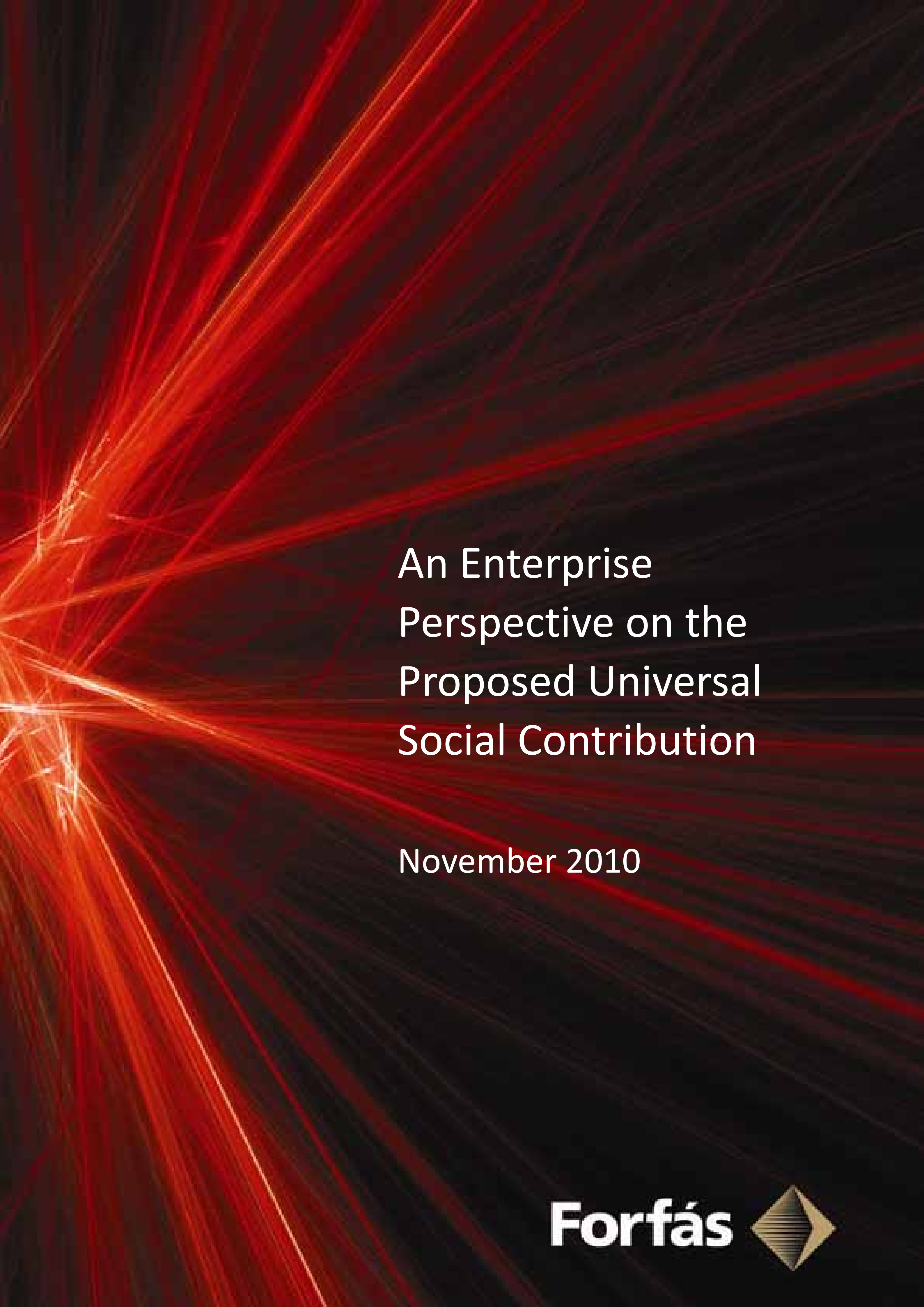


An Enterprise Perspective on the Proposed Universal Social Contribution

November 2010

Forfás

Executive Summary

Introduction

Brian Lenihan, T.D., Minister for Finance announced in Budget 2010, his intention to introduce:

- A new universal social contribution rate to replace employee Pay Related Social Insurance (PRSI), the health levy and the income levy which would be paid by everyone at a low rate on a wide base as a collective contribution to public services.

This paper seeks to address the impact of the proposed universal social contribution by establishing a set of indicative rates at which this proposed social contribution may be introduced, based on various revenue targets, income sources and tax bases. The impact of these potential rates on four key enterprise policy areas is examined, namely:

- Incentive to work – this is measured by looking at the impact on replacement rates, this is the proportion of out-of-work benefits when unemployed against take home pay if in work;
- Self-employed/Entrepreneurship – this is looked at in terms of the potential change in net income for the self-employed;
- Competitiveness – this is measured by looking at the tax wedge, this is the difference between what the employer pays and what the employee receives, and focusing more specifically on the change in net income and average tax rate;
- Maintaining and attracting key skills – this is assessed by looking at the impact on marginal tax rates.

Finally, based on these findings a number of conclusions are made.

Evidence

The basis for this analysis is the CSO's Survey on Income and Living Conditions (SILC) data for 2008. SILC is a survey based on a sample size of 5,247 households and 12,551 individuals (CSO, 2009). This database was selected due to its robustness in covering earned income as well as unearned income, social transfers and the demography of households.

Methodology

In establishing a set of indicative rates, the following methodology was adopted:

- Two scenarios were examined:
  - Scenario 1 - allowed for a universal social contribution rate to be established by exempting the bottom 20 per cent of households and capping contributions for the top 20 per cent of households, similar to the current PRSI ceiling in place.
  - Scenario 2 - did not allow for any exemptions or ceilings.
- Three revenue targets were examined:
  - Option A - looked at collecting the revenue currently generated by all three levies (€5.765 billion).
  - Option B – looked at collecting the revenue currently generated by PRSI and the health levy (€3.765 billion).

  - Option C – looked at collecting the revenue currently generated by PRSI revenue only (€1.875 billion).
- Two income bases were examined:
  - Levying the rate solely on earned income, that is employee and self-employed income.
  - Levying the rate on earned and unearned income, that is employee, self-employed and other direct income and social transfers.

Findings

Proposed Rates

Using the above methodology, a range of rates was established as can be seen from the table below.

Potential Indicative Universal Social Contribution Rates

	Option A €5.765 billion (3 levies)	Option B €3.765 billion (2 levies)	Option C €1.875 billion (1 levy)
Scenario 1 (exempt 20% cap 20%)			
Earned Income	11.99%	7.83%	3.90%
OR			
Earned Income + Unearned Income	8.47%	5.53%	2.76%
Scenario 2 (no exemptions or ceilings)			
Earned Income	8.87%	5.79%	2.88%
OR			
Earned Income + Unearned Income	6.37%	4.16%	2.07%

Given the current financial constraints, as well as the need to bring more individuals into the tax net while being cognisant of the current burden already placed on individuals, it was decided to use an indicative rate of 8.87 per cent to examine the impact of a proposed universal social contribution on enterprise. This rate represents the rate required to generate revenue of €5.765 billion (the revenue currently generated by employee and self-employed PRSI and the income and health levies) if the rate was levied on all individuals on earned income only.

Key Enterprise Policy Issues

Incentive to Work

Replacement rates measure the proportion of out-of-work benefits when unemployed against take home pay if in work. In some cases, a person's financial circumstances when unemployed may compare more favourably with their net take home pay from employment, thereby creating a disincentive to work.

