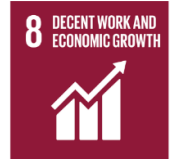




**Chambers
Ireland**
Advancing business together



Public Consultation on Potential New Working Age and Targeted Child Payments

Submission by Chambers Ireland

June 2026

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Key Points:

- We are supportive, in principle, of the proposal to introduce a tapered Working Age Payment. A well-designed taper has the potential to strengthen work incentives by ensuring that individuals are financially better off as they increase their working hours, rather than being penalised for doing so.
- The proposal has particular relevance for groups that are disproportionately engaged in part-time work, including people with disabilities, individuals with caring responsibilities, and parents returning to employment. The proposed payment could support greater participation among these groups and help to address existing labour market inequalities.
- The Working Age Payment proposal would benefit from additional detail. Greater clarity is needed on the point at which eligibility for support would taper out entirely, and how this threshold would be structured in practice.
- There are potential difficulties with assessing income from self-employment. The auto-enrolment system provides a practical precedent for integrating tax and welfare functions and could inform the design of a more streamlined Working Age Payment model.
- We view the proposed Targeted Child Payment as broadly positive, with potential to support workforce participation. However, it may encounter similar uptake challenges to the Working Family Payment. As such, its success will depend heavily on clear communication and a comprehensive public awareness campaign to ensure that eligible households understand and access the support available.

Introduction

We welcome the opportunity to respond to this public consultation on potential new Working Age and Targeted Child Payments. From a business perspective, the design of income supports has a direct bearing on the ability of employers to recruit and retain staff in a tight labour market. Reform should therefore support people to enter employment, increase their hours and progress in work, while avoiding welfare cliff-edges, income volatility or administrative complexity that could create uncertainty for workers or additional burdens for employers, particularly SMEs. This also aligns with Ireland's wider commitment to the UN Sustainable Development Goals, particularly SDG 1 on No Poverty, SDG 8 on Decent Work and Economic Growth, and SDG 10 on Reduced Inequalities. In this context, we focus on practical changes that can contribute to a more resilient and competitive Irish business environment.

Questions

Working Age Payment

Do you think we should change our current system and introduce a new working age payment? Why/Why not?

There is a strong case for reforming the current system and exploring the introduction of a Working Age Payment, provided it is carefully designed and implemented. As noted in the consultation document, the existing framework can weaken labour supply incentives by linking eligibility to days worked rather than overall income. This creates uncertainty for individuals seeking to enter employment or increase their working hours.

Chambers Ireland has previously advocated, in our Pathways to Work¹ submission, for the development of a system that allows long-term unemployed individuals to engage in part-time work while receiving welfare-equivalent supports. In this context, we welcome the proposal for a Working Age Payment, which represents a more flexible approach than traditional welfare models that do not adequately reflect the diversity of modern working patterns.

¹ <https://chambers.ie/wp-content/uploads/2025/09/Public-consultation-on-the-successor-to-Pathways-to-Work-2021-2025-Sept-2025.pdf>

We are particularly supportive of the use of a clear tapering mechanism. A well-designed taper can ensure that individuals are financially better off as they increase their working hours, while also accommodating part-time, flexible, seasonal, and variable-hours employment. This is critical in a labour market that increasingly departs from standard full-time, fixed-hour arrangements.

A key issue in the Irish labour market is the low level of participation among certain marginal groups, including low-skilled workers, lone parents, and people with disabilities. These groups are more likely to engage in part-time work and are therefore disproportionately affected by rigid eligibility thresholds and welfare cliffs. A system that allows individuals to increase their working hours without facing a disproportionate loss of income would support greater labour market participation among these cohorts.

This is particularly important for individuals with caring responsibilities, including parents returning to the workforce, who may be constrained in the number of hours they can work. Ensuring that such individuals can take up employment without being financially penalised is essential to supporting their participation. As these groups are disproportionately female, this reform could also contribute to improved female labour force participation.

In addition to benefiting individuals, these reforms would also support employers by expanding the available labour pool. This is particularly relevant in regional areas, where recruitment challenges can be more acute and the talent pool more limited. Enabling greater participation among underrepresented groups would help to unlock additional labour market capacity and support economic growth.

On balance, Chambers Ireland supports further consideration of a Working Age Payment where it strengthens work incentives, simplifies the system, reduces cliff-edges, and better targets support towards low-income workers and jobseekers. The objective should be to create a system that enables individuals to enter employment, increase their hours, and progress in work, while maintaining an adequate income floor. Reform should also ensure administrative simplicity from an employer perspective, contributing to a more competitive and responsive business environment.

If you agree change is needed, what do you think of the outline working age payment approach described in this document?

The outlined Working Age Payment approach represents a positive and constructive step towards a simpler, more employment-focused social protection system. In particular, the proposal to move away from rigid “days worked” rules and towards an income-based model is welcome. The current system, under which a person may need to be unemployed for four days per week to qualify for Jobseeker’s Allowance, is clearly sub-optimal where it can discourage people from taking on additional work to avoid a reduction in income. An income-based approach would better reflect the realities of modern employment, where many people work part-time, flexible or variable hours.

