

Rehab Group
Pre-Budget Submission 2027 to
The Joint Committee on Social Protection,
Rural Development and Community Development

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Rehab Group: Who we are and what we do.

Rehab Group welcomes this opportunity to make this Pre-Budget Submission 2027 to The Joint Committee on Social Protection, Rural and Community Development.

Rehab Group is an independent voluntary organisation that has been providing services and support for 12,000+ adults and children with disabilities for 75 years. Our campaigning organisation advocates for the people who use our services and their families.

Our purpose is to empower those we support to lead more independent lives and play an active and meaningful role in their communities by providing high-quality, flexible, and sustainable care services; learning, education and training opportunities; and employment.

We are a rights-based and inclusion focused organisation comprising RehabCare, National Learning Network and Employability and Social Enterprise.

Over the course of the past year, we have consulted widely with the people who use our services on the Department's Cost of Disability consultation which encompassed many aspects of the Social Protection system. We conducted more than thirty in-depth focus groups, engaging over 150 service users from across the country and hosted a dedicated workshop on the cost of disability at our National Advocacy Conference. To complement these insights, we surveyed over 50 frontline staff members, including Care Workers, Instructors, Psychologists, Rehabilitation Officers, Supervisors, and Managers.

Across these consultations, participants identified a range of barriers that limit their ability to achieve financial independence and to live independently or to live the life of their choosing.

In this submission, Rehab Group outlines our concrete recommendations for measures for people with disabilities that we believe ought to be included in the Budget 2027.

Our Priorities for Budget 2027

1. Introduce a Cost of Disability Payment of €55 per Week

People with disabilities in Ireland are substantially more at risk of poverty and deprivation than those without disabilities.

Ireland ranks 20th in the EU for disability poverty (32.7%), with an “at risk of poverty or social exclusion by level of disability (activity limitation)” rate 4% above the EU average (28.8%)

One in six persons unable to work due to longstanding health problems are living in consistent poverty.

16.4% of people unable to work due to longstanding health problems (disability) live in consistent poverty, compared to the national average of 5%. 32.5% of people unable to work due to longstanding health problem (disability) live at risk of poverty, compared to 5.4% of employed people.

A March 2025 study from the Irish Human Rights and Equality Commission (IHREC) and the Economic and Social Research Institute (ESRI), showed that households with a disabled member face significant financial burdens related to disability and have very high at risk of poverty (AROP) rates. The study showed that disabled people are economically disadvantaged with additional weekly costs of disability ranging from €488-€555, amounting to 52-59% of their disposable income. Additional costs include transport, communications, equipment, disability aids, assistive technology, medical care, and personal care.

The 2025 Eurofound Living and Working in Europe e-survey shows that respondents with disabilities more often report that their household has difficulties making ends meet and that these difficulties are largest for non-working respondents, women and those aged 65 and over. Significantly the gap between respondents with and without disabilities is higher in Ireland than it is in the EU overall (21% vs. 14% difference, respectively).

Participants in Rehab’s focus groups contended that the core principle should be that everyone with a disability receives the payment regardless of their personal circumstance.

A rights-based approach means shifting the mindset from: “Do you qualify?” to: “What do you need to live equally?”

Rehab adult service users report being unable to survive independently without financial support from family or being unable to cope with exceptionally high energy costs. During our Focus Groups they highlighted the difficulties they face to ensure they can afford even necessities having to make difficult choices in prioritising their needs. Family support covered essentials like heating and eating.

The quotes below highlight some of the difficulties they face:

I live at home with my elderly mother, she requires help but doesn't have carers. I am her carer but I don't get paid for it. I'm having to stretch my disability allowance to cover both of us as her pension doesn't cover her medical bills.

There are a lot of sensory aids that would benefit me because of my autism but they are just too expensive.

I can't afford my medication and my shopping each week. I find it difficult to make ends meet

I can pay for the essential but there is nothing left for any extra like the internet

We are calling for a cost of disability payment to be made in Budget 2027. This should be a permanent, recurring payment and not a once-off, seasonal or annual payment. The initial Cost of Disability Payment should be at least €55 per week.

The initial payment to be introduced in Budget 2027 should not be seen as a final solution to the Cost of Disability question. We believe that it will take time to arrive at a co-designed approach to a Cost of Disability payment but that an initial payment of at least €55 is the minimum action required for Budget 2027.

