



AN BILLE LEASA SHOISIALAIGH (LEASU), 1981

SOCIAL WELFARE (AMENDMENT) BILL, 1981

EXPLANATORY MEMORANDUM

Introduction

The Bill is designed to give effect to the proposals, announced by the Minister for Finance in his Budget statement on 28th January, 1981, for increased rates of payment in the schemes of social insurance, social assistance and children's allowances. Occupational injuries benefit payments are also being increased in line with the other schemes. The Bill contains provisions for changing the rates of social insurance contributions and for raising the earnings ceiling for contribution purposes.

A change in the basis of calculating the rate of pay-related benefit will link the amount of earnings disregarded to the maximum personal rate of short-term benefits. A further change will impose 'waiting days' for pay-related benefit purposes at the beginning of all disability benefit claims.

A new pay-related maternity allowance scheme for women in employment is being introduced.

The Bill also contains miscellaneous provisions aimed at improving the social welfare code.

The provisions of the Bill will in the main come into effect from the beginning of April, 1981, but the increases in children's allowances will be effective from 1st July, 1981.

Social Insurance

Section 3 provides for increases in weekly rates of social insurance and occupational injuries benefits. The personal rates of disability and unemployment benefit are being increased by £4.10 a week and an extra £2.65 is provided for an adult dependant.

The personal rate of injury benefit is increased by £5.65 and the additions for dependants are increased in line with those for the other short-term benefits.

Old age (contributory) pensions and retirement pensions are increased by £6.15 with an extra £3.90 for adult dependants and £2.95 is the increase for a prescribed relative giving full-time care and attention to a pensioner. The principal pension payable under the occupational injuries scheme is being increased by £7.15.

Invalidity pension, widow's (contributory) pension and deserted wife's benefit are also being increased, as are payments for dependent children under the various schemes.

The basic weekly rate of maternity allowance goes up by £4.10.

The following table shows the effects of these increases on the principal rates of benefit payable under the general social insurance scheme.

	Present Rate £	Proposed Rate £
<i>Disability and Unemployment Benefit</i>		
— Personal Rate	20.45	24.55
— Married Couple	33.70	40.45
— Married Couple and 2 children	45.60	53.45
<i>Maternity Allowance</i>	20.45	24.55
<i>Old Age (Contributory) Pension/Retirement Pension</i>		
* Personal Rate — under 80 years	24.50	30.65
* Personal Rate — over 80 years	26.25	32.80
<i>Married Couple (Pensioner under 80 years)</i>		
(i) Where adult dependant is under age 66	40.15	50.20
(ii) Where adult dependant is 66 years or over	42.80	53.55
<i>Married Couple (Pensioner over 80 years)</i>		
(i) Where adult dependant is under 66 years	41.90	52.35
(ii) Where adult dependant is over 66 years	44.55	55.70
<i>Invalidity Pension</i>		
— Personal Rate	22.05	27.55
— Married Couple	36.35	45.45
— Married Couple and 2 children	49.15	59.45
<i>Widow's (Contributory) Pension and Deserted Wife's Benefit</i>		
— Personal Rate (under 80)	22.50	28.15
— With 2 children	37.50	44.65
— Personal Rate (over 80)	24.05	30.05
<i>Orphan's (Contributory) Allowance</i>	16.15	17.75

*An additional amount of £2.05 is payable to a person who has attained pensionable age and is living alone.

Social Assistance

Section 4 provides for increases in the rates of assistance (means-tested) payments. The maximum personal weekly rate of old age and blind pension payable to persons under 80 years will be increased by £5.25. For persons aged 80 years or more the increase will be £5.65. The maximum rate of payment in respect of an adult dependant will be increased by £2.65 and payments in respect of qualified children are also being increased.

Similar increases are applied to the other long-term assistance payments such as widow's (non-contributory) pension and deserted wife's allowance.

For short-term assistance payments — unemployment assistance in rural areas and supplementary welfare allowance — the increase in the personal rate is £3.30 per week for a single person or £5.70 for a person with an adult dependant. As is the case of other social welfare payments an increase is being granted for child dependants.

As a consequence of the new rates of payment the means limits for qualification under the various schemes are also being raised.

The following Table shows the effect of the increases on levels of payment.

	Present Rate (Maximum)	Proposed Rate (Maximum)
	£	£
<i>Unemployment Assistance</i>		
<i>Urban Rate:</i>		
— Personal Rate	17.00	20.40
— Married Couple	29.25	35.10
— Married Couple and 2 children	39.85	46.70
<i>Rural Rate:</i>		
— Personal Rate	16.45	19.75
— Married Couple	28.40	34.10
— Married Couple and 2 children	39.00	45.70
<i>*Old Age (Non-Contributory) Pension and Blind Pension</i>		
— Personal Rate — under 80	21.00	26.25
— Married Couple	31.55	39.45
— Married Couple and 2 children	42.95	51.95
<i>*Widow's (Non-Contributory) Pension and Allied Payments</i>		
— Personal Rate	21.00	26.25
— Widow and 2 children	34.80	41.25
<i>Single Woman's Allowance</i>		
	18.30	22.90
<i>Orphan's (Non-Contributory) Pension</i>		
	13.55	14.90

* An additional amount of £1.90 is payable to pensioners who have attained 80 years of age.

* An additional amount of £2.05 is payable to a person who has attained pensionable age and is living alone.

In the case of an old age pensioner whose spouse has also attained pensionable age the total amount payable is £52.50.

