



**AN BILLE LEASA SHOISIALAIGH, 1976**  
**SOCIAL WELFARE BILL, 1976**

**EXPLANATORY MEMORANDUM**

1. The main purpose of this Bill is to give effect to the 10 per cent increase in the rates of payment and certain other changes in the schemes of social assistance and social insurance as announced in the Budget statement on 28th January, 1976, and to extend the maximum periods of entitlement to unemployment benefit and pay-related benefit. The Bill also contains some consequential provisions, including the increases in the rates of social insurance contributions required and increases in the rates of contributions and payments under the occupational injuries benefit scheme. Also included are some miscellaneous provisions aimed at improving the social welfare code.

*Social Assistance*

2. Section 2 of the Bill provides for a 10 per cent increase to £10.25 in the maximum personal weekly rate of old age (non-contributory) 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 £1.00 to £11.05. The rates of pension payable where the weekly means exceed £6 are also increased by 10 per cent up to the point where weekly means exceed £14 and no pension is payable. The maximum rate of payment in respect of an adult dependant under 67 years will be increased by 45p to £5.10 a week and the allowance payable in respect of a prescribed relative giving full-time care and attention to an incapacitated pensioner will be increased by 50p to £5.70 a week. For pensioners who have qualified children the rates of pension will be increased by £2.75 a week (an extra 25p) for each of the first two children and by £2.10 a week (an extra 20p) for the third and each other child. The new table of weekly means and rates of pension is shown at Table A in the section. For a pensioner with qualified children the means limit is higher than the £14 shown in the table and the Section enables the table to be extended to cases where the means are not shown in the table. The new 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, 2nd April, 1976.

Section 8 provides for an increase in the weekly rate of old age (care) allowance from £5.20 to £5.70 a week with effect from Thursday, 1st April, 1976.

3. Section 3 provides in subsection (1) for increases of 10 per cent in the personal weekly rates of unemployment assistance bringing them to £8.90 in urban areas and £8.55 in rural areas. The weekly rates for adult dependants will also be increased by 10 per cent bringing them to £6.45 (urban) and £6.35 (rural). Where there are dependent children the rates will be increased by £2.75 a week (an extra 25p) for each of the first two children and by £2.10 a week (an extra 20p) for the third and each other child as in the case of old age (non-contributory) pensions. These new rates will be effective from 31st March, 1976 and payment will be made in arrears from the 8th April, 1976. The new table of maximum rates of unemployment assistance is given in the Section.

Subsection (2) of this Section provides however, as announced in the Budget, that existing rates of unemployment assistance will continue to apply in the case of landholders with valuations in excess of £15 whose means, for the purposes of unemployment assistance, are notionally assessed by reference to their land valuation.

4. The Budget also included provision for revision of the special method of calculating the notional farm means for unemployment assistance purposes in the case of smallholders resident in certain specified areas. This method, which has been in operation since 1966, involved the calculation of the means in those cases at a flat rate in all cases of £20 per annum for each £1 of the rateable valuation of the land. Section 4 is designed to effect the revision announced in the Budget that, as from April, the means of smallholders with land valuations in the range £15 to £20 will be calculated on the basis of £30 per annum for each £1 of the valuation, while for those with land valuations in excess of £20 the means will be calculated on the basis of £40 per annum for each £1 valuation. The existing method will continue to operate for smallholders with land valuations up to £15.

5. Section 5 provides for an increase of 10 per cent in the rates of widows' (non-contributory) pensions including the increases for qualified children. This brings the maximum personal rate of pension up to £10.25 a week and the payments for qualified children up to £3.40 a week for each child. These increases will operate from Friday, 2nd April, 1976. 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 automatically apply to deserted wife's allowance, to allowances for unmarried mothers and to the allowances for prisoners' wives, the operative date in those cases being Thursday, 1st April, 1976.

Section 6 provides for an increase of 10 per cent in the weekly rates of orphans' (non-contributory) pensions making the new maximum pension £6.65 a week. The new table of weekly means limits and rates of pension is given in the Section and will operate from Friday, 2nd April, 1976.

6. Section 7 provides for an increase of 10 per cent to £8.90 in the maximum weekly rate of single woman's allowance. The new table of weekly means limits and rates of allowance is given in the Section and the new rates will apply from Thursday, 1st April, 1976.

