



# **Review of Reasonable Living Expenses**

**Public Consultation  
July 2021**



**ISI**

**Tackling problem debt, together**

# Insolvency Service of Ireland

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## Review of Reasonable Living Expenses Public Consultation

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### Table of Contents

<b>1. Introduction .....</b>	<b>4</b>
<b>2. The Consultation Process .....</b>	<b>5</b>
<b>4. What is the ISI RLE Model? .....</b>	<b>6</b>
<b>5. Proposed ISI RLE Set Costs Figures &amp; Composition .....</b>	<b>8</b>
<b>6. Particular Items for Consideration .....</b>	<b>11</b>
6.1 Adult child (under 23) in full-time post-secondary education.....	11
6.1.1 Background .....	11
6.1.2 How the issue is currently dealt with in the RLE guidelines .....	11
6.1.3 ISI proposal.....	11
6.2 Car, Home and Mortgage Protection Insurance.....	12
6.2.1 Background .....	12
6.2.2 How the issue is currently dealt with in the RLE guidelines .....	12
6.2.3 ISI proposal.....	13
6.3 Holiday in Ireland.....	14
6.3.1 Background .....	14
6.3.2 How the issue is currently dealt with in the RLE guidelines .....	14
6.3.3 ISI proposal.....	14
6.4 Health Insurance .....	16
6.4.1 Background .....	16
6.4.2 How the issue is currently dealt with in the RLE guidelines .....	16
6.4.3 ISI proposal.....	17

6.5	ISI proposals - Summary of Changes .....	17
6.6	Implementation of RLE Changes.....	19
6.6.1	Background .....	19
6.6.2	ISI proposal.....	19
<b>Appendix 1 – Summary of Consultation Questions.....</b>		<b>21</b>

## 1. Introduction

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The ISI is required by section 23 of the Personal Insolvency Act 2012 (hereafter ‘2012 Act’) to prepare and issue guidelines as to what constitutes a reasonable standard of living and reasonable living expenses (RLEs). The costs attributed to a household are termed ‘set costs’. To these are added the reasonable costs of housing, childcare and special circumstances where these arise. This produces the total RLEs for a given household. The guidelines are intended to help Approved Intermediaries (AIs) and Personal Insolvency Practitioners (PIPs) in assessing, for relevant provisions of the 2012 Act, what may be considered ‘reasonable’ in the context of a standard of living and living expenses.

The Vincentian Partnership for Social Justice (VPSJ) publish an annual report setting out the Minimum Essential Standard of Living (MESL)<sup>1</sup> for households in Ireland and their research forms the basis for the ISI RLE calculations. In 2020, the VPSJ published the outcomes of an extensive project to review and rebase the MESL figures. This entailed examining the composition of the MESL baskets for each household type and making changes where necessary. The RLE figures in this report have been updated to reflect that project and includes the latest pricing data from the 2021 MESL annual update.

The purpose of this consultation is to:

1. Inform all stakeholders of changes following the VPSJ’s review and rebase project<sup>2</sup> and the 2021 Annual update referred to hereafter as ‘2021 set cost figures’
2. Obtain submissions on the composition of RLE set costs figures and feedback on the approach to practical implementation of changes to set costs
3. Consider some additional items allowed for in the MESL figures but not previously included in the ISI figures<sup>3</sup>

The consultation will inform the ISI’s annual review of RLEs and consultation with relevant Ministers on any changes deemed appropriate.

In responding to this consultation you are invited to:

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<sup>1</sup> VPSJ, Annual MESL Update, MESL 2020, July 2020, [link](#)

<sup>2</sup> See section 5, tables 1 and 2

<sup>3</sup> See section 6

- Give your views on the specific questions set out below. You do not have to answer every question. You may choose to answer all of the questions or some of them which are relevant to you
- Provide details of any issues or concerns you feel should be considered in dealing with the particular topic being addressed in your response
- Where appropriate, provide some analysis of or views on the potential impact of the proposed approach

Given that RLEs are a key element of the personal insolvency framework, your views are important as they will help inform the appropriateness of the composition of the RLE figures and also the optimal means of implementing necessary changes to these figures. Your views will also help us by identifying any areas for further consideration regarding RLEs.

