Ireland Fund” are classified non-Voted Expenditure. Next year, €4.3 billion will be saved in the National Reserve Fund.



# Voted Expenditure 2024

This chart shows the amounts of money that will be available for different policy areas in 2024 (in € billions).



# Responsive Expenditure Measures

Budget 2024 is providing €4.5 billion to respond to exceptional challenges that still face our country, such as continuing our humanitarian response to families fleeing the invasion of Ukraine and some COVID-19 related spending needs



**€2.5 billion**

providing humanitarian support to refugees from Ukraine such as accomodation, welfare payments and education.



**€1.3 billion**

to continue to respond to COVID-19



**€0.7 billion**

for other responsive provisions, including projects funded by the National Recovery and Resilience Plan and REPowerEU.

# The Cost of Living

## What is inflation?

Inflation is an increase in the level of prices of the goods and services that households buy. How quickly prices go up is called the rate of inflation.

The rate of inflation is now lower than it was in October 2022, meaning that, while prices are still rising, they are not rising as quickly as before.


## What is being done about the cost of living?

Temporary expenditure and taxation measures worth almost €3 billion were included in Budget 2023, to help households struggling with rising costs of living in the winter of 2022/2023. While new cost of living measures are included in Budget 2024 (see opposite page), an additional €1.3 billion in temporary supports was announced in spring 2023, listed below:

- €100 increase in the Back to School Clothing and Footwear Allowance
- Reduced school transport charges
- Hot School Meals extended to all DEIS primary schools (DEIS: Delivering Equality of Opportunity in Schools)
- State Examination fees waived for students sitting Junior Certificate and Leaving Certificate exams in 2023
- €200 lump sum to all recipients of long-term social welfare
- Lump sum child benefit payment of €100 per child
- Extension of temporary reductions in the rate of VAT on the supply of gas and electricity
- The phased restoration of the rates of excise on petrol, diesel and marked gas oil
- Extension of the temporary reductions in the rate of VAT on Tourism and Hospitality to 31 August 2023




# One-Off Cost of Living Supports

 2023/2024

**€450**  
Electricity Credits  
(3 x €150)

**All Households**

 Winter 2023


**€300** LUMP SUM  
Fuel Allowance

**c. 370k recipients**

 Winter 2023

**€200** LUMP SUM  
Living Alone Allowance

**c. 47k recipients**

 Winter 2023

**DOUBLE MONTH**  
Child Benefit

**c. 1.2m children**

 Winter 2023


**€400** LUMP SUM  
Working Family Payment

**c. 47k recipients**

 Winter 2023

**€100** LUMP SUM  
Qualified Child Increment

**c. 370k children**

 Jan 2024


**DOUBLE WEEK**  
All Weekly Welfare Schemes

**c. 1.4 - 1.5 million recipients**

 Winter 2023


**€400** LUMP SUM  
To selected categories\*

**c. 350k recipients**

 Winter 2023

**DOUBLE PAYMENT**  
Foster Carer Allowance

**c. 5k recipients**

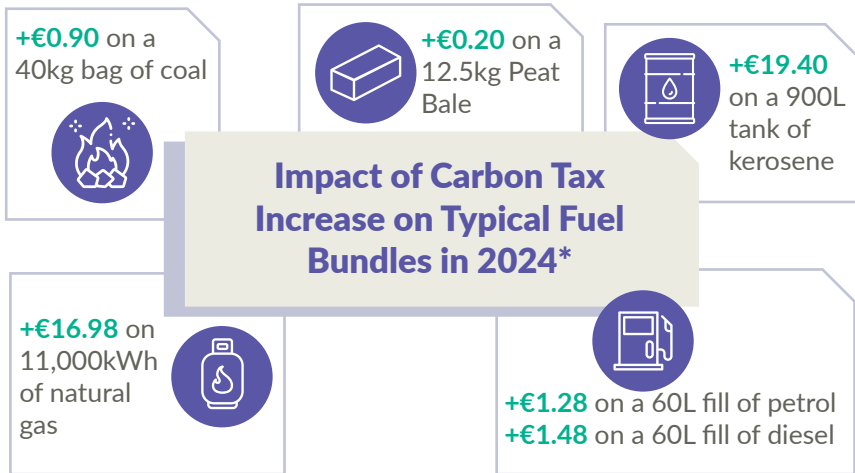
 **€250 million**  
Higher Education Student Contribution, Schools Capitation, School Transport, State Exam Fees

