



Submission on a Cost of Disability Payment

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Age Action

We are Ireland's leading advocacy organisation promoting equality for us all as we age.

We are on a journey to create change in Ireland by building an inclusive and age-positive society. We make our vision a reality through advocacy, DIY services in people's homes, and education. Everything we do ensures older people's rights are respected, their voices heard, and their contributions celebrated. We lead the fight in challenging ageism, promoting everyone's agency in older age and finding solutions to the disadvantages we face as we grow older in Ireland.

We are a national not-for-profit organisation, servicing the needs of older people in every county in Ireland, with offices in Dublin, Cork and Galway.

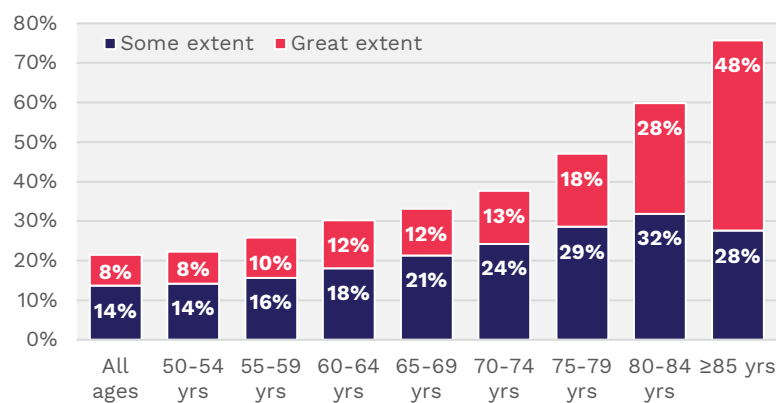
The challenges we face as a society are clear and unavoidable. But the solution is within our grasp.

1 Introduction

Older people are more affected by disability than any other age group in Ireland.

A third of all people living with disability in Ireland are aged 65 or older¹.

Figure A: Percentage of people affected by a disability, by age group, Census 2022



The incidence of disability rises with age:

- A third of people in the 65-69 age group live with disability
- More than six in ten people aged 80 or older are affected by disability.

The severity of disability also increases with age; 37% of everyone affected by disability to a great extent are aged 65 or older. The share of older people affected by disability to a great extent is:

- Nearly one in five among people aged 75-79 years;

¹ CSO (2023) Census 2022, Table FY084: Persons with a Disability as a Percentage of All Population

- Almost half of those aged 85 or older.

Older people who were affected by disability during their working years are less likely to have been employed, leaving them reliant on a lower, and means-tested, Non-Contributory State Pension (where they did not qualify for credited contributions and/or have insufficient paid contributions²).

The cost of disability can be defined as the extra spending needs that people with a disability face in their day-to-day lives that others in society do not face³

Policy considerations on the cost of disability need to distinguish clearly between:

- a) General income support payments for people who are not in employment, whether unemployed or retired, and
- b) Payments and services to meet the additional costs associated with disability, which apply whether people are in employment, unemployed, or retired from employment.

Disability in older age is not inevitable, even among the oldest age groups a significant share are not affected by disability. But the costs faced by older people with disabilities are no less real and have no less impact on their potential to achieve a reasonable standard of living than for younger people.

To exclude a third of people living with disability from a Cost of Disability payment on the grounds that they are older would constitute institutional ageism.

Age Action strongly argues that older people living with disability must be eligible for Cost of Disability payment(s).

We also stress that any system to provide for Cost of Disability payment(s) should be codesigned with representatives of those experiencing disability. We recommend that a Working Group including Government Departments, public service providers, and civil society organisations be convened to consider the design of a system to provide equity for people living with disability.

² While credited contributions are included in assessment of entitlement to a Contributory State Pension, only up to 520 credited contributions (10 years) are counted toward the maximum 2,080 required for a full pension under the Total Contributions Approach.

³ Indecon (2021) *The Cost of Disability in Ireland – Final Report to the Department of Social Protection*

2 Purpose of the payment

Cost of Disability payment(s) are not intended to be a general income support for people who are not in paid work (whether unemployed or retired) but as a support to meet the additional costs associated with disability, irrespective of age, social welfare or employment status.