## **2. The Consultation Process**

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The consultation period will run until 24 August 2021. Any submission received after this date may not be considered. A list of specific questions is provided at Appendix 1. Observations are welcome on any aspect of the RLEs, and not just the issues identified in this consultation paper.

The preferred means of response is by email to [rle@isi.gov.ie](mailto:rle@isi.gov.ie) using the heading “2021 RLE Consultation” in the subject bar.

Alternatively, your response may be posted to:

Insolvency Service of Ireland  
ISI RLE Consultation  
Policy & Regulation Division  
Block 2 Phoenix House  
Conyngham Road  
Dublin 8 D08 T3CK

Please include your contact details if responding by post.

## Freedom of Information

Responses to this consultation are subject to the provisions of the Freedom of Information Acts. Parties should also note that it is the intention that responses to the consultation will be published on the ISI website [www.isi.gov.ie](http://www.isi.gov.ie) in due course after the deadline for receiving the submissions has passed. It is important to be aware that unless you clearly identify any commercially or personally sensitive information in your submission, you are making a submission on the basis that you consent to it being made available in full on the ISI's website. Efforts will be made not to place on the website any material that is potentially defamatory.

## What happens after this Consultation?

If deemed necessary to facilitate understanding or insight on submissions made, bilateral meetings may be requested with the respective respondent. Along with submissions to this consultation, it is intended that a response document addressing the points made will be published on the ISI website which will also act to communicate forward direction to stakeholders. To allow adequate time for this consultation and subsequent consideration of responses, it is envisaged that changes deemed necessary to the RLEs will be published in Quarter 4 2021 following required consultation with relevant Ministers.

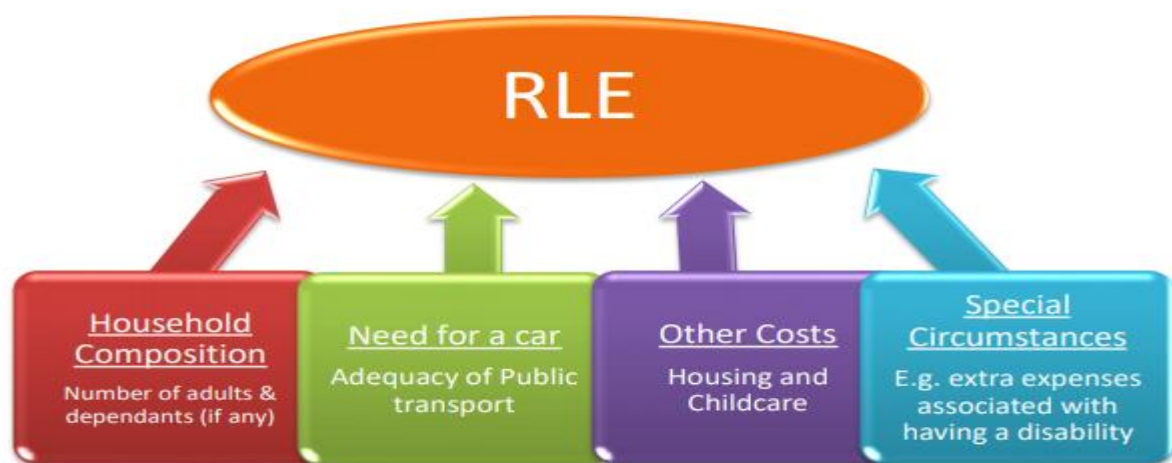
## 4. What is the ISI RLE Model?

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RLEs are the expenses a person necessarily incurs in achieving a reasonable standard of living; this being one which meets a person's physical, psychological and social needs. The ISI RLE model is a modified version of the Minimum Essential Standard of Living model, originally developed in Ireland by the VPSJ using the consensual budget standards methodology.

To arrive at a person's RLE, the AI or PIP follows a four-step process shown in Figure 1 below with the steps briefly outlined.