Current situation

At present a minority of individuals are receiving more income by staying at home than taking up work depending on their individual circumstances. For example, a couple with one earner on the National Minimum Wage (NMW - €17,542 per annum) with two children living in Dublin in receipt of fuel allowance and maximum rent allowance for the Dublin region may receive 13.35 per cent (€4,299 per annum) more income by that earner staying at home than going to work (see Table 3). This is based on in-work income consisting of the national minimum wage less any taxes or levies due plus the greater of family income supplement or spouses jobseekers allowance (in this case spouses jobseekers allowance) plus child benefit versus out-of work income consisting of maximum jobseekers allowance including adult and child dependent allowances, plus fuel allowance, smokeless fuel allowance, maximum rent allowance for the Dublin region and child benefit.

While broadening the tax base will impact on the lower paid, it is important to highlight the fact that in 2010 it is expected that almost half of income earners will pay no income tax, while four per cent will pay almost half of the total yield.

Key Findings

The biggest impact of the introduction of the proposed universal social contribution is on replacement rates for single individuals in receipt of fuel allowance with no children on the NMW and 67 per cent of Average Industrial Earnings (67 per cent AIE - €22,535). Under the proposed universal social contribution, these cohorts would experience a 4.81 percentage point increase in their replacement rate bringing it from 63.73 to 68.54 per cent and a 2.46 percentage point increase bringing it from 53.19 to 55.65 per cent respectively[1]. Examining the impact of the proposed universal social contribution on the same two cohorts when maximum rent allowance for the Dublin region is included shows increases of 7.04 percentage points and 3.6 percentage points respectively bringing replacement rates from 93.38 to 100.42 and from 77.93 to 81.53 per cent respectively. A replacement rate of over 70 per cent is considered a disincentive to work. Couples with one earner and children would surpass this rate of 70 per cent on the NMW even without factoring in rent allowance, and couples with one earner and two or four children would surpass this rate at an income level of 67 per cent of AIE[2].

[1] In-work income for a single individual consists of gross wage less any taxes or levies due versus out-of work income consisting of maximum jobseekers allowance, fuel allowance and smokeless fuel allowance.

[2] In-work income for a couple with children consists of gross wage less any taxes or levies due plus the greater of FIS or spouses jobseekers allowance, plus child benefit versus out-of-work income of maximum jobseekers allowance plus relevant adult and child dependant allowances plus fuel allowance, smokeless fuel allowance and child benefit.

Key issue

The unemployment rate in Q2 2010 stood at 13.6 per cent. The rate of long-term unemployment stood at 5.9 per cent for Q2 2010. The method of introducing a universal social contribution will be important in terms of its impact on incentivising a return to work, halting the movement to long term unemployment and removing disincentives to move from part-time work to full-time work. This would require a simultaneous review of the level of benefits currently available to the unemployed and short-time workers, taxation of low-paid workers and the level of the national minimum wage. In addition, a tiered set of rates would be more appropriate than a single rate from an enterprise perspective in terms of minimising any disincentive to work at the lower wage levels.

Conclusion:

- Introduce a universal social contribution on everyone on earned income but on a tiered basis taking account of ability to pay (a lower rate for lower earners) and acknowledging the burden that has already been placed on certain income levels (no increase in the marginal rate).
- Address high replacement rates by targeting social welfare benefits to ensure no replacement rates exceed 100 per cent immediately and in the longer term that replacement rates move towards 70 per cent.

Self-Employed/Entrepreneurship

PRSI class S deals with the self-employed. This class accounted for 10.9 per cent (338,187) of the insured population in 2008, the second biggest cohort behind the 77.1 per cent (2,392,130) covered by class A which deals with those in paid employment.

Current Situation

At present both the self-employed and employees are charged different rates of PRSI. While the self-employed are charged a lower rate, this lower rate is applied to a wider income base as there is no ceiling on contributions for the self-employed and the threshold at which the self-employed are liable to PRSI is lower than for employees. In addition, entitlement to benefits differs between the self-employed and employees.

Key Findings

Overall, under a universal social contribution rate of 8.87 per cent, the self employed would experience a decrease in their net income up to earnings levels of €20,000.

Key Issues

The latest edition of *Entrepreneurship in Ireland*, published in 2009, showed that the proportion of early stage entrepreneurs starting a business because they had no alternative, 'necessity entrepreneurs', rose to 19 per cent in 2008 from six per cent in 2007. Coupled with this, Revenue income distribution figures show that 24.5 per cent of self-employed cases had gross income of less than €20,000 per annum, this figure is likely to be higher for start-ups as profits are lower[3]. As above, the introduction of tiered rates would improve the design of the universal social contribution from the perspective of the self-employed.

Conclusion:

- Should the self-employed be included in the introduction of a universal social contribution, an opportunity exists in its implementation to encourage people into both entrepreneurship and employment.

Competitiveness

Income taxes and payroll taxes drive a 'wedge' between the cost of hiring someone and the actual take home pay of that individual. An increasing tax wedge can raise the costs of labour, raise replacement rates and possibly stimulate a move to the informal economy.

Current Situation

It is important to take into account how the burden of taxation has been spread over the last decade. As can be seen from the table below, much of the decreases in taxation experienced by higher earners have been reversed over the last three budgets. However, when the lower end of the earnings spectrum is examined little if any reversal has occurred at this level and internationally the tax wedge at these income levels is highly competitive.

Comparative Average Tax Rates 2000-2010

Income Levels	Single Person 2000	Single Person 2008	Single Person 2010
€15,000	13.9%	0%	0%
€20,000	19.1%	4.4%	6.4%
€25,000	24%	8.3%	10.3%
€30,000	28.4%	12.9%	16.9%
€40,000	33.3%	18.6%	22.1%
€60,000	37.7%	27.5%	31.7%
€100,000	41.1%	33.8%	39.2%
€120,000	41.9%	35.4%	41.1%

Source: Department of Finance, Budget 2010

Notes: Tax = income tax + PRSI + levies

[3] Revenue Commissioners (2009) Statistical Report for year ended 31st December, 2008

Key Findings

Examining the change in the average tax rate between the existing regime and the introduction of an 8.87 per cent universal social contribution rate, those earning between €5,000 and €15,000 in the case studies looked at, experience an 8.87 per cent increase in their average tax rate as they are currently not subject to any income tax or levy. This trend continues for those with incomes up to €20,000 per annum, though the increase in average tax rates is smaller, as these individuals already pay the income levy and PRSI. At income levels of €30,000 per annum and above, decreases of up to 0.93 per cent in average tax rates are experienced up to wage levels of €250,000.

Issues

According to the OECD, the increase between 2008 and 2009 of the tax wedge of an average worker was 1.54 percentage points in Ireland. During this period, the tax wedge has increased in six OECD member countries, with the greatest increase being experienced in Ireland, and has fallen in twenty-four, with New Zealand experiencing the greatest decrease of 2.66 per cent.

Conclusion:

- Given that the tax wedge for those on higher incomes is already high relative to other income groups in Ireland and relative to international comparators, there should be no further increases in the tax wedge for these cohorts. Further increases in the tax wedge for these income groups may serve to increase costs on high-value employment creation in Ireland.

Maintaining and Attracting Key Skills

The marginal tax rate is the amount of tax paid on the last euro of income earned. The OECD noted that high top marginal rates increase the average tax rates paid by high-skilled and high-income earners to the extent that they migrate to countries with lower rates resulting in a brain drain which may lower innovative activity and productivity.