Research to date, for example Indecon's 2021 Report to the Department of Social Protection, has catalogued many of these costs, which include:

- Housing adaption costs;
- Therapeutic supports and specialised care services;
- Assistive technology such as hearing aids;
- Travel costs;
- Home help costs;
- Utility bills;
- Food and clothing;
- The costs of accessing services and social costs.

It is clear therefore that there is no one 'cost of disability'; the costs faced by any one individual will be affected by factors such as age, household type, geographical location, the nature and severity of disability or disabilities. Indecon's research also makes clear that it is not possible to attribute a standard cost to e.g. moderate or severe disability. The cost of disability is a spectrum ranging from lower to extremely high additional costs, depending on individual circumstances.

Horizontal equity requires therefore that any Cost of Disability payment(s) should be calibrated according to individual needs and costs. One size will not fit all.

Some of these costs could be addressed via reforming and enhancing supports and grants that already in place. It is important to acknowledge however that these schemes are subject to underfunding, delay and/or inconsistency, which leaves individuals to shoulder much of the financial burden themselves. Many of the costs currently associated with disability are related to inadequate and/or delayed provision under existing schemes.

Below we make some observations regarding existing supports, reform of which could go some way to alleviating the costs people with disabilities face.

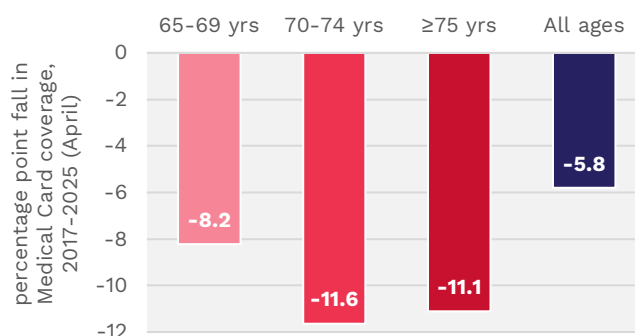
2.1 Health related costs

Many health-related costs of disability could be addressed through enhanced health service provision.

Medical Cards remain the key mechanism to reduce the financial burden on people with significant health-related costs, particularly for people on lower incomes. They are vital for many people who need to access key community-based services including enhanced community care programmes.

However, Medical Card coverage has been declining since the global financial crisis and is declining at a much faster rate for older people. Between 2017 and 2025, Medical Card coverage for all ages fell by nearly 6 percentage points, while for people aged 65-69 it fell by 8.2 percentage points, by 11.6 percentage points for 70-74 year olds, and by 11.1 percentage points for people aged 75 and older.

Figure B: Decline in Medical Card coverage as a percentage of the population⁴



Income limits for Medical Cards have remained unchanged for older people under age 70 since 2005⁵. Current net income thresholds for people aged 66-69 are:

- €201.50 per week for a single person living alone;
- €173.50 per week for a single person living with family;
- €298.00 per week for a couple.

State Pension rates for these households are much higher than these limits: for claimants, the current rate of the Non-Contributory State Pension is €288, and €299.30 for the Contributory State Pension – higher than the income guideline for a couple.

While people with no other income than social welfare can be granted a Medical Card, this leaves those with even a small occupational or private pension excluded. In addition, the means test for people aged 70 or older is based on gross income, whereas for younger people, net income after allowances such as housing costs is used. Net income after allowances should be the basis for income assessment regardless of age.

The process of applying for a discretionary Medical Card is cumbersome, and some older people may believe that having a GP Visit Card is the same as having a Medical Card. In fact, a full Medical Card currently provides a range of supports not available to GP Visit Card holders, including:

- Prescription drugs and medicines
- In-patient and out-patient hospital services and medical appliances
- Dental checks, eye tests and ear tests
- Some personal and social care services such as public health nursing, social work and other community care services
- Short-term counselling for mild to moderate psychological difficulties with the Counselling in Primary Care Service
- Reduced rate of Universal Social Charge

These can represent a significant cost for older people living with disability. The cost of prescription drugs and medicines is a case in point. While prescription charges of €2.50 per item apply for Medical Card holders, these are capped at €17.50 per month for people aged 65 or older. For those on a GP Visit card, a household cap of €80 per month applies under

⁴ HSE data on Medical Card coverage, available at <https://www.sspcrs.ie/portal/annual-reporting/> as a proportion of CSO estimates of population by age group, Table PEA01.