**Figure 1 – RLE Four Step Process**



1. Household composition – Calculate number of people in the person’s household – (adults and children)
2. Need for a car – Examine whether a car is needed for example for travel to work
3. (a) Childcare costs - Consider whether child care costs are needed e.g. crèche fees  
(b) Housing costs – Consider the person’s mortgage or rental costs (if any)
4. Special circumstances – Consider if the person has any special circumstances costs (e.g. reasonable costs which arise as a consequence of ill-health or disability)

Thus, set costs for a debtor vary and are based on household composition and on the need of the household for a car. The set costs of a household are compiled by totaling the costs for each individual in the household. Beyond that, when determining RLEs, provision needs to be made for reasonable housing costs in terms of rent or mortgage payments as well as for reasonable payments in respect of childcare where this expense arises<sup>4</sup>.

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<sup>4</sup> Please note that under the section 23 guidelines on a Reasonable Standard of Living and RLEs, child benefit has already been deducted from living expenses of a child. This is done on the basis that child benefit payments are intended to be spent on a child.

One of the significant strengths of using consensual budget standards is the level of transparency it affords and its grounding in the lived experience of citizens. Since the ISI first published RLEs in 2013, feedback received has generally been positive with widespread acceptance and usage of the guidelines by all stakeholders. It is important to note that there is a balance to be struck in respect of RLEs on the one hand allowing a debtor an appropriate standard of living while addressing their financial difficulties and, on the other hand, enabling a reasonable return for the creditor based on the debtor's means.

With the embedding of RLEs over time into the personal insolvency framework, some discussion has arisen amongst stakeholders regarding certain elements of the RLE guidelines in respect of set costs, including some areas of household expenditure currently not addressed. This consultation then aims to gather feedback in a more structured way to facilitate informed consideration of the RLE guidelines by the ISI. In particular, feedback is requested on the four issues listed below which appear to be the main topics of interest to stakeholders in recent years:

1. Adult child (under 23) in full-time post-secondary education
2. Home, car and mortgage protection insurance
3. Holiday in Ireland
4. Health insurance

These four issues are dealt with in turn in section 6.

A fifth issue is also included in section 6 regarding how changes to the RLE set costs will be practically implemented.

## **5. Proposed ISI RLE Set Costs Figures & Composition**

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In 2020 the VPSJ completed an extensive two-year research project<sup>5</sup> which reviewed and rebased the MESL data for all household types. This entailed examining the composition of the MESL baskets for each household type and making changes where necessary. Changes to the baskets may have been due to some items becoming obsolete as technology or habits have changed, replacing items or adding entirely new items; for example a 'non-smart' phone and a camera being replaced by a smartphone. The constituents of various baskets were reviewed and more than 2,000 items were priced for each household type to establish the rebased MESL data published in July 2020. The 2020 MESL data marks

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<sup>5</sup> VPSJ, MESL Review & Rebase 2018-2019, December 2020, [link](#)



a new point in the series since the ISI first published RLEs and are not directly comparable with the adjusted MESL data for previous years. On 2 July 2021 the VPSJ, following their routine annual update, provided the RLE set cost figures below. These figures reflect the review and rebase project as well as the 2021 MESL data.<sup>6</sup>

Further to required changes to 2021 set cost figures; from late 2021 the ISI is proposing a number of changes to the composition of RLE set costs based on stakeholder feedback in recent years. Of particular note are ISI's proposals to:

- **remove car and home insurance allowances from RLE set costs** and to use instead the special circumstances category so as to capture the actual cost of these items
- **include a holiday allowance in set costs** as is the case in MESL figures

The proposed ISI RLE set cost figures (to apply from later in 2021 following consultation with relevant Ministers) based on both the 2021 RLE figures and ISI's proposals (outlined in detail in section 6) are reflected here in tables 1 and 2<sup>7,8</sup>.










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<sup>6</sup>The MESL 2021 report is expected to be published later this summer on [www.budgeting.ie](http://www.budgeting.ie).










<sup>7</sup> Please note that as per ISI's proposals detailed in section 6, car and home insurance allowances have been removed from set costs and a holiday allowance has been included.

<sup>8</sup> Note in relation to child costs – some slight adjustments are applied to the set costs figures where a family has more than two children. For a family with no car €5.32 is added for a third child and €0.03 is deducted for a fourth child. For a family with a car €5.32 is added for a third child and €16.08 is deducted for a fourth child.