The Cost of Disability Payment should be compatible with employment and not become a disincentive to people with disabilities who can and want to work.

For those in employment, options could include a direct payment or tax credit equivalent in value to the social protection payment. This should be available to all earners, regardless of income. Furthermore, over 65s with a disability must be included.

2. Provide a Disability Emergency Payment of €400 in 2026

While Rehab understands and welcomes that Government is currently in the process of developing a permanent Cost of Disability, it cannot be overstated how people with disabilities and their families cannot afford to wait for this to be developed and implemented. They need help **now**.

The current global political climate is leading to increases to fuel costs, electricity, and home heating costs. This is exacerbating the uncertainty and fear experienced by people with disabilities who are facing choices of to heat or to eat. People with disabilities are being expected to absorb the price rises on very limited income and despite the already extraordinary additional costs caused by their disability.

The government acknowledged the need for extra supports for people with a disability before with one-off-payments as well as the pledge to create a permanent cost of disability payment, however now in the interim people with disabilities are being left to struggle.

We are calling for an emergency payment of €400 to be made in 2026 to allow people with a disability to survive until a permanent Cost of Disability payment is established.

3. Deliver a meaningful increase in core social protection rates

Social Justice Ireland estimates that the weekly relative income poverty threshold for a single adult is substantially higher than current core social welfare rates. As a result, many people reliant on social protection remain at risk of poverty despite recent increases. The €10 per week increase provided in Budget 2025 was insufficient to close this gap or to keep pace with the rising cost of living.

Budget 2027 should deliver a substantial increase in core social protection rates as part of a clear commitment to progressively move income supports towards an adequate standard of living and reduce poverty risk. In addition, social protection payments should be indexed to both inflation and wage growth to ensure their value is maintained over time and that recipients can share in improvements in living standards.

4. Provide additional supports for people with disabilities to address the energy/fuel crisis

As many people with disabilities are more isolated, they spend more time at home meaning their energy usage is greater.

Many disabilities affect heat regulation, so people require greater levels of heating to remain comfortable. Many mobility items are electric and require either charging or continuous power – wheelchairs, beds, hoists etc. While the extension of the fuel allowance to the 1 May this year was welcome, we believe the fuel allowance period should be extended annually throughout the summer months. Moreover, we are calling for Fuel Allowance to be extended automatically to all recipients of disability-related social welfare payments.

5. Develop concrete measures to promote the employment of people with disabilities

The right of persons with a disability to work on an equal basis with others is enshrined in international, EU and national policies, including the UN Convention on the Rights of Persons with Disabilities, the European Union Pillar of Social Rights and the National Human Rights Strategy for Disabled People. However, significant obstacles remain in developing pathways to their employment in Ireland.

The employment rate in Ireland for people with disabilities at 32% is the lowest in the EU and compares poorly with the EU average of 51%²: At the same time, the disability employment gap is one of the highest. The EU average gap between the employment rate of persons with disabilities and others stands at 24%, while in Ireland, it is 38.2%. Only Romania, Hungary and Lithuania have higher Disability Employment Gaps.

People with disabilities in Ireland are almost three times more likely to experience poverty and isolation than those around them who do not have a disability.

Employment is one of the central pillars of the NHRSDP. If the ambition of the strategy is to be realised then sufficient funding must be put in place to resource the actions identified.

To increase the number of people with a disability in employment, we are advocating for a number of interventions

a. Reform of Disability Allowance Earnings Disregards

The current Disability Allowance earnings disregard system acts as a major barrier to employment, financial independence, and career progression for people with disabilities. While Government policy promotes labour-market participation and disability employment, the structure of Disability Allowance undermines these objectives by penalising people who attempt to work.

The earnings disregard framework has not kept pace with increases in the National Minimum Wage, inflation, or the rising cost of disability. As a result, many disabled people face financial insecurity, anxiety around losing essential supports, and strong disincentives to engage in employment or increase their working hours.

Under the current system:

- the first €165 per week of earnings is disregarded,
- 50% of earnings between €165 and €375 are assessed,
- and earnings above €375 are assessed in full.

These thresholds have remained largely unchanged despite significant increases in wages and living costs.

The contrast with Carer's Allowance is stark. A recipient of Carer's Allowance may earn up to €1,000 per week while retaining their payment. In comparison, people with disabilities begin to lose supports at much lower income levels despite facing substantial barriers to employment and additional disability-related costs.