⁵ ESRI (2025) *Medical Card coverage and the impact of income limit freezes*. Working Paper No. 804. Available at: https://www.esri.ie/system/files/publications/WP804_1.pdf

the Drugs Payment Scheme – an extra €62.50 per month. In addition, a household cap means that older people living alone face a higher cost for prescribed medicines as a proportion of their income, compared to larger households.

Medical Card coverage for older people living with disability could be significantly enhanced by increasing the income guidelines in line with income growth, ensuring that the guidelines are higher than social welfare payments, and by streamlining the system of providing Medical Cards to people with disabilities who may qualify for a ‘discretionary’ Card.

While some people with disabilities will not be able to pay the minimum social insurance contributions to qualify for the Treatment Benefit scheme, reform of eligibility conditions could broaden coverage for this scheme for people with disabilities. For those who do qualify, enhancement of the benefits provided could also assist with disability related costs, both current and future. For example, while a contribution towards the cost of hearing aids is available, it will not cover the cost of better technology. Correcting hearing loss is considered to be the largest modifiable risk factor for dementia and can slow cognitive deterioration by nearly 50% in at-risk older adults. It can also reduce the risk of falls by 27%, which are a significant cause of admission to hospital and disability for older people.

Putting in place a statutory home care scheme (currently under development) could also alleviate many of the care costs associated with disability.

Reforming and enhancing both coverage and support provided by existing schemes such as the Medical Card and the Treatment Benefit scheme could make a significant contribution to reducing the burden of health-related costs faced by people with disabilities.

2.2 Housing adaptation costs

While Housing Adaptation Grants were reviewed relatively recently the upper income limits for the Housing Adaptation Grant for Disabled People⁶ are only just above median household income, and the Mobility Aids Grant scheme considerably below it.

The rationale for tying the level of the Housing Adaptation Grant for Disabled People to the age of the home is unclear: disability can be acquired at any time, and is unrelated to the age of the home one lives in.

In addition, the level of subsidy available is likely to be far below actual costs faced in many instances, as the level of support provided is related to household income, even at relatively low household income levels.

Enhancing the support available to people who need to make disability related adaptations to their homes could also contribute to reducing the cost burden faced by people with disabilities.

2.3 Energy costs

Older people are more likely to live in older homes with lower Building Energy Ratings, and to rely on inefficient heating systems; the MESL Research Centre has estimated that the cost of heating an energy inefficient home can be 3½ times that of heating an energy efficient home⁷. People with disabilities of any age are more likely to spend more time at home, and

⁶ And the Housing Aid for Older People grant

⁷ O’Carroll (2023-11) *The cost of adequately heating the home*. MESL Research Centre: https://www.budgeting.ie/download/pdf/the_cost_of_adequately_heating_the_home.pdf

may also be less mobile, particularly in older age, which affects their ability to keep warm. Ensuring that older people with disabilities can keep their home sufficiently warm can have significant health implications:

“Adults who report difficulty heating their homes have poorer self-rated health, are twice as likely to have clinically relevant depressive symptoms and are more likely to report chronic pain, compared to adults who do not have difficulty heating their homes. Both depression and chronic pain are strong predictors of functional decline in older adults.”⁸

An enhanced Fuel Allowance payment with broader coverage could be used to better target and support people with disabilities.

Most older people do not qualify for Fuel Allowance. Only 23% of recipients of the Contributory State Pension qualified for Fuel Allowance in 2024, and only 56% of means tested Non-Contributory State Pension recipients.

In addition to the low rate of coverage for older people, the current structure of the Fuel Allowance payment has several limitations in relation to meeting the energy costs of older people with disabilities:

- As a flat rate payment, it doesn't take account of the home energy inefficiency challenges noted above.
- Older people with disabilities who live with others are ineligible for Fuel Allowance (unless they also qualify for the payment). The people they live with may provide care (but not qualify for a Carer's payment), for example they may be their own sons or daughters who are unable to afford independent housing due to the housing crisis;
- The Fuel Allowance means assessment threshold for a single adult is 65% of that for a couple (both aged over 66), even though their fuel needs are unlikely to be significantly different to that of a couple.