#### *Social Insurance*

7. Section 9 provides for an increase of 10 per cent in the weekly rates of social insurance benefits. The personal rates of disability and unemployment benefit and invalidity pension are being increased by £1.00 a week with an extra 65p in each case for an adult dependant, 30p for each of the first two qualified children and 25p for the third and each other child. The Section also provides for an increase of £1.00 in the rate of maternity allowance. In the case of widow's (contributory) pension and deserted wife's benefit, the increase is £1.00 in the basic rate with a further 35p for each qualified child—where a widow is 80 years of age or over, the increase is £1.10. An increase of 75p 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 £1.10 in the personal rates of pension with an extra 70p for adult dependants, 30p for each of the first two qualified children and 25p for the third and each other child. Where the pensioner is 80 years or over the increase in the personal rate is £1.15 and where an adult dependant is 67 years or over the increase in the element of the pension in respect of him is 85p. Increases of 50p to £5.70 a week 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 Pension:		
Personal Rate .. .. .	9.90	10.90
Married Couple .. .. .	16.35	18.00
Deserted Wife's Benefit:		
Personal Rate .. .. .	10.00	11.00
Maternity Allowance .. .. .	9.90	10.90
Widow's (Contributory) Pension:		
Personal Rate (under age 80) .. .. .	10.00	11.00
Personal Rate (aged 80 or over) .. .. .	10.75	11.85
Orphan's (Contributory) Allowance .. .. .	7.25	8.00
Old Age (Contributory) Pension, Retirement Pension:		
Personal Rate (under age 80) .. .. .	11.05	12.15
Personal Rate (aged 80 or over) .. .. .	11.70	12.85
Married Couple (pensioner under age 80):		
(i) where adult dependant is under age 67 .. .. .	18.05	19.85
(ii) where adult dependant is aged 67 or over .. .. .	19.35	21.30
Married Couple (pensioner aged 80 or over):		
(i) where adult dependant is under age 67 .. .. .	18.70	20.55
(ii) where adult dependant is aged 67 or over .. .. .	20.00	22.00

The increases in rates of disability and unemployment benefit and maternity allowance will be operative from Monday, 5th April, 1976; the increases in the rates of old age and widow's (contributory) pension and orphan's (contributory) allowance from Friday, 2nd April, 1976, and in the rates of deserted wife's benefit, invalidity and retirement pension from Thursday, 1st April, 1976.

8. Section 10 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, 80p in the basic rate, 60p in the rate for an adult dependant, 25p for each of the first two qualified children and 20p for the third and each other child, are designed to retain this parity. They will operate from Monday, 5th April, 1976.

9. Section 11 provides for the extension by a further 78 days to 390 days of the maximum period for which unemployment benefit may be paid to persons at present entitled to a maximum of 312 days' benefit. The rate of benefit during the extended period of 78 days is to be the same as the rate which applied for the 156 days prior to the exhaustion of 312 days' benefit. The Section includes transitional provisions to cover the case of persons who had exhausted their 312 days' unemployment benefit entitlement within 78 days of the operative date of the extension and who are still unemployed when the extension becomes operative.

10. Section 12 provides for the extension by a further 78 days to 381 days of the maximum period for which pay-related benefit may be paid. Pay-related benefit is payable to persons who are entitled to unemployment benefit, disability benefit or maternity allowance or who would be entitled to either of the latter benefits but for the fact that injury benefit is payable under the occupational injuries benefit scheme. The rate of benefit is for the first 147 days 40 per cent, for the next 78 days 30 per cent and for the next 78 days, 25 per cent of the claimant's reckonable weekly earnings between £14 and £50. The proposed weekly rate of benefit during the further

extension provided for in this Section is 20 per cent of reckonable weekly earnings between £14 and £50. The Section includes transitional provisions to cover the case of persons who had exhausted their full pay-related benefit entitlement within 78 days of the operative date of the extension and are still unemployed when the extension becomes operative.

Section 12 is also designed to enable the making of regulations to implement the decision announced in the Budget statement to restrict the amount of benefits payable to a wholly unemployed person to 85 per cent of his net current earnings.

11. Section 13 provides for new rates of employment contributions. Increases in rates are required to meet the employer's and insured person's shares of the cost of the improvements in benefits, pensions and allowances payable under the social insurance system. Furthermore it is necessary to provide, as announced in the Budget statement, for the transfer of £8 million of charges to the social insurance contribution from the Exchequer contribution to the Social Insurance Fund, as the first stage of a phased reduction of the Exchequer contribution. The overall increase in the case of contributions which count for all the benefits involved is £1.53, of which the employer will pay £1.03 and the employee 50p. Lesser increases will apply where the rates of contribution do not cover all benefits.