This disparity creates a clear "welfare trap". Many people with disabilities limit their hours, decline promotion opportunities, or avoid employment altogether due to fears around losing income and essential supports such as the Free Travel Pass and Medical Card. These supports are critical to maintaining independence, accessing healthcare, and sustaining employment.

The system is even more restrictive for married couples and households where a partner is working, as spouse and partner disregards under Disability Allowance remain far below those available under Carer's Allowance.

Reforming the earnings disregard system would deliver significant social and economic benefits. Higher disregards would:

- Support gradual and sustainable participation in employment.
- Reflect the additional costs associated with disability, including transport, heating, medication, assistive technology, and personal supports.
- Reduce poverty and social exclusion.

- Encourage labour-market participation and career progression.
- Support Government disability employment targets.
- Reduce administrative burden as higher thresholds would reduce constant reassessments, reporting requirements, and overpayment risks for both claimants and DSP.

Reform would also align with Ireland’s commitments under the UN Convention on the Rights of Persons with Disabilities by supporting economic participation and independence for disabled people.

The Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands is best positioned to make recommendations to ensure that people with disabilities are considered and supported in employment by Budget 2027.

We ask the Committee to recommend that Budget 2027 ensures the Disability Allowance earnings disregard be brought into line with the Carer’s Allowance framework.

Specifically:

- Substantially increasing the earnings disregard towards parity with the €1,000 Carer’s Allowance threshold,
- Significantly increasing both the lower and upper disregard thresholds as an interim measure,
- Indexing thresholds annually to inflation or National Minimum Wage increases,
- Creating smoother reductions instead of sharp cut-offs at 50%.
- Protecting secondary supports during transitions into employment.

People with disabilities should not be penalised for seeking employment or progressing in their careers. Reforming the Disability Allowance earnings disregard system would represent a practical and meaningful step towards equality, inclusion, and economic participation while delivering wider social and economic benefits for the State.

b. Reform the Wage Subsidy Scheme

i. Reform of WSS Rates:

In Budget 2026, the previous system of applying percentage-based Wage Subsidy Scheme (WSS) top-ups across six employer categories was replaced with a flat-rate increase across just three categories. As a result, employers with fewer than three employees with disabilities received an increase of €1.20 per hour, while employers with 23 or more employees with disabilities received an increase of just €0.55 per hour. This approach creates a disparity whereby employers with the highest levels of disability employment receive the smallest increase, undermining the objective of encouraging large-scale employment of people with disabilities and placing a disproportionate burden on those employers who have made the greatest commitment to inclusive employment.

To ensure the scheme remains effective and sustainable for employers, WSS subsidy rates should be indexed to, or reviewed in line with, annual changes to the National Minimum Wage. In addition, a graduated support structure should be introduced to recognise the scale of disability employment supports provided by employers. Based on an increase of 85 cent in the NMW we propose the following rates for each of the three bands: 55% (€8.25) for employers in Band 1 (1-6 employees); 65% (€9.75) for employers in Band 2; and 80% (€12.00) for employers in Band 3 (17+ employees).

This approach would provide greater sustainability for employers and better reflect the additional costs associated with supporting larger numbers of employees with disabilities. It would also provide a real incentive for employers to employ people with a disability on the WSS. The table below provides an estimated cost of this proposal.

No of Employees in each Band	No of Employees 2025 in receipt of WSS	2025 Rate	2026 Cost based on 28.5 hours per week	Proposed increase based on % of 2027 NMW* 55% 1-6 65% 7-16 80% 17+	Total Cost	Variance on 2026 Rates
1 to 6	2,002	7.5	€22,252,230.	8.25	€24,477,453	€2,225,223
7 to 16	182	8.5	€2,292,654	9.75	2,629,809	€337,155
17+	354	10	€5,246,280	12.00	6,295,536	€1,049,256
Total:	2,538		29,791,164		33,402,798	€3,611,634

***Estimate for 2027 for increase in NMW is 85 cent to €15.00**

Moreover, the Wage Subsidy Scheme (WSS) rates should be reviewed and adjusted annually rather than every three years, as recommended in the 2024 review. Under the current approach, the modest increases introduced in Budget 2026 would remain unchanged until at least 2029, despite rising labour costs and increases in the National Minimum Wage.

ii. *Increase the grant for Strand 3 Employment Assistance Officers to €60,000*

The current Strand 3 grant of €30,000 for employers with up to 25 employees with disabilities to employ an Employment Assistance Officer (WorkPath Facilitator in Rehab Enterprises) has remained unchanged for more than 20 years. During this period, employment and operating costs have increased significantly, while employers must also meet additional costs associated with accommodation, equipment, training, HR support, travel, and administration.

