

GOOD GOVERNMENT= LOWER TAXES, MORE JOBS & MORE EQUITY

This Government's clearly focussed tax policy has contributed to economic growth and job creation.

That's why we have almost 500,000 more jobs under FF & the PDs than under Fine Gael & Labour.

There have been other improvements that benefit you, your family, your business & the Nation as a whole:-

- Under FF & the PDs less than €1 in €25 raised went in servicing the Debt. In 1987 under FG & Labour every penny paid in income tax went on servicing the National Debt. In 1997, €1 in €6 of your tax went on servicing Debt.
- Our tax system is more equitable: In 1997 under Fine Gael & Labour, 14% of the income tax yield came from those earning at or under the average industrial wage today the figure is 6%. Next year it will be lower .
- Personal income tax bands have been widened, and
- The Companies that create jobs pay less tax too. In 1997 the standard corporation tax rate was 36% today it is 12.5%.

All this has been done without cutting vital services. In 2006, for example, €12.2 billion will be spent on health.

Supporting Small Businesses

To help develop business generally, and small business in particular:-

- The VAT registration thresholds for small businesses will be raised from €25,500 to €27,500 in the case of services and from €51,000 to €55,000 in the case of goods
- The annual tax payment limit below which PAYE and PRSI can be paid on a quarterly basis, is being raised to €30,000 per year, and
- The half per cent companies capital duty is abolished.

Farming Tax Measures

Budget 2006 recognises that there is a need to provide additional support for farming, and particularly younger farmers.

This Budget includes a package of significant tax reliefs for the farming community including:

- the continuation of the stamp duty exemption for young trained farmers for a further 3 years,
- a significant increase in the tax exemption limits for income from farm leasing for over 5 years,
- an improvement in the farm pollution control relief and
- an extension of certain existing Capital Acquisitions Tax, Capital Gains Tax and stamp duty reliefs to cover the EU Single Farm Payment Entitlement in appropriate circumstances

A Fair Break for Taxpayers

One of the most fundamental differences between the present Government and the Opposition parties is to be found in the area of taxation. Fianna Fail and our partners the PDs have a coherent policy on taxation. Fine Gael, Labour & the Greens have no coherent policy on tax.

THE RECORD IN THIS AREA SPEAKS FOR ITSELF:

- In 1987 under Fine Gael & Labour PAYE rates were 40% and 65%
- In 1997 under Fine Gael & Labour PAYE rates were 27% and 48%
- Today under FF & the PDs the rates are 20% and 42%, respectively
- Between 1997 and 2005 this Government has returned more than €5 billion to the Irish people in tax reductions.
- The tax package in 2006 is worth another €900 million.
- In the tax year 1997/98 under Fine Gael & Labour there were 380,400 earners exempt from tax. In 2006 that figure will be over 700,000.

A as a result of the budget a worker on the Average Industrial Wage will earn €12,600 more than in 1997 but pay over €400 less tax.

In 1997 when Fine Gael & Labour were in power, a single PAYE payer was taxed from €97.77. Today the figure is €300.

Other tax improvements include:

- Employee (PAYE) tax credit increased by €220 to €1500 per annum.
- All those on the current minimum wage will remain outside the tax net completely in 2006.
- The annual income tax exemption limit has been increased for persons over 65 by €500 single and €1,000 married.
- The standard rate income tax band has been widened by €2,600 removing over 90,000 taxpayers from the higher tax rate.
- Health Levy threshold increased.
- Tax credits for widowed persons, blind persons, incapacitated children, dependent relatives and those aged 65 or over are further increased, by amounts ranging from over 20 per cent to 50 per cent.
- The tax relief for persons living in private rented accommodation increased by ten per cent to assist those faced with increased rental costs

Keeping Consumer Prices Down

The Budget halves the excise rate on Kerosene and LPG used for home heating from the 8th December 2005. This will keep the cost of home heating down. Budget 2006 leaves the main excises and VAT rates as they are. This is aimed at keeping inflation down and securing further value for money for the consumer. The consumer can also look forward to lower retail prices for basic grocery items due to the forthcoming removal of the grocery prices order already announced by the Government. Efforts to increase competition generally also help keep price increases to a minimum.

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RAISING THE ISSUES. GETTING RESULTS. WORKING FOR YOU.

Budget 2006 Newsletter

Dear Constituent,

In this Newsletter I outline the main features of Budget 2006.

Over the last eight years Fianna Fáil led governments have done more than any other in the history of the State to promote social inclusion - far more than our immediate predecessors, the Fine Gael/Labour coalition achieved. This budget continues the good work.

Budget 2006 makes further real progress for pensioners, Social Welfare recipients & for families. Building on the progress of recent years there are also additional improvements in personal taxation in Budget 2006.

Government economic policies are succeeding. We now have more people working and the lowest unemployment rate in the European Union.

Another measure of the same success is that this Government has cut Ireland's national Debt to record low levels.

If you have any queries on the Budget or if I can be of any assistance to you, or to members of your family, you can contact me at any time at my local "clinics", at my Constituency Office at 2 Herbert Terrace, Bray, phone number (01) 2863211 or by e-mail at dick.roche@oireachtas.ie

Finally, you may like to keep in contact with events in the constituency on the Internet at www.dickroche.com

Le gach Dea-Ghui,
Mise le meas,



Dick Roche, TD

Full details of the Budget 2006 can be found on the Department of Finance web site www.finance.gov.ie

If you have any queries regarding Budget 2006 contact Dick Roche at his Constituency Office at 2 Herbert Tce., Bray or any of his constituency clinics.

www.dickroche.com



FIANNA FÁIL
THE REPUBLICAN PARTY

Budget 2006 is the largest ever Budget Package for Social Welfare.