 **€250 million**  
Business Supports

\*payment to recipients of the Carer's Support Grant, Disability Allowance, Blind pension, Invalidity Pension and Domiciliary Care Allowance (one payment per individual)

# Climate Action

There will be a €7.50 increase on the current rate of Carbon Tax applied per tonne of carbon dioxide emission. This will bring the rate up to €56.00 per tonne. Carbon tax will increase by the same amount in every budget until 2029. The increase will be applied to petrol and auto diesel from midnight on budget night (i.e. from 11 October 2023) and all other fuels on 1 May 2024.



## €788 million

raised through carbon tax will fund:

- €380m investment in residential & community energy efficiency
- €262m on targeted social protection interventions
- €113m on incentivising farming in a greener more sustainable way
- €33m for the Carbon Tax Investment Programme

Learn more about Carbon Tax funds at [www.gov.ie/budget](http://www.gov.ie/budget)

*\*VAT is calculated at the standard rate of 23% for diesel and petrol and the reduced rate of 13.5% for heating fuels. The Commission for Regulation of Utilities (CRU) estimates the average household usage of natural gas at 11,000kWh per annum*

# Capital Investment

The National Development Plan (NDP) sets out the Government's investment strategy to provide the capital expenditure needed over the period 2021-2030, supporting economic development, job opportunities, and regional growth. It contains €165 billion in capital expenditure including spending on social housing, roads, bridges, hospitals, schools, and public transport projects.

A key goal of Budget 2024 is to ensure continued investment under the NDP to support the delivery of better public services in areas such as education, health and climate infrastructure. €12.6 billion of core capital expenditure is planned for 2024, which is an increase of €900 million over 2023.

If you would like more information on the NDP, visit [www.gov.ie/2040](http://www.gov.ie/2040)



## Key Tax Policy Measures



An increase of €2,000 in the income tax standard rate cut-off point for all earners



€200 increase in the Incapacitated Child Tax Credit



€100 increase in the personal tax credit



€100 increase in the PAYE tax credit



€100 increase in the Earned Income Credit



€100 increase the Home Carer Tax Credit



€100 increase in the Single Person Child Carer Credit



A reduction in the middle rate of Universal Social Charge (USC) from 4.5% to 4.0%



An increase of €2,840 in the threshold at which the middle rate of USC is paid, from €22,920 to €25,760



Increase in the Rent Tax Credit from €500 to €750



75c Increase in Excise Duty and VAT on a pack of 20 cigarettes



Extension of VRT relief for Battery Electric Vehicles to the end of December 2025

## Key Expenditure Measures



Free School Book Scheme for junior cycle students at post-primary level in recognised post primary schools within the free education system from Sep 2024

1,000 new Garda and 250 Garda Staff



Restoration of maintenance grants to postgraduate students on a similar basis to undergraduates

400 additional military personnel



€67 million to grow craft apprenticeships to over 16,000 places

20% fare reduction on public transport continued to end 2024





10,200 new tenancies under the HAP and RAS schemes

9,300 new build social homes



6,400 affordable homes for sale and rent

6,000 new households supported through Social Housing Current Expenditure Programme



€380 million for residential and community energy schemes

€207 million to bring back vacant and derelict units through the voids programme and Croí Cónaithe scheme