WorkPath Facilitators provide essential workplace supports that enable employees with disabilities to succeed and progress in employment. They offer confidential one-to-one guidance, person-centred vocational planning, workplace problem-solving, skills

development, and liaison with managers and external service providers to ensure appropriate supports and accommodations are in place. They also promote disability awareness and inclusive workplace practices.

The role is critical in helping people with disabilities access, sustain, and progress in employment. By addressing workplace barriers, supporting both employees and managers, and fostering inclusive workplace cultures, WorkPath Facilitators improve retention, productivity, and employee wellbeing.

Given Ireland's significant disability employment gap, these supports are more important than ever. WorkPath Facilitators provide the bridge between supported and open employment, helping individuals build confidence, develop skills, and progress towards greater labour-market participation. Increasing the Strand 3 grant to €60,000 would better reflect the true cost of delivering this vital service and strengthen employers' capacity to support inclusive employment, in line with national disability and labour-market activation objectives.

c. Reduce the hours required to qualify for WSS from 15 to 8 hours per week

The Wage Subsidy Scheme (WSS) minimum-hours requirement should be reduced from 15 to 8 hours per week. Such a change would better align the scheme with Irish disability employment policy, evidence-based supported employment practice, Ireland's international obligations, and the realities of disability employment.

Alignment with Existing Irish Disability Employment Supports

Ireland already recognises 8 hours per week as a meaningful level of labour market participation. The Work and Access programme defines employment participation as 8 hours per week or more, recognising that people with disabilities may enter the labour market gradually and that lower-hour employment can represent a significant and meaningful employment outcome. Similarly, the EmployAbility service's "job ready" criterion requires that a participant be willing and able (with support) to work at least 8 hours per week in open employment.

The WSS is therefore an outlier within Ireland's disability employment infrastructure in requiring a substantially higher threshold of 15 hours per week.

Consistent with Evidence-Based Supported Employment

The evidence-based Supported Employment model, including Individual Placement and Support (IPS), does not prescribe minimum working hours. IPS is founded on competitive employment, individual choice, rapid job placement and the principle of "zero exclusion", whereby all individuals who wish to work should have access to employment supports regardless of perceived job readiness. A 15-hour threshold effectively introduces a job-readiness test that is inconsistent with IPS principles.

Similarly, supported employment models focus on securing and sustaining paid employment in the open labour market through individualised support, job matching and reasonable

accommodation, rather than minimum-hours requirements. The WSS threshold is therefore an administrative funding rule rather than a principle derived from the evidence base.

Addressing Ireland's Disability Employment Gap

Ireland continues to have one of the highest disability employment gaps in the OECD, with employment rates for disabled people significantly below those of the general population. Reducing the threshold to 8 hours would create employment opportunities for people with fluctuating conditions, intellectual disabilities, autism, mental health difficulties, acquired brain injury, chronic illness and others who may initially be unable to sustain 15 hours per week but are capable of meaningful participation in employment.

Building on Recent WSS Reform

The Government reduced the WSS threshold from 21 to 15 hours in 2025 in recognition that the previous threshold was excluding many people with disabilities from employment opportunities. The same rationale supports a further reduction to 8 hours, particularly for those with higher support needs or fluctuating work capacity.

Increasing Employer Engagement

Reducing the threshold would also encourage greater employer participation. An 8-hour threshold would create a lower-risk entry point for employers, particularly SMEs, enabling them to offer customised, carved or gradual employment opportunities while accessing wage subsidy support. This would expand the pool of employers willing to recruit disabled people and strengthen disability-inclusive employment practices. Increasing employer engagement is consistent with OECD recommendations to reduce barriers to disability employment.

International Comparisons

Ireland's approach is more restrictive than many comparable systems. Several European wage subsidy schemes are based on reduced earning capacity, productivity loss or wage costs rather than fixed minimum-hours requirements. For example, the Netherlands bases employer supports on the gap between earning capacity and minimum wage, while Sweden's wage subsidy arrangements focus on reduced work capacity and adapted employment. Ireland's 15-hour threshold is therefore a national policy choice rather than an international norm.