Current Situation

At present, Ireland’s marginal rate exceeds 50 per cent where the top statutory income tax rate comes into play (41 per cent at a threshold of €36,400). This leaves just five countries ahead of Ireland in terms of having higher marginal rates, namely Finland, Sweden, Belgium, Hungary and Denmark. Secondly, the wage level threshold at which this rate impacts is lower for Ireland, for example, Ireland and the UK have the same marginal rate of tax where the top statutory income tax rate comes into play, however the wage threshold at which this rate impacts is 0.9 times the average wage in Ireland compared to 1.3 times for the UK.

Key Findings

Using the proposed 8.87 per cent universal social contribution rate, this would represent a decrease in the marginal tax rate from 51 per cent to 49.87 per cent, where individuals start paying the top statutory tax rate (41 per cent for Ireland). Of 30 OECD countries looked at, only eight countries would have a higher rate than the proposed marginal rate for Ireland inclusive of the 8.87 percent based on 2009 figures. All of these countries with the exception of Hungary would have higher thresholds at which individuals start paying this higher tax.

Issue

At present, marginal rates in Ireland are in excess of 50 per cent, when the top statutory rate of income tax, the health levy, income levy and PRSI are factored in. It has been suggested that marginal rates above this level may stimulate a move to the informal economy or lead to a 'brain drain'.

Conclusion:

- Introduce a universal social contribution such that the marginal rate of tax does not exceed 50 per cent for any wage level.

Conclusion

Overall, Forfás supports the introduction of a universal social contribution, which would simplify a currently cumbersome combination of social insurance systems and levies. Forfás is also in favour of this rate being levied on all individuals.

The biggest issue which was raised during the course of the research was the incentive to work. From the research to date, a rate of 8.87 percent would be required to replace the €5.765 billion, currently generated by employee and self-employed PRSI, and the income and health levies, if the rate was levied on all individuals on earned income only. The introduction of a universal social contribution at this rate would increase replacement rates at lower levels of income thereby disincentivising a return to work for some cohorts. The introduction of a tiered rate system approximate to this rate which would be progressive to ensure any disincentive to work is minimised while acknowledging the need to attract and maintain highly skilled mobile individuals by not increasing marginal rates further would be the preferred option for enterprise.

Another important issue in the short-term is the inclusion of the self-employed in the introduction of a universal social contribution. Given the large numbers on the live register an opportunity exists in its implementation to encourage people into both entrepreneurship and employment. It would be important to remove any disincentive which may hamper a move from unemployment.

Introduction

Policy Rationale

This piece of work has been prompted by a number of factors the most obvious of which is Brian Lenihan, T.D., Minister for Finance's announcement in Budget 2010, which indicated his intention to introduce:

- A new universal social contribution rate to replace employee Pay Related Social Insurance (PRSI), the health levy and the income levy. It will be paid by everyone at a low rate on a wide base as a collective contribution to public services.
- Income tax will apply on a progressive basis to those with higher incomes reflecting their capacity to make a greater contribution.

Objectives

This paper seeks to address the Minister's first point only. In so doing it is assumed that no changes are made to any other aspect of the income tax system. The paper aims to examine the impact of the proposed universal social contribution by establishing a set of indicative rates at which this proposed universal social contribution may be introduced, based on various revenue targets, income sources and tax bases. The impact of these potential rates on four key enterprise policy areas is examined, namely:

- Incentive to work – this is measured by looking at the impact on replacement rates, this is the proportion of out-of-work benefits when unemployed against take home pay if in work;
- Self-employed/Entrepreneurship – this is looked at in terms of the potential change in net income for the self-employed;
- Competitiveness – this is measured by looking at the tax wedge, this is the difference between what the employer pays and what the employee receives, and focusing more specifically on the change in net income and average tax rate;
- Maintaining and attracting key skills – this is assessed by looking at the impact on marginal tax rates.

Finally, based on these findings a number of conclusions are made.

Evidence

Database

The basis for this analysis is the CSO's Survey on Income and Living Conditions (SILC) data for 2008. SILC is a survey based on a sample size of 5,247 households and 12,551 individuals (CSO, 2009). This database was selected due to its robustness in covering earned income as well as unearned income, social transfers and the demography of households.

Revenue Sources

Revenues currently derived from the three levies are based on latest data available. In the case of PRSI, this is from the Department of Social Protection figures for 2009. In terms of PRSI, the Minister in his speech referred to 'employee PRSI'. For the purposes of this research, this has been interpreted to take into account employee PRSI and self-employed PRSI but excludes employer PRSI. Figures for the income levy and health levy are taken from the Commission on Taxation report for 2009. These figures are not perfect, particularly in relation to the income levy, due to the mid-year change in rates, however they are the latest available.

Methodology

Assumptions

Throughout the course of this research a number of issues have arisen in relation to the data that due to time and data constraints were not examined. These are categorised below as assumptions.

Data

- SILC data is for 2008. No changes have been made to take account for movements to lower employment levels, decreased wage levels, cuts in social welfare payments etc;
- Data used to establish the rates is household data and not individual data;
- The case studies used to assess the impact on the four key policy areas assume the latest levy rates and thresholds in force in 2010.

Rates

- The rates reflect a situation where the 2009 revenue generated by the various combinations of the levies and contributions are sought to be collected. Therefore it is assumed that the new universal social contribution is not a revenue raising measure.

PRSI

- Employer PRSI is not dealt with. References to PRSI in this research refer only to employee PRSI and self-employed PRSI;
- It is assumed that employees are paying PRSI under class A. The reason for selecting this class is because it represents the majority of the insured population, 77.1 per cent (2,397,198) in 2008. This paper does not factor in the pension levy into its calculations. In addition, a further 10.9 per cent of the insured population are dealt with under class S which refers to the self-employed;
- The issue of social welfare benefits is not factored into this study. At present different classes and sub-classes of PRSI entitle people to different welfare benefits, if a universal rate is to be introduced, universal benefits may need to be looked at;
- Calculations are based on current revenues and do not take into consideration increased future liabilities for pension provision, for example, by 2050 it is expected that the pensions liability will result in the need for an additional €8 billion in the Social Insurance Fund.

Scenarios

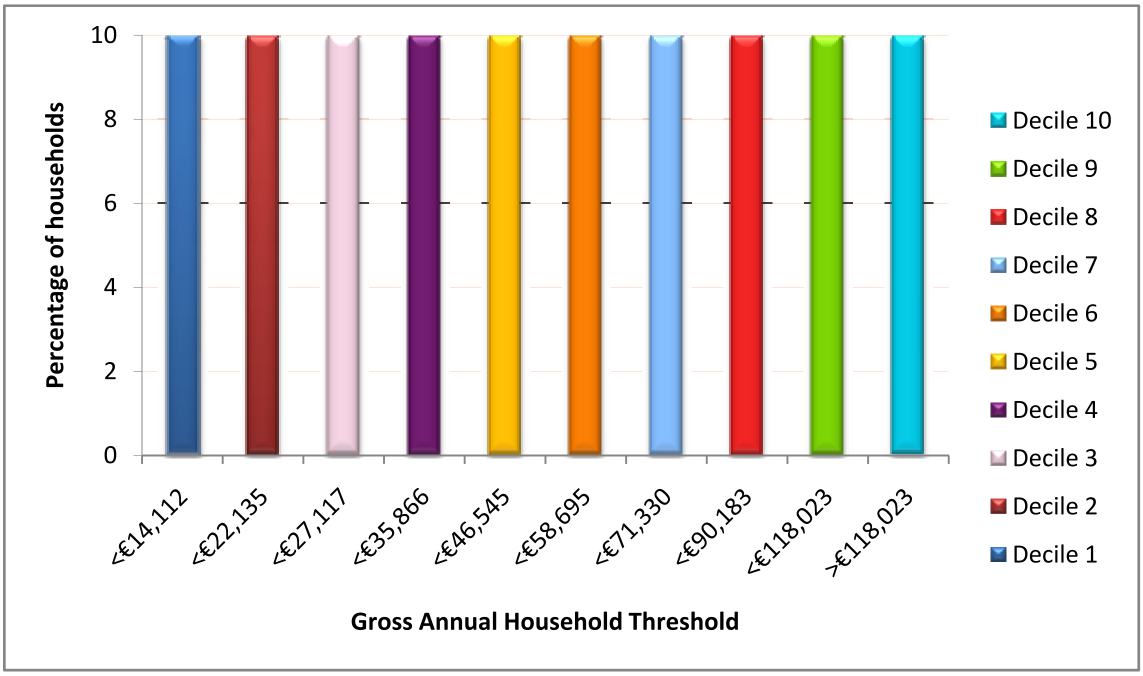
Two scenarios were selected to compare the breadth of individuals to be taxed.

