



AN BILLE LEASA SHOISIALAIGH, 1972

SOCIAL WELFARE BILL, 1972

EXPLANATORY MEMORANDUM

1. This Bill is intended in the main to give effect to the improvements in the schemes of social assistance and social insurance announced in the Budget statement on 19 April, 1972. The Bill also provides for consequential matters including increases in the rates of social insurance contributions and in the rates of payment under the occupational injuries benefits scheme, together with a provision to bring members of the Garda Síochána within the scope of social insurance. Further provisions are designed to improve the operation of the social insurance system.

Budget Provisions—Social Assistance

2. *Section 2* of the Bill provides for an increase of 50p in the weekly rates of non-contributory old age and blind pensions. An additional 50p a week will be payable to pensioners aged 80 and over. Where there are qualified children, the rates for each of the first two children will be increased by 40p and for the third and each subsequent child by 25p. An increase of 25p in the allowance payable in respect of prescribed relatives providing full-time care and attention for incapacitated pensioners is also included. The new maximum rates of pension allow the scales of means and rates of pension to be extended and thus provide an additional rate of pension at the minimum of each scale. The new table of means and rates of pension is given in the section and the amendments in paragraphs (a), (b), (c), (d) and (e) of subsection (1) and in subsections (2) and (3) of the section cover the extension of the table to embrace cases where the means are not shown on the table. The new rates will be payable from Friday, 4th August, 1972.

3. *Section 3* provides for increases of 40p in the personal rate of unemployment assistance in both urban and rural areas and of 30p a week in the rate for adult dependants. Where there are dependent children, the rates for each of the first two children will be increased by 40p and for the third and each subsequent child by 25p. These increases will be effective from 2nd August, 1972, and payable from 10th August, 1972. They will automatically raise the means limit for qualification for unemployment assistance and will thus extend the scheme to include some persons whose means at present prevent them from qualifying for assistance. The new table of maximum rates of unemployment assistance is given in the section.

4. *Section 5* provides for increases of 50p a week in the rates of widow's (non-contributory) pension. The rate of payment for each child will be increased by 45p. The increases will operate from Friday, 4th August, 1972. The extension of the means scale consequential on the increase in rates will bring in additional pensioners as in the case of non-contributory old age pensions. The new table of means and rates of pension is given in the section and, as in the case of old age pensions, the rates shown include, where applicable, the increases of pension in respect of children. The amendment in paragraph (a) of subsection (1) will extend the table to cover the cases where the means are not shown in the table and provide for the new minimum rate of pension. The new rates will apply in the case of deserted wife's allowances from Thursday, 3rd August, 1972.

5. *Section 6* provides for increases of 50p in the weekly rates of orphan's (non-contributory) pension. The new table of means and

rates of pension is given in the section and will operate from Friday, 4th August, 1972.

6. *Section 11* extends the scope of the scheme of allowances which are payable in respect of prescribed relatives who give full-time care and attention to incapacitated non-contributory old age pensioners so as to include certain prescribed male relatives. The changes will be effective from 6th October, 1972.

Section 18 provides for a similar extension of the scheme of old age (care) allowances to cover male relatives from October, 1972 and also for an increase of 25p in the rate of the allowance with effect from 4th August, 1972. Following on the increase in rate there will be an extension of the qualifying yearly means limit from £299.75 to £351.75.

7. *Section 19* provides for a reduction to 40 years of the age at which deserted wives without dependent children may qualify for the deserted wife's allowance. The present age limit is 50 years.