The principle that individuals should always be better off in work, or from working additional hours, is critical. The proposed income-based taper model appears to be a clear improvement in this regard, as it could reduce the cliff-edges that currently arise when a person’s employment status or earnings change. A gradual taper would provide a smoother transition between unemployment, part-time work and full-time employment, supporting labour market participation and progression a key priority for our network.

However, the proposal is light on important design detail. The document states that the payment would function dynamically and that changes in income would be reflected automatically, but further clarity is needed on the income thresholds at which support would begin to reduce and ultimately cease. It would also be useful to understand what taper rates would apply at different income levels. Without clear parameters, there is a risk that the system could evolve beyond its original purpose as a jobseeker support and become a broader mechanism for income redistribution. Once such a system is in place, future Governments could also expand it significantly, with implications for cost, targeting and work incentives.

The document also rightly identifies potential difficulties in assessing self-employed income. As the Government’s most recent data on self-employed earnings is typically based on returns from two years previously, real-time information is not available in the same way as it is for PAYE workers. This creates a practical challenge for any dynamic payment model and will need careful consideration to avoid unfairness, delays or excessive administrative complexity.

The system should also be designed so that employers are not required to take on complex

reporting obligations beyond what is already provided through existing Revenue systems. The auto-enrolment system demonstrates that real-time payroll data can be used to centrally determine eligibility for income-related supports using a rolling 13-week assessment period. This provides a practical precedent for integrating tax and welfare functions and could inform the design of a more streamlined Working Age Payment model.

Finally, the payment must be transparent and easy for claimants to understand. Clear communication will be needed around how payments change as earnings fluctuate, particularly for people in part-time or variable employment. If payments change too frequently or unpredictably, household budgeting could become more difficult and confidence in the system could be undermined. Predictability should therefore be a key design principle alongside responsiveness.

On that basis, we would view the outline approach as broadly positive. However, successful implementation will depend on ensuring that the system is simple, predictable, fiscally sustainable and practical for employers.

Targeted Child Payment

Do you think we should change our current system and introduce a targeted child payment?

Why/Why not?

The Targeted Child Payment is not an area in which we have been directly engaged; however, it is a proposal that we consider to have potential merit. Chambers Ireland has consistently highlighted the importance of reducing barriers to female labour force² participation, and, in principle, we would support the stated objective of the payment.

As outlined in the consultation document, the current system contains structural gaps. In particular, some individuals may work too few hours to qualify for the Working Family Payment, while simultaneously working too many hours to qualify for Jobseeker's Allowance. This creates a risk of poverty and may, in some cases, incentivise individuals to reduce their working hours in order to access supports. Those affected are

² <https://chambers.ie/wp-content/uploads/2025/09/Public-consultation-on-the-successor-to-Pathways-to-Work-2021-2025-Sept-2025.pdf>

disproportionately likely to be single parents, particularly single mothers, and this dynamic can therefore act as a barrier to female employment.

However, the document also highlights a separate and potentially more significant issue: low take-up of existing supports. A substantial proportion of those eligible for the Working Family Payment do not apply for it, indicating that awareness and accessibility remain key challenges. The proposal for a standalone Targeted Child Payment, which may be simpler to understand and apply for, may help to improve uptake. Nonetheless, there is a risk that similar issues could persist. While consolidation of payments may improve clarity in principle, any new system will require individuals to familiarise themselves with revised rules. If the new scheme is not materially more straightforward, the expected increase in uptake may not be realised.

Given that the ESRI estimates that between one-quarter and one-half of eligible families do not claim the Working Family Payment, the issue of low take-up may be of greater immediate significance than the eligibility gap identified above. While it is possible that the proposed reform could address both issues, this outcome is not guaranteed.

If a new Targeted Child Payment is introduced, it will be essential to accompany it with a comprehensive and sustained public awareness campaign to ensure that eligible households are aware of their entitlements and can access support effectively.

Conclusion

Chambers Ireland supports, in principle, the introduction of a tapered Working Age Payment as a means of strengthening work incentives and supporting labour market participation, particularly among groups more likely to engage in part-time or flexible employment. However, the effectiveness of the measure will depend on clear design parameters, including defined taper thresholds and practical solutions for assessing income, particularly for the self-employed. The use of existing data infrastructure, such as that underpinning auto-enrolment, offers a useful model for implementation.

We also view the proposed Targeted Child Payment as a positive step, particularly in supporting participation among families. However, its success will depend on ensuring strong uptake through clear design, effective communication, and sustained public awareness efforts. Taken together, these reforms offer an opportunity to create a more

inclusive and work-focused support system, provided they are delivered in a way that is simple, transparent, and accessible to those who need them.