- The first scenario attempts to mirror the current situation for the levies whereby an exemption is allowed for low income earners. In this case the poorest 20 per cent of households will be exempt. At the other end of the earnings spectrum a cap on contributions for the top 20 per cent of households is also in place. This attempts to replicate the current situation of employees paying PRSI, whereby their contributions are capped at an annual salary level of €75,036. Due to data limitations it was not possible to replicate this exact figure in these calculations but by introducing these exemptions and thresholds, it serves as an illustration of how the rate would look like if the current system was replicated under the proposed scheme.

- The second scenario mirrors the Minister's desire to apply the social contribution to everyone on a wide base, therefore the exemption and the ceiling are removed in this scenario and everyone is liable to the social contribution.

Chart 1 below displays ten equal bars (deciles) which each represent ten per cent of the population's households. The first two bars represent the poorest 20 per cent of households, which are exempt from the social contribution under scenario one. These households have a gross annual household income of less than €22,135. It is important to note that gross household income takes into account social transfers[4]. If households were just to be assessed on employee income, cash benefits or losses from self-employment and other direct income, the bottom 20 per cent of households would have income of less than €5,164 per annum[5].

Chart 1: Household Income by Decile



[4] Social transfers include unemployment benefits, old-age benefits (including occupational pensions and other payments to those aged 65 and over), family and children related allowances, housing allowances, and other social transfers such as survivors' benefits, sickness benefits, disability benefits, education-related allowances and social exclusion not elsewhere classified

[5] Employee income consists of gross employee cash or near cash income and gross non-cash employee income. Other direct income includes - value of goods produced for own consumption, pension from individual private plans, income from rental of property or land and regular inter-household cash transfers received. This includes interest and dividends and profits from capital investment in an unincorporated business.

Focusing on the upper end of the income spectrum, for the purposes of scenario one contributions will be capped for the top 20 per cent of households. These two deciles will only pay contributions on income up to €90,183 in terms of gross household income, any income derived above this level will not be liable to the social contribution. When looking at this level of gross household income and focusing in on just employee income, cash benefits or losses from self-employment and other direct income there is very little variance in the threshold. This is due to the diminishing presence of social transfers, therefore the individual threshold is €89,836 per annum.

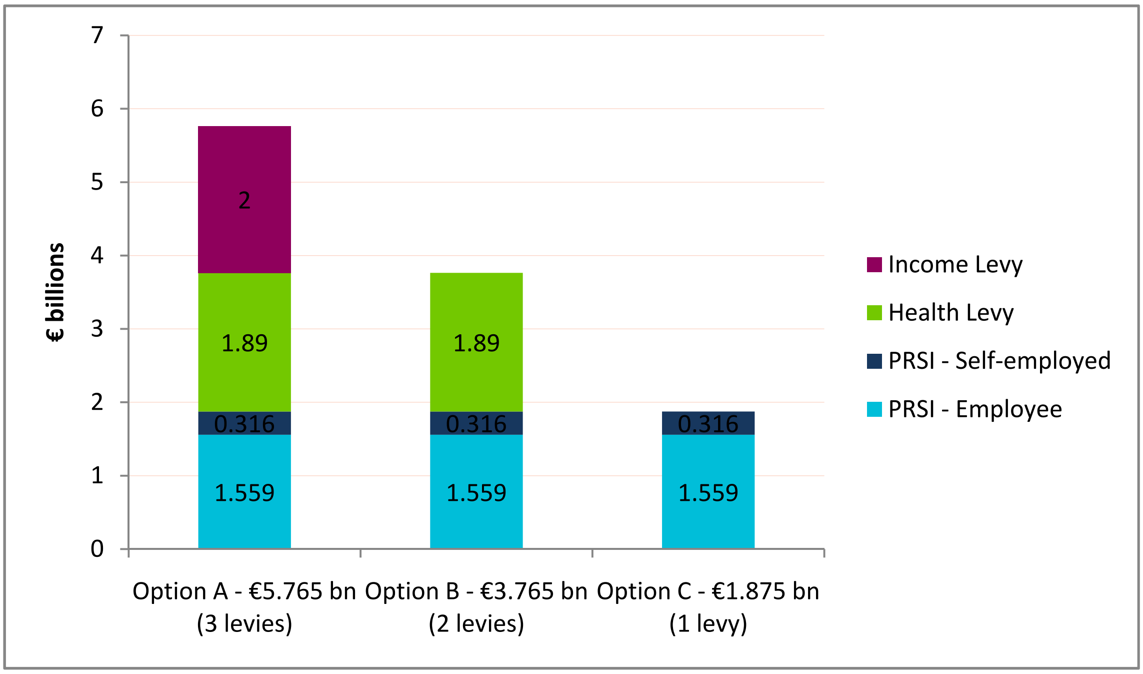
Finally, in mapping scenario two onto Chart 1 where there are no exemptions or thresholds, all households across the ten deciles will be liable to the contribution.

Revenue Options

To begin with three revenue options were examined in this research. The reason for this is discussed under each of the three options below.

- Option A (€5.765 billion) – this option reflects the Minister's speech whereby he intends to replace the three levies (PRSI – employee and self-employed; the health levy; and the income levy). This option would result in the setting of a rate to bring in revenue of €5.765 billion which is currently generated by the three rates. This option is represented by the first column in Chart 2 below.

Chart 2: Revenue Options Based on Current Revenues Generated by the Levies



- Option B (€3.765 billion) – this option takes into account the Ministers words when introducing the income levy in Budget 2009, that is, *"the levy will be kept under review in the light of economic conditions"*. The implication here is that the income levy is intended as a temporary measure to raise revenue during a time of financial constraint. This option allows for an examination of how rates would look if the proposed universal social contribution rate were to cover just revenue currently generated from PRSI (employee and self-employed) and the health levy. This option is represented by the second column in Chart 2.

- Option C (€1.875 billion) – this option allows for the view to be taken that the proposed universal social contribution should be linked to benefits received, therefore, given the nature of the income levy in addressing the current economic conditions being experienced and the fact that no benefit can be attributed to the health levy, as this is a lump sum payment to the Department of Health, this option allows for a rate to be established that would just cover the revenue currently generated by PRSI (employee and self-employed). This option is represented by the third column in Chart 2.

