



**AN BILLE LEASA SHOISIALAIGH (UIMH. 2), 1974**

**SOCIAL WELFARE (NO. 2) BILL, 1974**

**EXPLANATORY MEMORANDUM**

1. This Bill is designed to give effect to the increases in the rates of payment and other improvements in the schemes of Social Assistance and Social Insurance announced in the Budget statement on 3rd April, 1974. The Bill also provides for consequential matters including the increases in the rates of social insurance contributions required and in the rates of payment under the occupational injuries benefit scheme. Included in the Bill are a number of miscellaneous provisions aimed at improving the social welfare code.

*Social Assistance*

2. Section 2 of the Bill provides for an increase of £1.15 to £7.30 in the maximum weekly rate of non-contributory old age and blind pensions payable to a person aged less than 80 years who has no dependants. For such a person aged 80 years or more the increase will be £1.20 to £7.85. For pensioners who have qualified children, the rates will be increased by £1.95 a week (an extra 30p) for each of the first two children and by £1.50 a week (an extra 25p) for the third and each other child. The allowance payable in respect of a prescribed relative giving full-time care and attention to an incapacitated pensioner is being increased by 65p to £4.15 a week. The new maximum rates of pension will be payable where weekly means do not exceed £5 instead of £4 and the scale of means and rates of pension has been revised and extended accordingly to provide additional rates of pension. Persons with no qualified children will qualify for reduced rates of pension if their weekly means are not more than £11.50. If they have qualified children, the means limits are even higher. The new table of weekly means and rates of pension is shown as Table A in the Section and subsections (1) and (2) of the Section will enable the table to be extended to cases where the means are not shown in the table.

The Section also provides for a new increase of pension in respect of adult dependants not themselves pensioners—an adult dependant being in the case of a man, his wife, and, in the case of a woman, her husband if she is maintaining him and he is incapable of self-support. The maximum rate of increase in pension in respect of an adult dependant will be £3.65 a week payable where the weekly means of the pensioner do not exceed £5 and reduced rates will be payable where the weekly means exceed that figure. The table of weekly means and rates of increases in respect of adult dependants is given as Table B in the Section. The new rates will be payable from Friday, 5th July, 1974.

Section 7 provides for an increase in the weekly rate of old age (care) allowance from £3.50 to £4.15 with effect from Thursday, 4th July, 1974.

3. Section 3 provides for increases of £1 in the personal weekly rates of unemployment assistance in both urban and rural areas making them £6.35 and £6.05 respectively and of 70p in the weekly rates for adult dependants bringing them to £4.60 and £4.50 respectively. Where there are dependent children, the rates will be increased by £1.95 a week (an extra 30p) for each of the first two children and by £1.50 a week (an extra 25p) for the third and each other child as in the case of non-contributory old age pensions.

These new rates will be effective from the 3rd July, 1974, and payment will be made in arrears from the 11th July, 1974. The new table of maximum rates of unemployment assistance is given in the Section.

4. Section 4 provides for an increase of £1.15 a week in the personal rate of widows' non-contributory pensions bringing the maximum rate up to £7.30. The rate of payment for each child will be increased by 40p making the new rate £2.40 a week for each child. The increases will operate from Friday, 5th July, 1974, for widows. As in the case of non-contributory old age pensions, the scale of means limits and rates of pension is being altered to allow payment of the maximum pension where the weekly means do not exceed £5 with reduced rates of pension payable where the widow's weekly means are not more than £11.50 if she has no qualified child. Higher means limits apply for widows who have qualified children. The new table of weekly means limits and rates of pension is given in the Section and, as in the case of old age pensions, the rates shown include the increases in respect of qualified children where applicable. Provision is made to extend the table to cover cases where means are not shown in the table. The new rates will apply to deserted wife's allowances, to allowances for unmarried mothers and to the allowances for prisoners' wives (see paragraph 7) from Thursday, 4th July, 1974.