Widening access to the Fuel Allowance scheme would also increase eligibility for the Warmer Homes Scheme, which provides free energy upgrades to homeowners at risk of energy poverty. However, it should be noted that the waiting list for this scheme currently stands at 24-26 months – an example of how waiting lists increase the costs that people with disabilities face.

Age Action has proposed an Energy Guarantee scheme, which would calibrate support according to the energy efficiency of the home, as well as energy costs. This is another mechanism which could be used to reduce costs for people living with disability.

2.4 Travel costs

While people with disabilities and older people qualify for the Free Travel scheme, transport costs remain a key challenge for many people affected by disability.

Disability access to public transport remains a challenge, coverage outside of the main urban centres is often less than optimal; getting to medical appointments can often involve

⁸ Orr et al (2016-10) *Housing conditions of Ireland's older population – Implications for physical and mental health*. The Irish Longitudinal Study on Ageing, p. 20. Available at: https://tilda.tcd.ie/publications/reports/pdf/Report_HousingConditions.pdf

considerable distance and multiple changes if using public transport – a very significant burden for people with disabilities, and those providing care for them. For people who are managing chronic illness and disability, using public transport is often not a viable option and they rely on taxis, which can represent a significant financial burden.

A simple and accessible system of reimbursement for travel costs associated with living with disability would help to relieve a significant cost.

3 Eligibility conditions for Cost of Disability payment(s)

Cost of Disability payment(s) should be available to everyone who has a disability that gives rise to additional costs not faced by people without disabilities. This is an issue of horizontal equity between those who live with disability and the additional costs that gives rise to, and those of us who are fortunate enough not to be affected by disability.

Eligibility should not be linked to age, social welfare or employment status. The cost of disability is not related to employment or social welfare status; nor is it related to age. The costs associated with disability do not disappear when a person turns 66 on the contrary, they are more likely to rise. Disability is not an inevitable part of growing older, but it represents no less of a cost burden in older age than when younger.

The health service may be best placed to evidence that a person:

- a) is affected by disability, and
- b) faces additional costs because of disability (or disabilities), which are not met via direct provision of supports by the health service.

Age Action recommends that eligibility for Cost of Disability payment(s) is determined by having a disability that gives rise to additional costs not faced by people who do not live with disability. Eligibility should not be related to age, social welfare or employment status.

4 Determining the amount of Cost of Disability payment(s)

Given the diversity of experience of disability, there is no simple answer to this question.

All research conducted to date indicates that the nature and severity of disability experienced will impact on the level of cost faced. Picking a standard amount, or tiered amounts, is likely to be an inadequate response to the level of cost any individual faces.

Some costs can be addressed via significantly enhanced direct provision of supports: healthcare costs are an obvious example. This may be an efficient method for the State to support individuals with the cost of disability. However, if people with disabilities face rationed services and waiting lists, as is currently the case for many people living with disability, direct provision will fail to meet the policy objective of horizontal equity between those living with disability, and without. In practical terms, many of the costs currently faced are due to the inadequacy of existing State supports.

Even with reformed and enhanced direct provision of services and supports, there will remain additional costs faced by people with disabilities which would be administratively cumbersome to address via specific payments e.g. food costs, clothing and footwear costs. Accordingly, there is need for Cost of Disability payment(s).

The level such payments should be set at will depend on the extent to which costs can be addressed via direct provision of reformed and enhanced services and supports.

The issue to be addressed by Cost of Disability payment(s) is one of horizontal equity between those who live with disability and those who don't, regardless of their age, income, employment or social welfare status.

There are contingencies which we recognise with universal payments, such as the cost of raising children: Child Benefit is paid (at a comparatively generous level) at the same level to households at the top and bottom of the income distribution. It is also paid tax free. There is no rationale why the cost of disability should be treated differently.