Budget Provisions—Social Insurance

8. *Section 13* provides for increases in the weekly rates of insurance benefits. The basic personal rates of disability and unemployment benefit and of invalidity pension are being increased by 60p, with 30p in each case for an adult dependant, 45p for each of the first two qualified children and 35p for the third and each other qualified child. The special rates of these benefits for certain married women and persons under 18 without dependants are also being increased by 45p. The section also provides for an increase of 60p in the rate of maternity allowance. In the case of widow's (contributory) pension the increase is 60p in the basic rate with a further 50p where the pensioner is aged 80 or over and 50p for each qualified child. An increase of 50p in the rate of orphan's (contributory) allowance is provided. In the case of old age (contributory) pension there is an increase of 70p in the basic rate of pension with a further 50p payable where the pensioner is aged 80 or over and 30p for an adult dependant. The rates of retirement pension are being specially increased to the level of old age (contributory) pension thus providing an increase of £1.25 a week in the basic rate with a further 50p where the pensioner is aged 80 or over and 70p for an adult dependant. Persons receiving old age (contributory) pensions or retirement pensions will receive an additional 45p for each of the first two qualified children and 35p for each other qualified child. Increases of 25p in the allowance payable in respect of prescribed relatives providing full-time care and attention to incapacitated pensioners are also included in the section and this scheme is being extended to include invalidity and retirement pensioners. The following table shows the principal rates payable:

Benefit or Pension	Existing Weekly Rate	Proposed Weekly Rate
	£	£
Disability and Unemployment Benefit and Invalidity Pension:		
Basic Rate	4-95	5-55
Married Couple	8-40	9-30
Maternity Allowance	4-95	5-55
Widow's (Contributory) Pension:		
Basic Rate (under age 80)	5-00	5-60
Basic Rate (age 80 or over)	5-00	6-10
Orphan's (Contributory) Allowance	3-30	3-80
Old Age (Contributory) Pension:		
Basic Rate (under age 80)	5-50	6-20
Basic Rate (age 80 or over)	5-50	6-70
Married Couple (pensioner under age 80)	9-35	10-35
Married Couple (pensioner age 80 or over)	9-35	10-85
Retirement Pension:		
Basic Rate (under age 80)	4-95	6-20
Basic Rate (age 80 or over)	4-95	6-70
Married Couple (pensioner under age 80)	8-40	10-35
Married Couple (pensioner age 80 or over)	8-40	10-85

The rates of death grant are being increased from £25 to £35 for an adult with proportional increases for children.

The increases in rates of unemployment and disability benefit, maternity allowance and death grant will be operative from Monday, 2nd October, 1972, the increases in the rates of old age and widows' (contributory) pensions from Friday, 6th October, 1972 and in rates of invalidity and retirement pensions from Thursday, 5th October, 1972.

9. Section 8 extends to incapacitated invalidity and retirement pensioners the scheme of allowances payable to incapacitated old age (contributory) and widows' (contributory) pensioners in respect of prescribed relatives who give them full-time care and attention and amends the scheme to include certain prescribed male relatives. The changes will operate from the 5th October, 1972, in the case of invalidity and retirement pensions and from the 6th October, 1972 in the other pensions.

Consequential on Budget Proposals

10. Section 4 provides for increases in the special rates of unemployment benefit which are payable in certain circumstances where unemployment continues beyond 156 days. These rates are linked with the urban rates of unemployment assistance and for that reason the increases of 40p in the personal rate, 30p in the rate for adult dependants, 40p in the rates for each of the first two dependent children and 25p in the rates for each other dependent child will be effective from 3rd August, 1972. The special rates will thus be kept in line with the maximum urban rates of unemployment assistance as increased under section 3 of the Bill.

11. Section 12 provides by amendment of the Second Schedule to the Social Welfare Act, 1952, for the increased rates of employment contributions which will be necessary to meet the employer's and insured person's shares of the cost of the improved benefits and pensions.