## Key Expenditure Measures



€12 increase in the Weekly Social Welfare Rate for working age recipients



€12 increase in weekly payments for Pensioners



€54 per week increase in the Working Family Payment threshold



€4 increase in weekly rate for a Qualified Child



Up to 2,000 additional staff to enhance capacity across acute and social care services



€1 million per day invested in cycling walking infrastructure





€1 billion for the development, protection and renewal of our road network

€348 million to connect a further 100,000 homes to fibre broadband



National Childcare Scheme hourly subsidy increased from €1.40 to €2.14 effective from September 2024

Extension of Child Benefit to 18 years old in full time education



Additional €50 million for school transport scheme

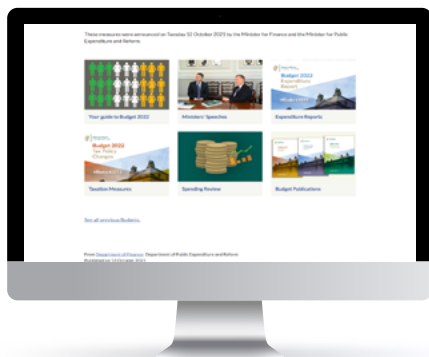
Over 1,216 SNAs and 744 Special Education Teachers



# Where can I find out more?

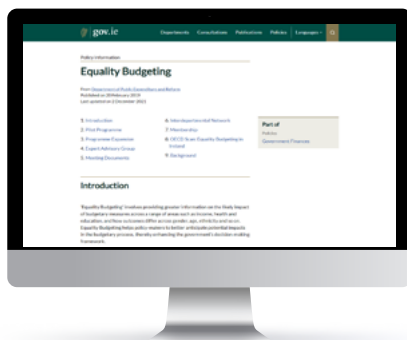
## Budget website

This guide provides an overview of the spending and taxation decisions that have been made in the budget. If you would like to read some more detailed information and analysis, or even read the Ministers' Budget day speeches to the Dáil, visit [www.gov.ie/budget](http://www.gov.ie/budget) to find out more



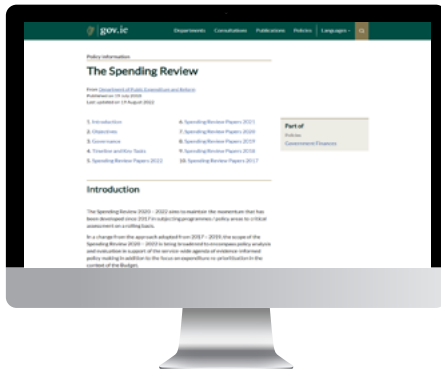
## Public Service Performance Reporting

The Public Service Performance Reports give an overview on what is being delivered with public funds. They provide a clear and accessible picture of how public funds have been allocated, how those funds have been used and the impact of this spending on our society. If you would like to read any of the Public Service Performance Reports visit <https://www.gov.ie/en/collection/61d3f-public-service-performance-reports/>



## Spending Review

Through the Spending Review process, expenditure is reviewed to ensure that taxpayers' money is spent in the most effective and efficient way. This also contributes to the information that is available to Government to support budgetary decisions. To read any Spending Review Paper, visit <https://www.gov.ie/en/policy-information/7dc2b1-spending-review/>



## Where Your Money Goes

The 'Where Your Money Goes' website is an easy-to-use tool for examining government expenditure. The data is presented in a variety of interactive charts. Visit [www.whereyourmoneygoes.gov.ie](http://www.whereyourmoneygoes.gov.ie) and check it out.





Rialtas na hÉireann  
Government of Ireland

**Tithe an Rialtais, Sráid Mhuirfean Uacht,  
Baile Átha Cliath 2, D02 R583, Éire**  
Government Buildings, Upper Merrion Street,  
Dublin 2, D02 R583, Ireland

T: +353 1 676 7571 | @IRLDeptPER  
[www.gov.ie/per](http://www.gov.ie/per)