Income Bases

In addition to the above two scenarios and three revenue options, a third element was introduced to the research in the form of options for the breadth of income to be taxed. This element addresses the Minister’s intent to widen the base. This widening of the base refers to income that may be liable to the charge rather than individuals as discussed above under the scenarios. Two sources of income are set out here for examination:

- Earned Income – this base refers to employee income and cash benefits or losses from self-employment. As well as basic salaries this income base would include benefit-in-kind.
- Earned and unearned income – this base refers to employee income, cash benefits or losses from self-employment, other direct income and social transfers. In addition to the earned income referred to above, this base would include other income which would comprise private pensions, rental and investment income and social transfers which would include unemployment benefit, child benefit etc.

Findings

Proposed Rates

Scenario 1 allows for the exemption of the bottom 20 per cent of households and provides a cap on contributions for the top 20 per cent of households. Under this scenario there are two income bases to choose from, the first relates to earned income that is employee income and cash benefits or losses from self-employment. The second base is in relation to earned and unearned income, that is, the addition of other direct income such as private pensions, rental and investment income as well as social transfers.

Table 1 overleaf displays the various rates which would be required to collect the revenue currently generated by the levies under differing bases. Taking the example of scenario 1, option A first, it can be seen that, should the aim be to collect the revenue currently generated by the three levies (€5.765 billion), the rate that would need to be applied to earned income would be 11.99 per cent. This rate would reduce to 8.47 per cent, if the base was widened to both earned and unearned income, as more income would be taxed but the same level of revenue would be sought.

Scenario 1 option B seeks to establish a rate that would cover the revenue currently generated by two levies (€3.765 billion). As you can see the rates under both income bases are lower as the amount of revenue to be generated is decreased.

Rates are lower again under option C as the income levy and health levy are excluded, therefore the required level of revenue to be generated reduces further to €1.875 billion.

Table 1: Potential Indicative Universal Social Contribution Rates

	Option A **€5.765 billion** **(3 levies)**	**Option B** **€3.765 billion** **(2 levies)**	**Option C** **€1.875 billion** **(1 levy)**
Scenario 1 (exempt 20% cap 20%)			
Earned Income	11.99%	7.83%	3.90%
OR			
Earned Income + Unearned Income	8.47%	5.53%	2.76%
Scenario 2 (no exemptions or ceilings)			
Earned Income	8.87%	5.79%	2.88%
OR			
Earned Income + Unearned Income	6.37%	4.16%	2.07%

Focusing on scenario 2 in the lower half of Table 1 above, exemptions and ceilings are removed, so everyone is liable to the proposed universal social contribution.

As can be seen under option A, the rate which would need to be applied to earned income to generate revenue of €5.765 billion is 8.87 per cent. This compares favourably to scenario 1 as more people are liable to the social contribution due to the elimination of exemptions and thresholds. This rate would further reduce to 6.37 per cent if the base was widened further by taxing both earned and unearned income.

As with scenario 1, under scenario 2 the rates further decrease under options B and C, as the amount of income to be generated decreases.

The remainder of this paper will concentrate on one rate that is 8.87 per cent, which would be needed to collect €5.765 billion in revenue if levied on all people on earned income only.

Key Enterprise Policy Issues

Incentive to Work

Replacement rates measure the proportion of out-of-work benefits when unemployed against take home pay if in work. In some cases, a person's financial circumstances when unemployed may compare more favourably with their net take home pay from employment, thereby creating a disincentive to work. The Department of Finance in a recent paper on replacement rates have noted that it is generally accepted that a replacement rate of 70 per cent acts as a disincentive to work, that is by not going to work you would receive 70 per cent of the income you would earn by going to work[6]. Replacement rates impact on the incentive to work, the time spent looking for another job as well as placing upward pressure on real wages.

Current Situation

Table 2 overleaf sets out the current replacement rates for various family types, with no rent allowance as well as with rent allowance, in the Dublin region. Results are based on a study carried out by the Department for Social Protection of the live register for February 2010. The study also found that 74 per cent of all claims matched the replacement rate for their respective category without rent allowance in Table 2 overleaf, 11 per cent have a lower replacement rate than indicated as means are assessed against basic payment and 14 per cent have a higher replacement rate due to the value of supplementary payments such as rent allowance and mortgage interest supplement. It is noted that where higher replacement rates occur, these tend to be associated with higher numbers of child dependents in family households.

[6] Department of Finance (2009) Replacement Rates and Unemployment [http://www.finance.gov.ie/documents/publications/reports/2009/rrunemploy.pdf]

Table 2: Current Replacement Rates[7]

	Single	Couple 1 earner	Couple 1 earner 1 child	Couple 1 earner 2 children	Couple 1 earner 4 children
National Minimum Wage (NMW) - €17,542					
No Rent Allowance	63.73%	69.51%	73.05%	75.86%	78.70%
Rent Allowance - Dublin	93.38%	102.55%	107.42%	113.35%	108.38%
67% AIE - €22,535					
No Rent Allowance	53.19%	65.30%	69.12%	72.17%	75.62%
Rent Allowance - Dublin	77.93%	96.35%	101.63%	107.85%	104.15%
AIE - €33,633					
No Rent Allowance	39.89%	60.27%	62.62%	66.00%	69.85%
Rent Allowance - Dublin	58.44%	88.92%	92.07%	98.62%	96.19%

Source: Department for Social Protection, 2010.

As is evidenced from the table above, at present a minority of individuals are earning more by staying at home than taking up work depending on their individual circumstances. For example, a couple with one earner on the NMW with two children in receipt of fuel allowance and maximum rent allowance for the Dublin region may receive 13.35 per cent (€4,299 per annum) more income by staying at home than going to work. This is based on in-work income consisting of the national minimum wage less any taxes or levies due plus the greater of family income supplement or spouses jobseekers allowance (in this case spouses jobseekers allowance) plus child benefit, versus out-of work income consisting of maximum jobseekers allowance including adult and child dependent allowances, plus fuel allowance, smokeless fuel allowance, maximum rent allowance for the Dublin region and child benefit.

While broadening the tax base will impact on the lower paid, it is important to highlight the fact that in 2010 it is expected that almost half of income earners will pay no income tax, while four per cent will pay almost half of the total yield.

[7] In-work income for a single individual consists of gross wage less any taxes or levies due versus out-of work income consisting of maximum jobseekers allowance, fuel allowance and smokeless fuel allowance; In-work income for a couple with no children consists of gross wage less any taxes or levies due plus spouses JA versus out-of-work income of maximum jobseekers allowance plus relevant adult dependant allowances plus fuel allowance and smokeless fuel allowance; In-work income for a couple with children consists of gross wage less any taxes or levies due plus the greater of FIS or spouses JA, plus child benefit versus out-of-work income of maximum jobseekers allowance plus relevant adult and child dependant allowances plus fuel allowance, smokeless fuel allowance and child benefit.

Key Findings

Using replacement rate calculators provided by the Department of Social Protection, this paper examined the prospective change in replacement rates for five family types under the proposed universal social contribution of 8.87 per cent. These are:

- A single individual with no children
- A couple with one earner and no children
- A couple with one earner and one child
- A couple with one earner and two children
- A couple with one earner and four children

In addition replacement rates for these five family types were examined for five levels of income:

- National Minimum Wage (NMW) - €17,542
- 67 per cent of Average Industrial Earnings (AIE) - €22,535
- 100 per cent of AIE - €33,633
- 150 per cent of AIE - €50,450
- 200 per cent of AIE - €67,267

It should be noted at lower income levels, workers may be entitled to in-work social welfare payments[8].