Children's Allowances

Section 4 also provides for increases in the monthly amount of children's allowances. These are to be increased by £1.50 for the first child and by £2.00 for the second and each subsequent child from July, 1981. These increases will make the monthly allowance £6.00 for a one-child family, £15.00 for a two-child family and £24.00 for a three-child family, with a further £9.00 a month for each additional child.

Pay-Related Contributions

Section 5 provides for increased rates of pay-related social insurance contributions which will be required to meet the employer's and employee's share (£33 million) of the cost of the proposals under the social insurance scheme. The balance of the cost (£46 million) of the social insurance improvements is being met by the Exchequer. The new rates of social insurance contribution, including contribution for occupational injuries benefit, will be 9.85% for employers and 3.75% for employees. The rates of voluntary contributions are being correspondingly increased. The earnings ceiling up to which contributions are payable is being raised from £7,000 to £8,500.

The overall PRSI contribution rate (including elements for health, redundancy and occupational injuries insurance) will total 14.8% as compared with 14.3% at present. The employers will be required to pay 10.05% and employees 4.75%.

Pay-Related Benefit

Section 6 provides that pay-related benefit will not be paid to claimants for the first 12 days ('PRB waiting-days') of each distinct period of incapacity. Currently 'PRB waiting-days' for disability benefit purposes are only imposed for the first 12 days of incapacity in any period of interruption of employment.

Section 7. The present amount of weekly earnings disregarded in calculating the weekly rate of pay-related benefit was fixed at £14 in 1973. This section will link the amount disregarded to the maximum personal rate of disability benefit or unemployment benefit applicable at the beginning of each benefit year. The amount disregarded from April, 1981 will, accordingly, be increased from £14 to £20.

Old Age Pension — Residence Condition

Section 8. This section abolishes the 15-year residence condition which, at present, must be satisfied by persons claiming (non-contributory) old age pension.

New Maternity Allowance Scheme

Sections 9, 10 and 11. A new maternity allowance scheme for women in employment is being introduced. Benefit will be payable for 14 weeks at a level corresponding to net (take-home) pay when tax-refunds are taken into account. The actual payment will be calculated by reference to earnings for pay-related benefit (PRB) purposes subject to a minimum payment in the present year of £45.75 per week. The new scheme will apply only to women who satisfy the relevant contribution conditions and who are on maternity leave from work under the Maternity Protection of Employees Bill, 1981. The existing scheme will continue to apply to women not entitled to maternity leave.

Miscellaneous Changes

Section 12 repeals provisions which are now obsolete for all practical purposes.

Section 13 permits increases in the amount of earnings which can be disregarded in determining entitlements to unemployability supplement under the occupational injuries benefit scheme.

Section 14 will entitle certain pensioners under the occupational injuries benefit scheme to an increase in respect of prescribed relatives providing full-time care and attention in line with pensioners under other schemes.

Section 15. This section will extend to old age (contributory) pensioners and retirement pensioners, who are not receiving an increase of pension for a spouse, the provisions which apply to other pensions for increase of pension where the pensioner maintains a female person to take care of his (or her) children.

Section 16 will allow the payment to a widow, in receipt of retirement or invalidity pension, of the increase in respect of a child aged between 18 and 21 undergoing full-time education, which applies in the case of other widow pensioners.

Section 17 provides a formal definition of "trade dispute" for unemployment assistance purposes.

Section 18. An employer who aids an employee to fraudulently claim unemployment assistance is guilty of an offence under existing social welfare legislation. This section will make directors and officers of companies personally liable where such an offence is committed with their knowledge and consent.

Section 19 extends to recipients of unemployment assistance and old age pension the protection, already afforded to other social welfare recipients, in actions for non-payment of debt.

Section 20 is a technical measure relating to the management of the "Wet-Time" Fund.

An Roinn Leasa Shóisialaigh.

Feabhra, 1981.

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Sections

1. Short title and commencement.
2. Principal Act.

PART II

INCREASES AND MISCELLANEOUS ADJUSTMENTS

3. Social insurance benefits (new rates).
4. Social assistance payments and children's allowances (new rates).
5. Pay-related social insurance (revisions of contributions and increase in earnings ceiling).
6. Pay-related benefit (additional waiting days for certain benefits).
7. Pay-related benefit (increase in amount of earnings disregarded).
8. Old age pension (removal of fifteen-year residence condition).

PART III

NEW PROVISIONS RELATING TO MATERNITY ALLOWANCES

9. Maternity allowance (extension of period of entitlement in certain cases).
10. Maternity allowance (extension of contribution conditions).
11. Pay-related benefits (allowance for certain recipients of maternity allowance).

PART IV

REVOKES AND AMENDMENTS

12. Repeal of certain obsolete provisions of Principal Act.
13. Amendment of section 45 of Principal Act.
14. Occupational sickness benefit (payment of prescribed relative allowances to certain pensioners).

(No. 40 of 1981)

Section 18. An employer who aids an employee in claiming unemployment assistance is guilty of an offence under existing provisions. This section will continue to apply to employers who aid an employee in claiming unemployment assistance during a period of incapacity. Currently PRB benefit for unemployment assistance purposes is only imposed for the first 12 days of incapacity in any benefit year. Section 19 extends the protection already afforded to other social security pensioners to old age pensioners.

Section 7. The provisions relating to the calculation of the weekly rate of pay-related benefit was fixed at £14 in 1979. This section will increase the personal rate of disability benefit or unemployment benefit at the beginning of each benefit year. The amount disregarded from April, 1981 will, accordingly, be increased from £14 to £15.

Old Age Pension—Residence Condition:

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