Section 7 provides for the increased rates of voluntary contributions. The principal existing and proposed new rates of contributions (excluding the contributions where payable in respect of occupational injuries, redundancy and health) are as follows:—

Class	Sex	Present Rate			Proposed Rate		
		Employer	Employee	Total	Employer	Employee	Total
1. Ordinary	Man	£ 0.87	£ 0.85	£ 1.72	£ 1.09	£ 1.03	£ 2.12
	Woman	0.85	0.79	1.64	1.07	0.97	2.04
2. Agricultural	Man	0.73	0.73	1.46	0.95	0.91	1.86
	Woman	0.68	0.60	1.28	0.90	0.77	1.67
3. Persons employed part-time in share-fishing and out-workers (other than male weavers)	Man	} 0.63	0.58	1.21	0.79	0.72	1.51
	Woman						
4. Female Domestic	Woman	0.73	0.65	1.38	0.95	0.82	1.77
5. Soldiers	Man	0.85	0.76	1.61	1.07	0.94	2.01
6. Civil Servants, Teachers and Local Authority Officials etc.	Man	0.19	0.18	0.37	0.23	0.21	0.44
	Woman	0.19	—	0.19	0.23	—	0.23
7. Voluntary Contributor	Man	} —	0.37	0.37	—	0.44	0.44
	Woman						
8. Voluntary Contributor	Man	} —	0.91	0.91	—	1.08	1.08
	Woman						

(The contributions payable in respect of occupational injuries insurance are 11p for a man and 8p for a woman, all of which is borne by the employer. Under the redundancy payments scheme, the

contributions are 3p and 2p payable by the employer and employee respectively for a man, and 3p and 1p respectively for a woman, but increases in these rates are being proposed separately by the Minister for Labour. The health contribution is 15p). The increases in contribution rates will be effective from Monday, 2nd October, 1972.

12. *Section 16* will restrict the operation of the existing legal provisions in relation to old age (contributory) pensions and widows' (contributory) pensions under which a person entitled to a contributory pension may receive a non-contributory pension at a higher rate if he can qualify for it, during the period between August, 1972, when the rates of non-contributory pensions are increased and October, 1972, when the contributory pensions are increased. During that 9 week period, the non-contributory pension to which in certain cases a person might be entitled could temporarily be higher than the contributory pension which he was receiving. This section is designed to prevent attempts at switching from one pension to the other and back again in the short period involved and merely repeats what has been done in similar circumstances in previous years. Where there would be a permanent advantage in switching pensions, a pensioner will not be prevented from opting for the higher pension.

13. *Section 17* provides at subsection (1) for increases in the rates of benefit under the occupational injuries scheme in line with the increases in benefits under the general insurance scheme. The basic weekly rates of injury benefit and disablement pension for 100 per cent. disablement are being increased by 60p. Proportionate increases are made in disablement benefit for degrees of disablement below 100 per cent. Unemployability supplement and payments for adult and child dependants are being increased so as to maintain the existing parity of these payments with disability and unemployment benefit rates. Death benefit pensions for widows, invalided widowers, parents and orphans under the scheme are also being increased, the increase in the case of widow's pension and of other similar pensions being 60p a week. Disablement gratuity is being increased from £520 to £568, widower's gratuity from £365 to £395 and funeral grant from £60 to £100. The employment contributions for occupational injuries purposes, which are payable by the employer only, are not being increased.

14. *Section 9* provides authority for the Minister to make regulations under which he will have discretionary power to arrange for the dependant's portion of any benefit or pension to be paid to some person other than the pensioner or beneficiary to ensure that this payment goes to the benefit of the dependant for whom it was intended.

15. *Section 10* will extend to twelve months the existing four-month period of priority applying to employment contributions in the disposal of the assets of a bankrupt or an arranging debtor. This will give these contributions the same twelve months priority which operates in the case of redundancy and health contributions.

16. *Section 14* eases the contribution conditions for receipt of maternity allowance and brings those conditions into line with the conditions applying to maternity grants.

17. *Section 15* contains the provisions necessary to bring members of the Garda Síochána within the scope of the social insurance system. This follows from a recommendation of the Report of the Commission on Garda Pay and Conditions that steps should be taken to secure that a member of the Garda Síochána might become insurable under and share in the benefits of the Social Welfare Acts. Subsection (2) of the section will exclude Gardaí from occupational injuries insurance.

18. *Section 1* contains the usual interpretations and *Section 20* the usual provisions for short title, construction and collective citation.

*An Roinn Leasa Shóisialaigh,
Meitheamh, 1972.*