**Table 1 – Proposed 2021 Set Cost Figures (No Car)**

Monthly Figures No Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
Current Set Costs (€)	938.14	1,509.59	944.71	1,373.63	232.26	68.52	209.37	422.16
2021 Set Costs (€)	942.61	1,509.75	915.40	1,300.83	199.26	60.14	227.26	444.63
Remove home insurance from 2021 Set Costs (€)	-9.06	-9.06	-9.06	-8.26	-	-	-	-
2021 Set Costs excluding home insurance (€)	933.55	1,500.69	906.34	1,292.57	199.26	60.14	227.26	444.63
Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	970.04	1,574.04	963.06	1,356.00	199.26	65.26	234.46	454.75

**Table 2 – Proposed 2021 Set Cost Figures (With Car)**

Monthly Figures With Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
Current Set Costs (€)	1,050.48	1,486.62	1,096.15	1,420.83	232.26	56.27	197.12	409.91
2021 Set Costs (€)	1,126.99	1,586.17	1,180.51	1,448.00	199.26	60.14	215.56	432.93
Remove home & car insurance from 2021 Set Costs (€)	-45.57	-44.74	-59.51	-50.52	-	-	-	-
2021 Set Costs excluding home & car insurance (€)	1,081.42	1,541.43	1,121.00	1,397.48	199.26	60.14	215.56	432.93
Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	1,117.91	1,614.78	1,177.72	1,460.91	199.26	65.26	222.76	443.05

Of particular note in tables 1 and 2 are cost reductions in the 'Infant' category, mainly due to the introduction of the Under 6's GP Visit Card which had not previously been captured in the RLE figures. The 2021 set cost figures show increases across all other categories where a car is required and decreases in some categories where no car is required.

## 6. Particular Items for Consideration

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### 6.1 Adult child (under 23) in full-time post-secondary education

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#### 6.1.1 Background

The cost of providing for an adult child in full-time education can vary substantially. For ease of reference, 'college-going child' is the terminology used here to encompass education options where accessed full-time. The VPSJ intend to conduct research on the minimum essential cost of a college-going child in the future. It is expected that this work will feed into the ISI's review of RLEs following the publication of this research.

#### 6.1.2 How the issue is currently dealt with in the RLE guidelines

The ISI RLE guidelines do not currently specify an allowance for a college-going child meaning that in practice the special circumstances category is routinely used to capture these costs. It is worth noting that the ISI Bankruptcy Division allow for expenses for a college-going child at the same rate as a secondary school child plus the amount of the Child Benefit payment.<sup>9</sup> This allowance for a child in a household with a car is €549.91 and in a household without a car is €562.16, with the allowance captured under special circumstances. If the full-time education has an employment element, this will be netted off the amount allowed along with any maintenance grant payments being received. The ISI understands that PIPs routinely use a similar figure in DSA and PIA proposals and that, in the main, creditors are agreeable to this treatment.

#### 6.1.3 ISI proposal

There is difficulty in capturing a one size fits all allowance for a college-going child due to variations in circumstances and costs. The ISI is proposing that the secondary school child allowance without a deduction for Child Benefit should continue to guide the costs for inclusion for a college-going child in the special circumstances category of the RLEs, pending research into the minimum essential costs.

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<sup>9</sup> The VPSJ provide the ISI with the cost of a secondary school child and the ISI make adjustments to this figure to reflect the fact that a Child Benefit payment is made in respect of the secondary school child. This Child Benefit payment will not be received where the child is of college-going age.

### **Question 1**

**Pending further research, do you agree that the secondary school child allowance, including the amount of the Child Benefit payment, should be used as the default allowable expense for a college-going child in the RLEs? Please feel free to provide a rationale for your response.**

## **6.2 Car, Home and Mortgage Protection Insurance**

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### **6.2.1 Background**

Car, home and mortgage protection insurance are considered regular household expenses. Indeed, car insurance is legally required and it is recognised that creditors through mortgage contracts require that mortgage protection is in place. High insurance costs have frequently been a topic of general national discussion, and feedback from stakeholders to the ISI includes assertions that the RLE set cost allowances for car and home insurance in particular are too low and not realistic.

For car insurance the allowance provided in MESL is based on a specific make and model of car<sup>10</sup>, which depends on the household composition. In respect of home insurance, MESL figures provide for contents cover only<sup>11</sup>. Mortgage protection insurance is not captured in MESL as the figures are based on a household renting.