Supporting Ireland's Rights-Based Obligations

Article 27 of the UN Convention on the Rights of Persons with Disabilities recognises the right of persons with disabilities to work on an equal basis with others in an open, inclusive and accessible labour market. The EU Disability Employment Package similarly seeks to increase labour market participation and reduce the disability employment gap. Reducing the WSS threshold to 8 hours would better support the progressive realisation of these obligations by removing unnecessary barriers to employment participation.

Conclusion

Reducing the Wage Subsidy Scheme threshold from 15 to 8 hours per week would align the scheme with existing Irish disability employment policy, evidence-based supported employment practice, international good practice and Ireland's rights-based commitments. It would increase opportunities for people with disabilities, broaden employer participation, and create a more coherent and inclusive disability employment support system.

d. Introduce a National Programme of Employer Disability Awareness Training

A recurring theme emerging from our consultations with NLN students and Rehab Care service users is the lack of disability awareness among employers. Many participants reported feeling pre-judged during recruitment processes and believed that misconceptions about disability continue to limit employment opportunities.

While the National Human Rights Strategy for Disabled People commits to a sustained media campaign to improve employer awareness and increase uptake of employment supports, awareness alone is unlikely to address deeply ingrained attitudes and biases towards people with disabilities.

The people who use our services consistently highlighted the need for comprehensive disability awareness training for employers to challenge stigma, promote inclusive hiring practices, and improve understanding of the skills, capabilities and contributions that people with disabilities bring to the workplace. Participants reported experiences of discrimination, inadequate workplace supports and a reluctance to disclose disabilities for fear of negative treatment.

Disability Awareness Training is key tool to equip employers with the knowledge and confidence to recruit, retain and support employees with disabilities, while fostering more inclusive workplaces. It is essential not only to improve the awareness of the supports available to them (such as Work and Access or Wage Subsidy Scheme) but more importantly to improve their understanding of disability and the often forgotten many **benefits** that people with a disability bring to the workplace.

e. Expansion and mainstreaming of the pilot Work Placement Experience Programme with Rehab's Work Ready Programme

Rehab Enterprises are working in partnership with the Department of Social Protection to pilot the Work Ready Programme as part of the Work Experience Placement Programme.

Participants in this programme can keep their social welfare and get a €115 weekly top-up. Each placement includes a dedicated job coach and disability inclusion training for the employer. Critically, host companies pay no wages during the placement – so it's low-risk, high-support, and inclusive by design.

Participants gain real experience, build confidence and skills, and earn more without losing benefits – a step towards long-term jobs. Employers expand their talent pool and learn inclusive practices with ongoing support. Society benefits from reduced welfare dependency and greater inclusion. Participant transformation is the heart of this programme.

The programme is currently in pilot phase with small numbers of participants. We believe that expansion and mainstreaming of the pilot Programme with Rehab’s Work Ready Programme that the programme has the potential to create structured pathways from to paid employment for people with disabilities.

Summary of our Main Proposals

- Introduce a Cost of Disability Payment of €55 per Week
- Provide a Disability Emergency Payment of €400 in 2026
- Increase core welfare rates substantially to bridge the gap between social welfare payments and the At Risk of Poverty (AROP) threshold
- Develop concrete measures to promote the employment of people with disabilities including:
 - Substantially increasing the Disability Allowance earnings disregard towards parity with the €1,000 Carer's Allowance threshold
 - Review rates of Wage Subsidy Scheme annually by offering graduated increases to each band as percentage of National Minimum Wage. For Budget 2027 we recommend the following rates: Band one - €8.25; Band 2 - €9.75; Band 3 - €12.00.
 - Increase WSS grant for Employment Assistance Officers under Strand 3 of the WSS from €30,000 to €60,000 in acknowledgement of fact that there has been no increase to this grant in over 20 years.
 - Reduce the number of hours required for the WSS from 15 to 8.
- Launch a sustained national employer awareness campaign and disability inclusion training programme to challenge bias, promote the benefits of employing people with disabilities, and increase awareness and uptake of available employment supports.
- Provide On-the-Job Supports such as job coaches and workplace supports to improve success and retention.
- Create structured pathways from placements to paid employment for people with disabilities through the expansion and mainstreaming of the pilot Work Placement Experience Programme with Rehab's Work Ready Programme.