Pensioners

Budget 2006 provides that Irish pensions right across the board continue to be amongst the highest in Europe.

The Budget increased the Contributory Old Age Pension by €14 per week to €193.30 and the Non Contributory Old Age Pension by €16 to €182.00 per week from January 2006

Contributory Old Age Pension for a person over 80 will be €203.30.

This Government is committed to increase the State pensions across the board to a minimum of €200 per week by 2007.

As many non-contributory pensioners want to work beyond retirement age, earnings up to €100 per week will be disregarded for means test purposes.

COMPARE THE RECORD

Remember when FG & Labour Party were in power last, pensioners got a penny-pinching increase of just over €2 per week.

Under this Government pensions have increased at three times the rate they did when the Fine Gael & Labour held office.

The €16 increase in the non-contributory pension to €182 per week means that this pension has more than doubled under Fianna Fáil.

Under Fine Gael & Labour the old age contributory pension increased by less than €9 in total over three Budgets. Budget 2006 gives an increase of €14 in one year.

Pensioners always do better under Fianna Fail – that's a fact not a slogan!

Fuel Allowance

The Fuel Allowance is increased to €14 from the beginning of January 2006. The rate for recipients in designated smokeless areas will increase to €17.90. Some 274,000 households will benefit directly from the increase.

Carers

The Budget contains important improvements in the Carers Allowance:

- A new top rate to €200 per week for Carer's Allowance aged over 66. Increase to €180 per week for recipients under 66.
- An increase of €17 per week for recipients of the Carer's Benefit/Constant Attendance Allowance.
- Carer's Benefit extended by 9 months to 24 months.
- Weekly income disregard for Carer's Allowance increased to €290 single and €580 couple.
- Increase in the number of hours that recipients of Carer's Allowance, Benefit & Respite Care Grant can work from 10 to 15.

The Budget also increases the **Respite Care Grant** by €200 to €1,200 for all full time carers irrespective of means.

Home Care Package for Older People

The Budget provides €150 million for major improvement in home and community-based support for older people.

A key element will be home care support packages for older people that are designed to meet individual needs.

A home care package may include the services of nurses, home care attendants, home helps and various therapists including physiotherapists. The aim of a home care package is to support older people living in the community.

The packages will also be offered to people who are already using existing core services such as home help, but who need more assistance to continue to live in their community. A total of 2,000 additional home care packages will be provided by the end of 2006 .

The Budget package also includes funding for:

- an additional 1.75 million more hours of home help,
- additional nursing home beds,
- changes in the means test limit for nursing home subvention,
- meals on wheels, ● sheltered housing,
- additional palliative care beds,
- an additional 1,325 places per year in respite care centres,
- specialist palliative care, including home care and community initiatives.
- funding to address the issue of elder abuse.

Other Social Welfare Reform Provisions

The Budget also provides an increase of €17 per week for all on lower payments including:

- Invalidity Pensions (under 66)
- Widows/ widowers Pensions (under 66)
- Deserted Wives benefit (under 66)
- Unemployment Benefits & Allowances,
- Disability Benefit & Allowance
- Blind Pensions (under 66)
- Orphan's Pensions & Allowances

The Budget also provides €300 million for measures to progress the new social reform agenda including:

- Funding for targeted initiatives that further recognise and reward Carers
- Increases in incomes for the most vulnerable older people
- Specific measures to tackle child poverty issues
- Introduction of supports that further empower Lone Parents, and
- promoting the activation of back to work, training and education opportunities and choices for welfare recipients.

Changes in Child Benefit & Childcare

Budget 2006 includes further significant improvements in Child Benefit. Almost €2 billion used to be spent on Child Benefit alone. The Budget provides €100 million extra for increases in Child Benefit this will involve:-

- **New rates of €150 for 1st and 2nd children and**
- **A new rate of €185 for 3rd and subsequent children.**

New Childcare Package

In addition to the increases in Child Benefit payments Budget 2006 introduced other major changes to help young families:-

1. A new Early Childcare Supplement.

This will be a direct payment of €1,000 per year for each child up to his or her sixth birthday to all families,

2. Enhanced Maternity leave:

From March 2006, mothers of new-born children will have an additional four weeks paid maternity leave, extending the duration of such leave to 22 weeks. This will be following up with a further four weeks of paid maternity leave in 2007. Thus, by 2007, mothers of new-born children will be entitled to a full six months of paid maternity leave.

3. A 5-year National Childcare Investment Programme, to run from 2006-2010 at a cost of €790 million. The Programme will :

- Create an additional 50,000 childcare places and provide training 17,000 childcare workers,
- Provide grant aid of up to €100,000, for private providers of Child Care facilities,
- Provide grants of up to €1 million per facility for Community Childcare Facilities,

4. A special tax break for child minders:

The Budget will allow an exemption from income tax, PRSI and levies on income up to €10,000 per year from childminding where an individual minds up to three children, who are not their own, in the minder's own home.

OTHER FAMILY SUPPORTS

Family Income Supplement: A significant increase in the earnings threshold for FIS. (Increases in the threshold range from €19 to €282 per week targeting larger families in particular).

Lone Parents : Budget 2006 provides

- An increase in Rates of €16-€17 per week.
- An increase in the upper earnings income for the One Parent Family Payment to €375, allowing more Lone Parents to work or those recipients who are working will be in a position to increase their earnings without losing benefit.

Back to School Clothing and Footwear Allowance:

An increase of 50% . New rates are €120 (children aged 2-11 years) and €190 (aged 12-22).

School Meals Scheme: funding increased by €2m or 25%.

For a full list of Dick Roche's Constituency Clinics please telephone 01 286 3211.