Table 3 shows the change in replacement rates for these five family types across the five income levels set out above. All family types on the NMW and 67 per cent of AIE experience a negative impact on their replacement rates. A negative impact on replacement rates means replacement rates increase, that is, increasing amounts may be earned from staying out of work than attending work.

The replacement rate for a person in receipt of a rent allowance is unfortunately, too complex to calculate because this payment varies on a case by case basis, depending on household composition, location of property, and local authority administration of the payment. The replacement rates including rent allowance that have been calculated below are based on the maximum thresholds for Dublin and family type less minimum contribution of €24. Therefore the examples including rent allowance are the maximum that would be possible when rent allowance is included.

The biggest impact of the introduction of the proposed universal social contribution is on replacement rates for single individuals in receipt of fuel allowance with no children on the

[8] In-work income for a single individual consists of gross wage less any taxes or levies due versus out-of work income consisting of maximum jobseekers allowance, fuel allowance and smokeless fuel allowance; In-work income for a couple with no children consists of gross wage less any taxes or levies due plus spouses JA versus out-of-work income of maximum jobseekers allowance plus relevant adult dependant allowances plus fuel allowance and smokeless fuel allowance; In-work income for a couple with children consists of gross wage less any taxes or levies due plus the greater of FIS or spouses JA, plus child benefit versus out-of-work income of maximum jobseekers allowance plus relevant adult and child dependant allowances plus fuel allowance, smokeless fuel allowance and child benefit.

NMW and 67 per cent of Average Industrial Earnings (67 per cent AIE - €22,535). Under the proposed universal social contribution, these cohorts would experience a 4.81 percentage point increase in their replacement rate bringing it from 63.73 to 68.54 per cent and a 2.46 percentage increase bringing it from 53.19 to 55.65 per cent respectively. Examining the impact of the proposed universal social contribution on the same two cohorts when maximum rent allowance for the Dublin region is included shows increases of 7.04 percentage points and 3.6 percentage points respectively bringing replacement rates from 93.38 to 100.42 and from 77.93 to 81.53 per cent respectively. A replacement rate of over 70 per cent is considered a disincentive to work. Couples with one earner and children would surpass this rate of 70 per cent on the NMW even without factoring in rent allowance, and couples with one earner and two or four children would surpass this rate at an income level of 67 per cent of AIE.

It is important to note that these figures do not factor in non-income supports such as medical cards which under the existing regime can push replacement rates higher. Neither do these figures take into account expenses incurred in taking up employment such as childcare, transport costs etc., which may further act as a disincentive to return to work. A final point to note is that under the present system earnings disregard does not allow for the income levy, however, under the proposed system it is assumed that earnings disregards allows for all of the social contribution payable.

Table 3: Comparative Replacement Rates

National Minimum Wage (NMW) - €17,542					
	Single	**Couple 1 earner**	**Couple 1 earner 1 CD**	**Couple 1 earner 2 CD**	**Couple 1 earner 4 CD**
Existing - no rent allowance	63.73%	69.51%	73.05%	75.86%	78.70%
Proposed 8.87% - no rent allowance	68.54%	70.26%	73.75%	76.50%	79.64%
Existing - rent allowance Dublin	93.38%	102.55%	107.42%	113.35%	108.38%
Proposed 8.87% - rent allowance Dublin	100.42%	103.66%	108.44%	114.32%	109.68%
67% AIE - €22,535					
Existing - no rent allowance	53.19%	65.30%	69.12%	72.17%	75.62%
Proposed 8.87% - no rent allowance	55.65%	65.53%	69.33%	72.37%	76.28%
Existing - rent allowance Dublin	77.93%	96.35%	101.63%	107.85%	104.15%
Proposed 8.87% - rent allowance Dublin	81.53%	96.68%	101.94%	108.15%	105.05%
AIE - €33,633					
Existing - no rent allowance	39.89%	60.27%	62.62%	66.00%	69.85%
Proposed 8.87% - no rent allowance	39.72%	59.37%	61.79%	65.21%	69.78%
Existing - rent allowance Dublin	58.44%	88.92%	92.07%	98.62%	96.19%
Proposed 8.87% - rent allowance Dublin	58.20%	87.59%	90.86%	97.44%	96.09%
150% AIE - €50,450					
Existing - no rent allowance	30.19%	44.30%	49.34%	54.87%	64.03%
Proposed 8.87% - no rent allowance	29.94%	43.96%	48.99%	54.49%	63.72%
Existing - rent allowance Dublin	44.24%	65.35%	72.55%	81.99%	88.18%
Proposed 8.87% - rent allowance Dublin	43.87%	64.85%	72.03%	81.43%	87.75%
200% AIE - €67,267					
Existing - no rent allowance	24.61%	36.73%	41.36%	46.30%	55.97%
Proposed 8.87% - no rent allowance	24.33%	36.36%	40.96%	45.87%	55.49%
Existing - rent allowance Dublin	36.05%	54.19%	60.81%	69.18%	77.08%
Proposed 8.87% - rent allowance Dublin	35.65%	53.64%	60.23%	68.54%	76.42%

Red shading: Negative impact on replacement rates compared to existing regime, that is, replacement rates increase; **Green shading:** Positive impact on replacement rates compared to existing regime, that is, replacement rates decrease

Note: In-work income for a single individual consists of gross wage less any taxes or levies due versus out-of work income consisting of maximum JA, fuel and smokeless fuel allowance; In-work income for a couple with no children consists of gross wage less any taxes or levies due plus spouses JA versus out-of-work income of maximum JA plus relevant adult dependant allowances plus fuel and smokeless fuel allowance; In-work income for a couple with children consists of gross wage less any taxes or levies due plus the greater of FIS or spouses JA, plus child benefit versus out-of-work income of maximum JA plus relevant adult and child dependant allowances plus fuel and smokeless fuel allowance and child benefit.

Key issue

The unemployment rate in Q2 2010 stood at 13.6 per cent. The rate of long-term unemployment stood at 5.9 per cent for Q2 2010. The method of introducing a universal social contribution will be important in terms of its impact on incentivising a return to work, halting the movement to long term unemployment and removing disincentives to move from part-time work to full-time work. This would require a simultaneous review of the level of benefits currently available to the unemployed and short-time workers, taxation of low-paid workers and the level of the national minimum wage. In addition, a tiered set of rates would be more appropriate than a single rate from an enterprise perspective in terms of minimising any disincentive to work at the lower wage levels.

Conclusion:

- Introduce a universal social contribution on everyone on earned income but on a tiered basis taking account of ability to pay (a lower rate for lower earners) and acknowledging the burden that has already been placed on certain income levels (no increase in the marginal rate).
- Address high replacement rates by targeting social welfare benefits to ensure no replacement rates exceed 100 per cent immediately and on a long term base that rates move towards 70 per cent.

Self-Employed/Entrepreneurship

PRSI class S deals with the self-employed. This class accounted for 10.9 per cent (338,187) of the insured population in 2008, the second biggest cohort behind the 77.1 per cent (2,392,130) covered by class A which deals with those in paid employment.

Current Situation

At present both the self-employed and employees are charged different rates of PRSI. While the self-employed are charged a lower rate, this lower rate is applied to a wider income base as there is no ceiling on contributions for the self-employed and the threshold at which the self-employed are liable to PRSI is lower than for employees as can be seen from Table 4 overleaf. In addition, entitlements differ between the self-employed and employees.