Section 5 provides for increases of 75p in the rates of orphans' non-contributory pensions making the new maximum pension £4.75 a week. The new table of weekly means limits and rates of pension is given in the Section and will operate from Friday, 5th July, 1974.

5. Section 6 provides for increases of 30p a month in the rates of children's allowances and will take effect from the 1st July, 1974. This will make the monthly rates, £2.30 for a one-child family, £5.60 for a two-child family and £9.65 for a three-child family with a further £4.05 for each additional child.

6. Section 8 provides for a new scheme of social assistance for single women aged 58 or over but less than 68 who are unlikely to be able to secure wage-earning employment. The rates of payment and the means conditions will be broadly on the same lines as those applying to unemployment assistance and the new scheme will come into operation from Thursday, 4th July, 1974. The general conditions of the scheme will be set out in regulations to be made under the Section. A table of weekly means and rates of allowance is given in the Section.

7. Section 9 provides for a new scheme of social assistance for the wives of prisoners serving sentences of not less than six months. The rates of payment and the conditions as to weekly means will be similar to those which apply to widows' (non-contributory) pensions, deserted wife's allowances and allowances for unmarried mothers. The new scheme will operate from the 4th July, 1974. The general conditions of the scheme will be set out in regulations to be made under the Section.

8. Section 10 provides that where a person who is in receipt of benefit including an increase in respect of an adult dependant dies, payment of the benefit will continue for six weeks. Entitlement to widow's pension, orphan's pension or allowance, or other pension which would normally be payable to the surviving adult in the circumstances mentioned, will be deferred until after the six-week period in question has expired. Details of the scheme which will commence on 1st July, 1974, will be set out in regulations.

#### *Reduction of Pensionable Age*

9. Section 11 provides for the reduction to age 68 of the qualifying age for old age pensions both contributory and non-contributory. As a direct consequence, the upper age limit for liability for pay-

ment of social insurance contributions and for qualification under other schemes of social assistance and social insurance is also being reduced to age 68. The change will apply from the 1st July, 1974. Because of the reduction of pensionable age to 68, the requirement that in order to qualify for old age (contributory) pension a person must have entered insurance before reaching age 60 is being altered, to require that a person who attains the age of 57 years on or after the 1st July, 1974, must have entered insurance before attaining the age of 58 in order to qualify for pension. The Section includes in subsection (5) saver clauses to protect the position of persons who have already qualified for old age (contributory) pensions, widows' (contributory) pensions or deserted wife's benefit or who within the period up to the beginning of 1976, might be adversely affected in qualifying for the pensions or benefit mentioned by reason of the reduction in pensionable age.

#### Social Insurance

10. Section 12 provides for increases in the weekly rates of social insurance benefits. The personal rates of disability and unemployment benefit and invalidity pension are being increased by £1.20 a week with an extra 80p in each case for an adult dependant, 35p for each of the first two qualified children and 30p for the third and each other child. The Section also provides for an increase of £1.20 in the rate of maternity allowance. In the case of widow's (contributory) pension, the increase is £1.20 in the basic rate with a further 40p for each qualified child. Where the widow is over 80 years of age, the increase is £1.30. An increase of 90p in the rate of orphan's (contributory) allowance is provided. In the case of old age (contributory) pensions and retirement pensions, there are increases of £1.30 in the personal rates of pension for persons under age 80, £1.40 for persons aged 80 years and over, with an extra 85p for adult dependants, 35p for each of the first two qualified children and 30p for the third and each other child. Where the adult dependant is 68 years of age or over, an additional increase of 50p a week will be payable. Increases of 65p a week to £4.15 in the allowances payable in respect of prescribed relatives giving full-time care and attention to incapacitated pensioners are also provided in the Section.