### **6.2.2 How the issue is currently dealt with in the RLE guidelines**






The home and car insurance allowances in the current RLE set cost figures are set out in tables 3 and 4 below (green shaded area) while the 2021 set cost figures are provided in the blue and red shaded areas. Mortgage protection insurance is generally accepted to be a critical requirement and to date this is typically included in the special circumstances category of the RLEs.

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<sup>10</sup> To determine the car insurance allowance, car insurance quotes are obtained and a blended average between rural and urban locations, age ranges and family compositions (individual/couple with no children, family cars and larger family cars) is used.

<sup>11</sup> The MESL home insurance figures are for contents cover only; they are based on the assumption that a person will be in social housing or renting and so not insuring the building. For MESL, a number of assumptions are made e.g. the home has a burglar alarm fitted and has been built in the last 20 yrs. The quote is for the lowest package available (approx. €40k value of contents with €250 excess).

**Table 3 – Comparison of Current and 2021 Set Costs Home Insurance (No Car)**

Monthly Figures No Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 
Amount Allowed for Home Insurance (Current Set Costs) (€)	12.25	12.25	17.59	17.59
2021 Set Costs for Home Insurance (€)	9.06	9.06	9.06	8.26

**Table 4 – Comparison of Current and 2021 Set Costs Home and Car Insurance (With Car)**

Monthly Figures With Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 
Amount Allowed for Home Insurance (Current Set Costs) (€)	12.25	12.25	17.59	17.59
2021 Set Costs for Home Insurance (€)	9.06	9.06	9.06	8.26
Amount Allowed for Car Insurance (Current Set Costs) (€)	24.25	25.82	26.40	46.70
2021 Set Costs for Car Insurance (€)	36.51	35.68	50.45	42.26

### 6.2.3 ISI proposal

The ISI recognises the difficulty in using a one size fits all allowance to capture both car and home insurances in the RLEs due to the variations that can occur with such costs. Possible approaches to these insurance costs are outlined below:

- A. Car and home insurance costs continue to be derived from the MESL figures. Mortgage protection insurance costs would continue to be included in the special circumstances category.
- B. Car and home insurance costs are removed from set costs in the RLEs and are captured under the special circumstances category along with mortgage protection insurance costs. The PIP or AI would set out the actual home insurance costs along with actual car insurance and

mortgage protection costs (where applicable) by means of requesting documentary evidence from the debtor concerned.

The ISI is proposing the approach at B above to address the variations that can occur in insurance costs for debtors.

### **Question 2**

**Do you agree with the approach proposed regarding capturing the actual costs of car, home and mortgage protection insurance under special circumstances in the RLEs? Please feel free to elaborate on your response.**

## **6.3 Holiday in Ireland**

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### **6.3.1 Background**

According to Eurostat<sup>12</sup>, almost 75% of the Irish population went on holiday in 2018. 15% of the Irish population took a domestic trip only, 11.3% took a foreign trip only, and 48.3% took both a domestic and foreign trip.

### **6.3.2 How the issue is currently dealt with in the RLE guidelines**

To date, there has not been an allowance made for a holiday within the ISI RLE guidelines.










### **6.3.3 ISI proposal**

The MESL figures include an allowance for a holiday in Ireland. For one or two parent families, this allowance is based on a one-week trip to Waterford and includes transport, accommodation and spending money. For co-habiting or single adults, a one-week trip to Galway with associated costs is allowed. Tables 5 and 6 below provide an indication of the monthly allowance where the one-week domestic holiday is included in the 2021 set cost figures. Given the length of time a person could be party to a DSA, PIA or DRN, the ISI is proposing that an allowance for a holiday is provided in the RLE set costs to ensure the expense allowances meet a person's physical, psychological and social needs while resolving their financial difficulties.