Table 4: Current Levy Rates and Thresholds

		Employee PRSI payable Class A	Self Employed PRSI payable Class S
Where weekly income* is:	**Annualised**		
< €61.04	<€3,174	None	3% or €253 whichever is greater
€352.01 – €1,443	€18,304 - €75,036	4% on excess over €127**	3%
> €1,443	> €75,036	4% on excess over €127 up to €75,036 0% on amounts above this.	3%

* Income for PRSI contribution purposes should be net of, for example employee pension contributions.
**Note there is a PRSI-free weekly allowance of €127 per week

Source: Department of Social Protection & Revenue Commissioners

A comparison of the benefit entitlements for employees under Class A PRSI and the self-employed under Class S PRSI are contained in Table 5 below. In addition, the self-employed currently experience marginal tax rates of 55 per cent compared to 52 per cent for employees.

Table 5: Comparative Social Contribution Benefits

	Employee PRSI Class A	Self Employed PRSI Class S
Job Seekers Benefit	X	
Illness Benefit	X	
Health & Safety Benefit	X	
Maternity Benefit	X	X
Adoptive Benefit	X	X
Invalidity Benefit	X	
Widow's/Widower's (Contributory) Pension	X	X
Guardian's Payment (Contributory)	X	X
State Pension (Transition)	X	
State Pension (Contributory)	X	X
Bereavement Grant	X	X
Treatment Benefit	X	
Occupational Injuries Benefit	X	
Carer's Benefit	X	

Source: Department of Social Protection

Key Findings

Overall, under a universal social contribution rate of 8.87 per cent, the self employed would experience a decrease in their net income up to earnings levels of €20,000.

Key Issues

Revenue income distribution figures show that 24.5 per cent of self-employed cases had gross income of less than €20,000 per annum, this figure is likely to be higher for start-ups as profits are lower[9]. Coupled with this, the latest edition of *Entrepreneurship in Ireland*, published in 2009, showed that the proportion of early stage entrepreneurs starting a business because they had no alternative, 'necessity entrepreneurs', rose to 19 per cent in 2008 from six per cent in 2007.

A recent Eurobarometer survey on entrepreneurship showed that men tend to express a stronger preference for self–employment (51 per cent) than women (39 per cent) and young people are more inclined to start a business than older citizens[10]. The latest CSO figures show that in Q2 2010 there were 200,100 males and 93,600 females unemployed[11]. Many highly skilled individuals who have recently become unemployed may wish to start their own business. These individuals would face an additional burden by becoming self-employed than as an employee in particular given the lower PRSI liability threshold and the liability for PRSI on unearned income, such as investment and rental income, which is not payable by employees.

As above, the introduction of tiered rates would improve the design of the universal social contribution from the perspective of the self-employed.

Conclusion:

- Should the self-employed be included in the introduction of a universal social contribution, an opportunity exists in its implementation to encourage people into both entrepreneurship and employment.

Competitiveness

Income taxes and payroll taxes drive a 'wedge' between the cost of hiring someone and the actual take home pay of that individual. An increasing tax wedge can raise the costs of labour, raise replacement rates and possibly stimulate a move to the informal economy.

Current Situation

It is important to take into account how the burden of taxation has been spread over the last decade. As can be seen from Table 6 overleaf, much of the decreases in taxation experienced by higher earners have been reversed over the last three budgets. However, when the lower

[9] Revenue Commissioners (2008) Statistical Report for year ended 31st December, 2008

[10] European Commission (2009) Entrepreneurship in the EU and beyond A survey in the EU, EFTA countries, Croatia, Turkey, the US, Japan, South Korea and China Analytical report

[11] CSO (2010) Quarterly National Household Survey, Quarter 2 2010.

end of the earnings spectrum is examined little if any reversal has occurred at this level and internationally the tax wedge at these income levels is highly competitive.

Table 6: Comparative Average Tax Rates 2000-2010

Income Levels	Single Person 2000	Single Person 2008	Single Person 2010
€15,000	13.9%	0%	0%
€20,000	19.1%	4.4%	6.4%
€25,000	24%	8.3%	10.3%
€30,000	28.4%	12.9%	16.9%
€40,000	33.3%	18.6%	22.1%
€60,000	37.7%	27.5%	31.7%
€100,000	41.1%	33.8%	39.2%
€120,000	41.9%	35.4%	41.1%

Source: Department of Finance, Budget 2010

Notes: Tax = income tax + PRSI + levies

It is important to highlight the existing impact of Budget 2009 and the April Supplementary Budget 2009, which targeted revenue of nearly €4 billion through increases in labour taxation alone[12]. There is limited scope to raise additional revenue through labour taxes without damaging competitiveness.

Key Findings

Examining the change in the average tax rate between the existing regime and the introduction of an 8.87 per cent universal social contribution rate, those earning between €5,000 and €15,000 in the case studies looked at, experience an 8.87 per cent increase in their average tax rate as they are currently not subject to any income tax or levy. This trend continues for those with incomes up to €20,000 per annum, though the increase in average tax rates is smaller, as these individuals already pay the income levy and PRSI. At income levels of €30,000 per annum and above, decreases of up to 0.93 per cent in average tax rates are experienced up to wage levels of €250,000.

[12] Initial introduction of income levy targeted €1,180 million in a full year while the extension of the income levy, the increase in the health levy and the increase in the thresholds for the health levy and PRSI in the April Supplementary Budget targeted €2,786 million in a full year.

Issues

Ireland experienced a significant loss in cost competitiveness over the past decade. According to a recent report by the National Competitiveness Council (NCC)[13], key business costs such as pay, rents, utilities and business services rose sharply for an extended period. While Ireland has begun to regain some of its lost cost competitiveness, Irish costs still remain high relative to historic levels and those in other countries.

Labour costs are the largest cost components for services (74 per cent) and R&D (70 per cent). Given Ireland's move towards a knowledge economy and therefore more service oriented economy, the competitiveness of Ireland's labour costs significantly impact on overall cost competitiveness. It is important that these high labour cost are addressed, thereby incentivising work and reducing the price of home produced goods which may lead to a further improvement in Ireland's costs relative to its competitors.

According to the OECD, the increase between 2008 and 2009 of the tax wedge of an average worker was 1.54 percentage points in Ireland. During this period, the tax wedge has increased in six OECD member countries, with the greatest increase being experienced in Ireland, and has fallen in twenty-four, with New Zealand experiencing the greatest decrease of 2.66 per cent[14].

Conclusion:

- Given that the tax wedge for those on higher incomes is already high relative to other income groups in Ireland and relative to international comparators, there should be no further increases in the tax wedge for these cohorts. Further increases in the tax wedge for these income groups may serve to increase costs on high-value employment creation in Ireland.

Maintaining and Attracting Key Skills

The marginal tax rate is the amount of tax paid on the last euro of income earned. The OECD noted that high top marginal rates increase the average tax rates paid by high-skilled and high-income earners to the extent that they migrate to countries with lower rates resulting in a brain drain which may lower innovative activity and productivity.