The following table shows the effects of these increases on the principal rates of benefit payable:—

	Present Rate	Proposed Rate
	£	£
Disability and Unemployment Benefit, Invalidity Pensions:		
Personal rate .. .. .	6-55	7-75
Married couple .. .. .	10-80	12-80
Maternity Allowance .. .. .	6-55	7-75
Widows' (Contributory) Pensions:		
Personal rate (under age 80) .. .. .	6-60	7-80
Personal rate (aged 80 or over) .. .. .	7-10	8-40
Orphans' (Contributory) Allowances .. .. .	4-80	5-70
Old Age (Contributory) Pensions, Retirement Pensions:		
Personal rate (under age 80) .. .. .	7-20	8-50
Personal rate (aged 80 or over) .. .. .	7-70	9-10
Married couple (pensioner under age 80):		
(i) where adult dependant is under age 68 .. .. .	11-85	14-00
(ii) where adult dependant is aged 68 or over .. .. .	12-35	15-00
Married couple (pensioner age 80 or over):		
(i) where adult dependant is under age 68 .. .. .	12-35	14-60
(ii) where adult dependant is aged 68 or over .. .. .	12-85	15-60

The increases in rates of unemployment and disability benefit and maternity allowance will be operative from Monday, 1st July, 1974; the increases in the rates of old age and widows' (contributory) pensions from Friday 5th July, 1974, and in rates of invalidity and retirement pensions from Thursday, 4th July, 1974.

11. Section 13 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 which are being increased under Section 3 of the Bill and the increases proposed, £1 in the basic rate, 70p in the rate for an adult dependant, 30p for each of the first two qualified children and 25p for the third and each other child, are designed to retain this parity. They will operate from Monday, 1st July, 1974.

12. Section 14 provides for the increased rates of employment contributions which will be required to meet the employer's and insured person's share of the cost of improved benefits, pensions and allowances payable under the social insurance system. The overall increase in the case of the contributions which count for all the benefits involved is 60p of which the employer is being required to bear 40p and the employee 20p. Lesser increases apply where the rates of contribution do not cover all benefits. The principal existing and proposed new rates of employment and voluntary 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	1.23	1.04	2.27	1.63	1.24	2.87
	Woman	1.21	0.98	2.19	1.61	1.18	2.79
2. Agricultural	Man	1.09	0.92	2.01	1.49	1.12	2.61
	Woman	1.07	0.78	1.85	1.47	0.98	2.45
3. Persons employed part-time in share-fishing and out-workers (other than male weavers).	Man	1.13	0.85	1.98	1.46	1.02	2.48
	Woman						
4. Female Domestic	Woman	1.49	0.97	2.46	1.89	1.17	3.06
5. Soldiers	Man	1.21	0.95	2.16	1.61	1.15	2.76
6. Civil Servants, Teachers, Local Authority Officials, etc.	Man	0.30	0.24	0.54	0.37	0.27	0.64
	Woman	0.30	—	0.30	0.37	—	0.37
7. Voluntary Contributors	Man	—	0.54	0.54	—	0.64	0.64
	Woman						
8. Voluntary Contributors	Man	—	1.34	1.34	—	1.67	1.67
	Woman						

The increased rates of voluntary contributions are provided for in Section 15.

The contributions payable in respect of occupational injuries insurance which are 11p for a man and 8p for a woman, all borne by the employer, are not being increased (see Paragraph 13 below). Under the redundancy payments scheme the contributions are 10p and 3p payable by the employer and employee respectively for a man and 10p and 2p respectively for a woman. The health contribution for those liable is 15p.

The increases in contribution rates will be effective from Monday, 1st July, 1974.

13. Section 21 provides for increases of various benefits under the occupational injuries scheme to keep them in line with the increased rates of benefits under the social insurance system. The basic weekly rates of injury benefit and disablement pension for 100 per cent disablement are being increased by £1.70. Proportionate increases are made in disablement pension 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 unemploy-

ment benefit rates. Death benefit, pensions for widows and invalided widowers under the scheme are being increased by £1.55 with 40p for each qualified child. The higher rate pension payable to one dependent parent is also being increased by £1.55 and the lower rate parent's pension by 70p. Orphans' pensions under the scheme are being increased by 95p. Disablement gratuity is being increased from £630 to £740 and widower's gratuity from £447 to £528. The employment contributions for occupational injuries purposes, which are payable by the employer only, are not being increased. The new benefit rates will be operative from Monday, 1st July, 1974.