A balanced approach may be achieved by combining a universal payment, or tiered payments related to the severity of disability, supplemented with additional means tested payments depending on level of need and income. To achieve an equitable approach, it is critical that additional means tested supplements are not too tightly targeted: incomes above median levels should be included as a minimum. A caveat here is that categorising disability according to 'severity' is a far from uncomplicated exercise. It may be more useful to relate any tiers of universal payments to the costs associated with disability, rather than a judgement related to the 'severity' of disability.

Everyone who faces additional costs associated with a disability should be included within the 'eligibility pool' for such payments: Age Action stresses that excluding a third of the population who live with disability because they are older would constitute discrimination on the grounds of age. Disability is not an inevitable feature of growing older.

5 How the payment should work

The circumstances of individuals affected by disability are diverse. The costs associated with disability are unrelated to social welfare or employment status; administration of payments in relation to the cost of disability should also not be linked to social welfare or employment status.

The argument for cost of disability payment(s) is one of horizontal equity between households who face the additional costs associated with disability and those who don't. Disability is not a choice, but something which places limits on an individual's participation in society, regardless of their age, income level, household, social welfare or employment status.

Age Action believes that such support should be administered as a new payment, independent of age, employment or social welfare status.

For 'lumpy' costs e.g. home adaptation, the cost of medical appliances, etc., it may be more appropriate to provide such support at the time the costs are incurred. This might be achieved via improved home adaptation grants provision, or specific grants for medical appliances where these are not directly provided in a timely manner by the health service.

For more regular expenses, payment(s) would be better administered on a weekly or monthly basis; as noted above, this might comprise a base payment made on a universal basis, with additional supplements for people who have lower incomes.

Specific recommendations in relation to how existing supports might be reformed and enhanced to address the costs of disability more effectively are made in section 2 above.

6 Conclusion

Policy considerations on the Cost of Disability need to distinguish clearly between:

- a) General income support payments for people who are not in employment, whether unemployed or retired, and
- b) Payments and services to meet the additional costs associated with disability, which apply whether people are in employment, or retired from employment

There is no one cost of disability; costs vary depending on a wide range of factors, including the nature and severity of disability, and factors such as geographic location (which may increase transport costs, and which may impact the local availability of health supports).

Some of the costs associated with disability could be addressed by reformed and enhanced direct provision of services and supports, as noted in Section 2 above. This is potentially a cost-effective way for the State to provide support with the cost of disability; however, it is imperative that those supports are both adequate and provided in a timely manner. Where people with disabilities face service rationing and/or waiting lists, they are left to pay for those goods or services out of their own pocket; indeed, this is what gives rise to many of the costs of disability people currently face.

Many of the existing supports in place to meet these costs are increasingly difficult to access, and/or provide an inadequate level of support, for example housing adaptation grants may pay only part of the costs involved; Medical Card coverage is falling, particularly for older people; the Treatment Benefit scheme does not cover all of the treatment costs associated with disability; only 30% of older people in receipt of the State Pension qualify for Fuel Allowance.

The level at which cost of disability payment(s) are made will in part be determined by the extent to which these costs can be met via the direct provision of services and supports. However, it is clear from the research conducted to date that some costs cannot be effectively met by direct provision – for example transport, food, clothing. Cost of Disability payment(s) can address those costs.

An equitable balance may be achieved by providing universal payments, perhaps tiered in relation to costs, supplemented by additional cash supports for those on lower incomes. To achieve equity, it is critical that means tested payments are not too tightly targeted; at a minimum people living on median incomes should be eligible.

The purpose of Cost of Disability payment(s) is to address the horizontal inequity between those who live with disability, and face additional cost as a consequence, and those who are fortunate enough to live without disability.

Eligibility should be determined on the basis of living with disability which gives rise to additional costs, regardless of age, social welfare or employment status.

Age Action recommends that any system to provide for Cost of Disability payment(s) should be codesigned with representatives of those experiencing disability. We recommend that a Working Group including Government Departments, public service providers, and civil society organisations be convened to consider the design of a system to address the costs of disability in an equitable manner.

A third of people who live with disability in Ireland are aged 65 or older. While disability in older age is not inevitable, the incidence and severity of disability rises with age. Age Action strongly argues that older people must therefore be included within the scope of any Cost of Disability payment(s) provision.