Current Situation

At present, marginal rates exceed 50 per cent at low levels of income compared to other countries. Examining the marginal rate for wage levels at which the top statutory income tax rate applies across a number of OECD countries, the following is found:

[13] NCC (2010) Costs of Doing Business in Ireland 2010, Volume 1, July 2010, Dublin: Forfás

[14] OECD (2010) Taxing Wages 2008-2009

Table 7: Comparative Marginal Tax Rates

	Top Statutory Marginal Rate	Top Statutory Income Tax Rate	Threshold (as a multiple of AW)
Mexico	29.6%	28.0%	4.7
Slovak Republic	29.9%	19.0%	0.5
Czech Republic	31.1%	15.0%	0.4
Poland	34.9%	32.0%	2.8
Turkey	35.6%	35.6%	3.0
Iceland	35.7%	37.2%	0.3
New Zealand	38.0%	38.0%	1.5
Korea	38.5%	38.5%	3.2
Austria	42.7%	50.0%	2.1
Spain	43.0%	43.0%	2.4
United States	43.2%	41.9%	9.6
Canada	46.4%	46.4%	2.9
Australia	46.5%	46.5%	2.8
Luxembourg	47.0%	38.9%	1.0
Switzerland	47.5%	41.7%	3.6
Germany	47.5%	47.5%	6.2
Japan	47.7%	50.0%	4.6
Norway	47.8%	40.0%	1.6
Portugal	48.4%	42.0%	4.3
Greece	49.6%	40.0%	3.6
France	49.8%	47.8%	2.8
Netherlands	50.0%	52.0%	1.2
Italy	50.7%	44.9%	3.2
United Kingdom	51.0%	40.0%	1.3
Ireland	51.0%	41.0%	0.9
Finland	55.0%	49.1%	1.8
Sweden	56.5%	56.5%	1.5
Belgium	59.5%	53.7%	1.1
Hungary	62.0%	36.0%	0.8
Denmark	62.8%	51.6%	1.0

Source: OECD 2010

At present, Ireland's marginal rate exceeds 50 per cent where the top statutory income tax rate comes into play (41 per cent at a threshold of €36,400). This leaves just five countries ahead of Ireland in terms marginal rates, namely Finland, Sweden, Belgium, Hungary and Denmark. Secondly, the wage level threshold at which this rate impacts is lower for Ireland, for example, Ireland and the UK have the same marginal rate of tax where the top statutory income tax rate comes into play, however the wage threshold at which this rate impacts is 0.9 times the average wage in Ireland compared to 1.3 times for the UK.

Key Findings

Using the proposed 8.87 per cent universal social contribution rate, this would represent a decrease in the marginal tax rate from 51 per cent to 49.87 per cent, where individuals start paying the top statutory tax rate (41 per cent for Ireland). Of 30 OECD countries looked at, only eight countries would have a higher rate than the proposed marginal rate for Ireland inclusive of the 8.87 percent based on 2009 figures. All of these countries with the exception of Hungary would have higher thresholds at which individuals start paying this higher tax.

Issue

At present, marginal rates in Ireland are in excess of 50 per cent, when the top statutory rate of income tax, the health levy, income levy and PRSI are factored in. It has been suggested that marginal rates above this level may stimulate a move to the informal economy or lead to a 'brain drain'.

Conclusion:

- Introduce a universal social contribution such that the marginal rate of tax does not exceed 50 per cent for any wage level.

Conclusion

Overall, Forfás supports the introduction of a universal social contribution, which would simplify a currently cumbersome combination of social insurance systems and levies. Forfás is also in favour of this rate being levied on all individuals.

The biggest issue which was raised during the course of the research was the incentive to work. From the research to date, a rate of 8.87 percent would be required to replace the €5.765 billion, currently generated by employee and self-employed PRSI, and the income and health levies, if the rate was levied on all individuals on earned income only. The introduction of a universal social contribution at this rate would increase replacement rates at lower levels of income thereby disincentivising a return to work for some cohorts. The introduction of a tiered rate system approximate to this rate which would be progressive to ensure any disincentive to work is minimised while acknowledging the need to attract and maintain highly skilled mobile individuals by not increasing marginal rates further would be the preferred option for enterprise.

Another important issue in the short-term is the inclusion of the self-employed in the introduction of a universal social contribution. Given the large numbers on the live register an opportunity exists in its implementation to encourage people into both entrepreneurship and employment. It would be important to remove any disincentive which may hamper a move from unemployment.

Forfás Board Members

Eoin O’Driscoll, Chairman

Managing Director, Aderra

Martin Shanahan

Chief Executive, Forfás

Simon Barry

ROI Chief Economist, Ulster Bank Capital Markets

Bob Brannock

President, International Europe and Lifestyle Protection, Genworth Financial

Timothy Dullea

Formerly Chief Executive Officer, Tipperary Co-op

Prof. Frank Gannon

Director General, Science Foundation Ireland

Sean Gorman

Secretary General, Department of Enterprise, Trade and Innovation

Miriam Magner Flynn

Managing Director, Career Decisions

William O’Brien

Managing Director, William O’Brien Plant Hire Ltd

Barry O’Leary

Chief Executive, IDA Ireland

Paul O’Toole

Director General, FÁS

Frank Ryan

Chief Executive Officer, Enterprise Ireland

Dr Don Thornhill

Chairman, National Competitiveness Council

Michael O’Leary

Secretary to the Board, Forfás

Recent Forfás Publications

Annual Competitiveness Report 2010 Volume 2: Ireland’s Competitiveness Challenge NCC	November 2010
Future Skills Needs of Enterprise within the Green Economy in Ireland EGFSN	November 2010
Review of Labour Cost Competitiveness Forfás	November 2010
Annual Business Survey of Economic Impact 2009 Forfás	November 2010
Enterprise Statistics at a Glance 2010 Forfás	November 2010
Categorisation of State Expenditure on R&D Forfás	November 2010
Future Skills Requirements of the Biopharma-Pharmachem Sector EGFSN	November 2010
Waste Management in Ireland: Benchmarking Analysis and Policy Priorities – Updated 2010 Forfás	October 2010
Making It Happen: Growing Enterprise for Ireland Forfás	October 2010
Ireland’s Nanotechnology Commercialisation Framework 2010 – 2014 Forfás	August 2010
Adaptation to Climate Change: Issues for Business Forfás	August 2010
The Irish Energy Tetralemma – A Framework for Fuel Choices in Ireland Forfás	August 2010
The Role of State Owned Enterprises: Providing Infrastructure and Supporting Economic Recovery Forfás	July 2010
Annual Competitiveness Report 2010 Volume 1: Benchmarking Ireland’s Performance National Competitiveness Council	July 2010

Costs of Doing Business in Ireland 2010 National Competitiveness Council	July 2010
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2010 EGFSN, FÁS	July 2010
National Skills Bulletin 2010 EGFSN, FÁS	July 2010
Forfás Annual Report 2009 Forfás	June 2010
Future Skills Needs of the Wholesale and Retail Sector EGFSN, Forfás	May 2010
Review of supports for exploitation of Intellectual Property from Higher Education Research Forfás, Department of Enterprise Trade and Innovation	May 2010
The Expert Group on Future Skills Needs - Statement of Activity 2009 EGFSN	April 2010
Single Window: Assessment of the Costs of Trade-Related Regulatory Requirements in Ireland Forfás	March 2010
Annual Employment Survey 2009 Forfás	March 2010
Evaluation of Framework Programme 6 in Ireland Forfás	March 2010
Maximising the Environment for Company Research and Development Advisory Science Council	March 2010
Review of Labour Market Programmes Department of Enterprise Trade and Employment	March 2010
Profile of Employment and Unemployment Forfás	March 2010
Management Development in Ireland Management Development Council	March 2010
Forfás Evaluation of Irish Membership of the European Molecular Biology Laboratory Forfás	March 2010
Ireland's Broadband Performance and Policy Actions Forfás	January 2010
Regional Competitiveness Agendas Forfás	January 2010

The publications of Forfás are available at www.forfas.ie

To sign up for our email alerts contact us at info@forfas.ie or through the website.

November 2010

Forfás
Wilton Park House
Wilton Place
Dublin 2

Tel: +353 1 607 3000
Fax: +353 1 607 3030

www.forfas.ie