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<sup>12</sup>Eurostat.EU, Eurostat tourism statistics, June 2020, [link](#)

**Table 5 – Proposed 2021 Set Cost Figures (No Car) including a Holiday Allowance**

Monthly Figures No Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
2021 Set Costs excluding home insurance (€)	933.55	1,500.69	906.34	1,292.57	199.26	60.14	227.26	444.63
Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	970.04	1,574.04	963.06	1,356.00	199.26	65.26	234.46	454.75

**Table 6 – Proposed 2021 Set Cost Figures (With Car) including a Holiday Allowance**

Monthly Figures With Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
2021 Set Costs excluding home & car insurance (€)	1,081.42	1,541.43	1,121.00	1,397.48	199.26	60.14	215.56	432.93
Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	1,117.91	1,614.78	1,177.72	1,460.91	199.26	65.26	222.76	443.05

### **Question 3**

Do you agree that a holiday allowance be included in the RLEs? Please feel free to provide a rationale for your response.

## 6.4 Health Insurance

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### 6.4.1 Background

Based on CSO population estimates, as at end December 2020, 46%<sup>13</sup> of the Irish population had inpatient health insurance<sup>14</sup> plans (at least a basic health insurance). The lifetime community rating system was introduced in April 2015 after the RLEs were first published in 2013. The lifetime community rating means that the premium individuals pay for health insurance increases with the age at which they enter the private health insurance market.

In respect of health insurance in the MESL figures, the allowance is based on a basic policy with low excess where a household is not eligible for a Medical Card. The focus is on providing some cover towards public hospital costs and partial cover of standard primary health costs such as GP visits.

### 6.4.2 How the issue is currently dealt with in the RLE guidelines

Where an AI or PIP deems the retention of a private health insurance policy appropriate, they provide an allowance for such through special circumstances. The ISI model is predicated on needs rather than wants and private health insurance should normally be excluded on the basis that it is not a necessity. Notwithstanding this general rule, some situations may arise where it is reasonable for a pre-existing private health insurance policy to be kept in place. Examples of such situations include where the employer of an applicant pays the premium or where the applicant or a dependent has a health condition which would otherwise result in a higher expenditure on health as compared to the insurance premium. It might also be proposed to retain a policy where an existing medical condition would make it difficult or impossible to regain insurance cover in the future or where an individual is of an age such that it is reasonable for a private health insurance policy to be maintained. In such circumstances the AI or PIP may consider continuance of private health insurance as an exceptional item and should include an explanatory note to that effect in the relevant section of the application form and this allowance is captured under the special circumstances category.

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<sup>13</sup>The Health Insurance Authority (the statutory regulator of the Private Health Insurance Market in Ireland), Market Figures Report 2020, December 2020, [link](#)

<sup>14</sup>The Health Insurance Authority (the statutory regulator of the Private Health Insurance Market in Ireland), Insurance Booklet, June 2017, [link](#)



### 6.4.3 ISI proposal

The ISI observe the community rating system that may affect debtors that give up private health insurance for the term of their arrangement. We also observe that in respect of health insurance in the MESL figures, the allowance given is based on a basic policy with low excess where a household is not eligible for a Medical Card. The ISI does not regard the community loading piece as reason in itself to retain a policy.

The ISI proposes not to include an allowance for health insurance in the 2021 set cost figures and to continue use of the special circumstances category of the RLEs to provide for private health insurance costs where deemed appropriate.

#### **Question 4**

**Do you agree that the cost of private health insurance, where deemed appropriate, should continue to be captured under special circumstances in the RLEs? Please feel free to provide a rationale for your response.**

### 6.5 ISI proposals - Summary of Changes










1. For a college-going child, the secondary school child allowance without a deduction for Child Benefit should continue to guide the costs for inclusion in the special circumstances category of the RLEs
2. Car and home insurance costs are removed from set costs in the RLEs and are captured under the special circumstances category along with mortgage protection insurance costs
3. An allowance for a holiday in Ireland is provided in the RLE set costs
4. Continued use of the special circumstances category of the RLEs to provide for private health insurance costs where deemed appropriate by the PIP or AI

Tables 7 and 8 below display the set cost figures based on the ISI's proposals regarding their composition (no car and with car)<sup>15</sup>.

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<sup>15</sup> Note in relation to child costs – Some amendments are applied to the set costs figures if a family has more than two children. For a family with no car €5.32 is added for a third child and €0.03 is deducted for a fourth child. For a family with a car €5.32 is added for a third child and €16.08 is deducted for a fourth child.