This Section also provides for continuing for a further year the provision made in the Social Welfare Act, 1975, for a special contribution increase of 31p to help to meet expenditure arising from the exceptional unemployment situation. Of this increase, which applies to all contributions reckonable for unemployment benefit, viz. those numbered 1, 2, 4 and 5 in the table below, employers bear 21p and employees 10p.

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	2.47	1.64	4.11	3.50	2.14	5.64
	Woman	2.45	1.58	4.03	3.48	2.08	5.56
2. Agricultural .. .. .	Man	2.33	1.52	3.85	3.36	2.02	5.38
	Woman	2.31	1.38	3.69	3.34	1.88	5.22
3. Persons employed part-time in sharefishing and out-workers (other than male weavers) .. .. .		2.00	1.27	3.27	2.69	1.61	4.30
4. Female Domestics .. .. .		2.73	1.57	4.30	3.76	2.07	5.83
5. Soldiers .. .. .		2.45	1.55	4.00	3.48	2.05	5.53
6. Ministers of religion .. .. .		2.00	1.27	3.27	2.69	1.61	4.30
7. Civil Servants, Teachers, Local Authority Officials, etc. .. .. .	Man	0.50	0.33	0.83	0.68	0.42	1.10
	Woman	0.50	—	0.50	0.68	—	0.68
8. Voluntary Contributors (low rate) .. .. .		—	0.83	0.83	—	1.10	1.10
9. Voluntary Contributors (high rate) .. .. .		—	2.17	2.17	—	2.83	2.83

The increases in the above rates of voluntary contributions are provided for in Section 14. Section 15 provides for an increase of 39p to £1.73 in the new rate of voluntary contribution introduced in the Social Welfare Act, 1975, for a certain category of insured person affected by the abolition from 1st April, 1974, of the remuneration limit for the insurability of non-manual workers.

Contributions payable in respect of occupational injuries insurance which are 12p for a man and 9p for a woman, all borne by the

employer, are being increased to 14p and 11p respectively (See paragraph 12).

The increases in contribution rates will be effective from Monday, 5th April, 1976.

12. Section 16 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 £1.40. 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 unemployment benefit rates. Death benefit pensions for widows and invalided widowers under the scheme are being increased by £1.30 with an additional 35p for each qualified child. The higher rate pension payable to one dependent parent is also being increased by £1.30 and the lower rate parent's pension by 60p. Orphans' pensions under the scheme are being increased by 80p. Disablement gratuity is being increased from £950 to £1,050 and widower's gratuity is being increased from £674 to £742.

Section 16 also provides that the rates of weekly employment contributions for occupational injuries insurance purposes, which are payable by employers only, will be increased by 2p from 12p for a man and 9p for a woman to 14p and 11p respectively.

The new rates of death benefit pensions for widows or invalided widowers (including increases for dependent children), parents and orphans and widower's gratuity will be operative from Friday, 2nd April, 1976. The other new benefit rates will be payable from Monday, 5th April, 1976.

#### *Miscellaneous Provisions*

13. Section 17 provides for payment of a benefit, the weekly rate of which will be equal to the rate of widow's (contributory) pension, to a widower whose wife, immediately before her death, had been in receipt of a retirement pension which included an increase in respect of him because he, being incapable of self-support by reason of some physical or mental infirmity, was being wholly or mainly maintained by her. Provision for such a benefit already exists in the case of the widower of a deceased recipient of old age (contributory) pension.

14. Section 18 relates to the payment of increases of widows' (contributory) pensions in respect of qualified children. Such increases are payable at present in respect of children who normally resided with the widow or the late husband prior to the date of the husband's death, and in respect of children, grand-children or step-children of the widow or of her late husband, or adopted children who came to reside with the widow subsequent to the date of her late husband's death. This Section provides for payment of increases of widows' (contributory) pensions in respect of all qualified children normally residing with the widow, regardless of the date on which they become normally resident with her. Section 19 makes a similar provision in relation to widows' (non-contributory) pensions.

15. Section 1 contains the necessary definitions and Section 20 the usual provisions for short title, construction and collective citation.

*An Roinn Leasa Shóisialaigh.*  
*Márta, 1976.*

