

Advisory Group on Tax and Social Welfare

Terms of Reference

1. The Government agreed the following terms of reference for the Advisory Group:
 - a. To constitute a forum to which the Minister for Social Protection may refer specific issues around the income supports and tax systems so that they provide good incentives to take up work and to contribute to the reduction of poverty and child poverty in particular. In particular, the Advisory Group will examine the following specific issues and make recommendations on:
 - i. Child and family income supports (in particular child benefit, increases for qualified children and the family income supplement);
 - ii. Working age income supports (including unemployment payments and similar payments made by other agencies, one parent family payment, one parent family tax credit, back to work tax credit, increases for adult dependants as well as secondary benefits such as medical cards and rent and mortgage supplementary payments);
 - iii. The appropriate unit of assessment in both the tax and social welfare codes;
 - iv. How to address identified anomalies in the interaction of tax and social welfare codes.
 - b. To examine and report on issues involved in providing social insurance cover for self-employed persons in order to establish whether or not such cover is technically feasible and financially sustainable;
 - c. To examine and report upon how to improve interaction between the tax, social welfare systems and other supports so as to improve the operation of both in a cost-effective way and in the delivery of positive social and economic outcomes;
 - d. To examine and report upon any other issue that may be referred to the group by the Minister for Social Protection following consultation with the Ministers of Finance and Public Expenditure and Reform and the agreement of the Minister for Finance on taxation matters.

It is intended that the Advisory Group should consider any proposals for change to existing arrangements in a cost-neutral or cost-reducing context.