**Table 7 – Proposed 2021 Set Cost Figures (No Car)**

Monthly Figures No Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
Current Set Costs (€)	938.14	1,509.59	944.71	1,373.63	232.26	68.52	209.37	422.16
2021 Set Costs (€)	942.61	1,509.75	915.40	1,300.83	199.26	60.14	227.26	444.63
Remove home insurance from 2021 Set Costs (€)	-9.06	-9.06	-9.06	-8.26	-	-	-	-
2021 Set Costs excluding home insurance (€)	933.55	1,500.69	906.34	1,292.57	199.26	60.14	227.26	444.63
Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	970.04	1,574.04	963.06	1,356.00	199.26	65.26	234.46	454.75

**Table 8 – Proposed 2021 Set Cost Figures (With Car)**
















Monthly Figures With Car 	Single Adult (No Children) 	Couple (No Children) 	Single Adult (With Children) 	Couple (With Children) 	Infant 	Pre-school 	Primary School 	Secondary School 
Current Set Costs (€)	1,050.48	1,486.62	1,096.15	1,420.83	232.26	56.27	197.12	409.91
2021 Set Costs (€)	1,126.99	1,586.17	1,180.51	1,448.00	199.26	60.14	215.56	432.93
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Change due to Holiday Allowance (€)	36.49	73.35	56.72	63.43	-	5.12	7.20	10.12
2021 Set Costs including Holiday Allowance (€)	1,117.91	1,614.78	1,177.72	1,460.91	199.26	65.26	222.76	443.05

Table 9 below details the other elements, exclusive of 2021 set cost (already set out in tables 7 and 8 above), that make up the RLEs. Please note there are no monetary values provided as these will vary on a case by case basis. The ISI is proposing to remove home and car insurance from the 2021 set cost figures and instead to include them in the special circumstances category. This is detailed in section 6.2.

**Table 9 – RLE items other than set costs**

Other Costs	Housing costs	
	Childcare costs	
Special Circumstances (Examples)	Contributing to the care of an adult dependent/elderly relative	
	College-going child	
	Expenses related to disability	
	Car and home insurance	

## 6.6 Implementation of RLE Changes

### 6.6.1 Background

It is envisaged that changes to the RLE set costs based on the 2021 figures and any changes resulting from this consultation will be published in late 2021 through revised RLE guidelines. In the interim, we envisage the current RLEs will remain in place.

As there will be changes to the RLE guidelines, the question arises on how to approach the practical implementation of those changes.

### 6.6.2 ISI proposal

The ISI proposes that the revised RLE figures apply to new insolvency cases at application stage. The ISI plans to provide AIs and PIPs with a lead-in time period prior to the application of the revised RLE

guidelines in order that they can take the necessary steps to ensure the revised figures are considered in any new or draft insolvency applications.

The ISI has considered the possibility that live arrangements could reflect the revised RLE figures. However, these arrangements have already been deemed affordable and have been court approved. Further, there is already flexibility built into the terms of standard arrangements to allow for dividend reductions or increases in specific circumstances.

**Question 5**

**In respect of practical implementation of changes to RLEs, do you agree that the revised RLE figures should apply only to new cases at application stage? Do you have an alternative approach to suggest? Please feel free to provide a rationale for your response.**

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## Appendix 1 – Summary of Consultation Questions

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	Consultation Topic	Consultation Question
1	<b>Adult child (under 23) in full-time post-secondary education</b>	Pending further research, do you agree that the secondary school child allowance, including the amount of the Child Benefit payment, should be used as the default allowable expense for a college-going child in the RLEs? Please feel free to provide a rationale for your response.
2	<b>Insurance (Car, home, mortgage protection)</b>	Do you agree with the approach proposed regarding capturing the actual costs of car, home and mortgage protection insurance under special circumstances in the RLEs? Please feel free to elaborate on your response.
3	<b>Holiday in Ireland</b>	Do you agree that a holiday allowance be included in the RLEs? Please feel free to provide a rationale for your response.
4	<b>Health Insurance</b>	Do you agree that the cost of private health insurance, where deemed appropriate, should continue to be captured under special circumstances in the RLEs? Please feel free to provide a rationale for your response.
5	<b>Implementation</b>	In respect of practical implementation of changes to RLEs, do you agree that the revised RLE figures should apply only to new cases at application stage? Do you have an alternative approach to suggest? Please feel free to provide a rationale for your response.