#### *Miscellaneous Provisions*

14. Section 16 provides for an extension of the concession provided under Section 13 of the Social Welfare Act, 1973, by which employees who were widows, deserted wives or unmarried mothers receiving pensions or allowances as such under one or other of the general schemes administered by the Department were relieved of the liability to pay the employed contributor's share of any employment contribution. The Section extends the concession to widows receiving death benefit by way of widow's pension under the Occupational Injuries Benefit scheme, or pensions from the competent institution of a Member State of the EEC under legislation which is within the scope of the EEC Regulations regarding the social security of workers and their families moving within the Community. These provisions will take effect from Monday, 1st July, 1974.

15. Section 17 provides for the calculation of daily rates of maternity allowance on the basis of a six-day week as in the case of disability benefit and unemployment benefit to facilitate the payment of pay-related benefit. The change will operate from the 1st July, 1974.

16. Section 18 provides that a widow of a retirement pensioner who was entitled to an increase of pension for her will be automatically granted a widow's (contributory) pension without having to satisfy contribution conditions. A similar provision applies in the case of old age (contributory) pensions. The Section will have effect from the 1st July, 1974.

17. Section 19 provides that a person qualified for deserted wife's benefit who is over pensionable age and is incapacitated may qualify for an increase of benefit in respect of a prescribed relative who is living with her and providing full-time care and attention. The increase will be payable from Monday, 1st July, 1974.

Section 20 will make the contribution conditions for deserted wife's benefit identical with those for widow's (contributory) pension. This provision will also take effect from Monday, 1st July, 1974.

18. A widow is disqualified for non-contributory old age pension if she is receiving widow's (contributory) pension and Section 22 extends this disqualification to a person receiving deserted wife's benefit. Section 23 will, however, enable a person who would otherwise qualify for the non-contributory pension to receive the pension instead of the deserted wife's benefit if the pension would be greater than the rate of deserted wife's benefit payable.

19. Section 24 provides for two amendments of the Social Welfare (Pay-related Benefit) Act, 1973. The first amendment is to confirm the right to pay-related benefit of persons receiving injury benefit as a result of occupational disease or injury where they would otherwise be entitled to disability benefit or maternity allowance. The second amendment relates to the maximum period of 147 days of incapacity or unemployment in respect of which pay-related benefit may be paid. The effect of this amendment is to ensure that in reckoning the 147 days, account will not be taken of any day of incapacity or unemployment in respect of which the beneficiary is not actually paid flat-rate benefit.

20. Section 25 provides for an extension of the concession under which the requirement that a three-day waiting period be served for unemployment assistance was waived if the application for unemployment assistance was made immediately after entitlement to unemployment benefit ceased. The extension abolishes the waiting period in such cases if the interval between cessation of title to unemployment benefit and the making of the application for unemployment assistance does not exceed 20 weeks.

21. Section 1 contains the necessary definitions and Section 26 the usual provisions for short title, construction and collective citations.

*An Roinn Leasa Shóisialaigh,*

*Meitheamh, 1974.*

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17. Section 17 provides that a person qualified for deserted wife's benefit who is over pensionable age and is incapacitated may qualify for an increase of benefit in respect of a prescribed relative who is living with her and providing full-time care and attention. The increase will be payable from Monday 1st July 1974.

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19. Section 24 provides for two amendments of the Social Welfare (Pay-related Benefit) Act 1973. The first amendment is to confirm the right to pay-related benefit of persons receiving injury benefit as a result of occupational disease or injury where they would otherwise be entitled to disability benefit or maternity allowance. The second amendment relates to the maximum period of 187 days of incapacity or unemployment in respect of which pay-related benefit may be paid. The effect of this amendment is to ensure that in reckoning the 187 days account will not be taken of any day of incapacity or unemployment in respect of which the beneficiary is not actually paid flat-rate benefit.