

Budget 2027 — 5 Key Takeaways

Budget 2027 brings a larger VAT compensation fund and targeted investment in community and care services. Charities should also review payroll costs and how new household supports may affect the people they serve. The practical impact will depend on each organisation's activities, workforce and funding arrangements.

1. More funding to recover eligible VAT costs

The annual Charities VAT Compensation fund increases from €10 million to €15 million — a 50% increase. This is the clearest direct sector-wide benefit. It supports partial recovery of eligible VAT costs, linked to non-public funding; it does not mean every charity's refund increases by 50%. Action: review eligibility, maintain VAT records and monitor Revenue's claim guidance. [1]

2. Higher wages: update your staffing budget

The minimum wage rises from €14.15 to €14.94 an hour. At 39 hours a week, the €0.79 increase adds approximately €1,602 a year per employee before employer on-costs. The employer PRSI threshold is also announced to rise from €552 to €600 a week. Action: recalculate payroll using implementation guidance and assess pressure on adjacent pay grades. [2]

3. Targeted opportunities for community and service providers

Announced allocations include €5 million for the Community Services Programme and €2 million to help small community and voluntary groups. Disability provision includes 1,500 new day-service places and 489 residential care packages. An additional €5.3 million is allocated to domestic, sexual and gender-based violence initiatives. Action: ask your funder about eligible programmes, commissioning and application timetables; these announcements do not guarantee an uplift for every charity. [3]

4. Additional support for the people charities serve

Main weekly welfare rates increase by €10. A new €500 cost-of-disability payment is announced for people receiving qualifying long-term disability payments, alongside higher Fuel Allowance and Living Alone Allowance rates. These measures may ease some household pressure; their effect on demand for charitable support remains uncertain. Action: update advice and referral information as eligibility and start dates are published. [3]

5. Fundraising: plan on evidence, not assumed growth

Income-tax and USC changes will increase take-home pay for many workers. This may help some supporters' capacity to donate, but higher donations are not a guaranteed Budget outcome. Action: retain realistic income forecasts, strengthen regular giving and explain clearly what donations achieve. [1; analysis]

Social Welfare and Household Supports

- Core weekly social welfare rates increase by €10, including pensions, jobseeker, carer and disability payments.
- A new €500 cost-of-disability payment is announced for recipients of qualifying long-term disability payments.
- Fuel Allowance increases by €5 a week; Living Alone Allowance increases by €3 a week.
- Child Support Payment increases by €6 a week. Working Family Payment weekly income thresholds increase by €30.
- Carer's Allowance income disregard rises to €1,150 a week for a single person and €2,300 for a couple.

Impact for charities: household supports may ease some financial pressure. Update beneficiary guidance once eligibility and commencement dates are confirmed.

Personal Tax and Employment Costs

- The minimum wage increases from €14.15 to €14.94 an hour. For a 39-hour week, this adds approximately €1,602 annually per employee before employer on-costs.
- The employer PRSI threshold is announced to increase from €552 to €600 a week; check payroll implementation guidance.
- The single-person higher-rate income tax threshold rises from €44,000 to €46,500. Personal, PAYE and earned-income tax credits each increase by €125.
- The ceiling of the 2% USC band increases by €1,600 to €30,300.

Impact for charities: update staffing budgets and review adjacent pay grades. Higher take-home pay may help some donors, but increased giving should not be assumed.

Charity and Voluntary Sector Measures

- The annual Charities VAT Compensation fund increases from €10 million to €15 million — a 50% increase. Individual refunds will depend on eligibility, claims and scheme rules.

- Announced community allocations include €5 million for the Community Services Programme and €2 million to help small community and voluntary groups.
- Disability provision includes 1,500 new day-service places and 489 residential care packages.
- An additional €5.3 million is allocated to domestic, sexual and gender-based violence initiatives.

Impact for charities: review VAT compensation eligibility and ask funders about relevant programme allocations. Sector announcements do not guarantee a funding uplift for every organisation.