



**AN BILLE LEASA SHÓISIALAIGH, 1984
SOCIAL WELFARE BILL, 1984**

EXPLANATORY MEMORANDUM

Introduction

The Bill provides 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 increases in social insurance payments generally. The Bill contains provisions for the introduction of a new family income supplement scheme, for an increase in the employer's contribution to the Occupational Injuries Fund and for the abolition of the Old Age Pension Committee system. The Bill also contains miscellaneous provisions affecting the social welfare code.

Social Insurance

Section 3 provides for increases of 7 per cent in the weekly rates of social insurance and occupational injuries benefits with effect from the beginning of July, 1984. The personal rates of disability and unemployment benefit are being increased by £2.45 a week and an extra £1.60 is provided for an adult dependant. The basic weekly rate of maternity allowance goes up by £2.45. The personal rate of injury benefit is increased by £3.35 and the additions for adult dependants are increased in line with those for the other short-term benefits.

Old age (contributory) pensions and retirement pensions are increased by £3.35 with an additional £2.00 for adult dependants and £1.50 in the amount of the increase for a prescribed relative giving full-time care and attention to a pensioner. Invalidity pension, widow's (contributory) pension and deserted wife's benefit are also being increased. Increases are also being made in the pensions and lump sum gratuities under the occupational injuries benefit scheme. The maximum disablement pension is being increased by £3.70 and the pensions for widows and invalided widowers under the scheme by £3.60.

Payments for dependent children under the various schemes are also being increased.

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

	Present rate	Proposed rate
	£	£
Disability and Unemployment Benefit:		
— Personal rate	34.80	37.25
— Married couple	57.35	61.40
— Married couple and 2 children	74.85	80.15

	Present rate	Proposed rate
	£	£
Maternity Allowance	34.80	37.25
Old Age (Contributory) Pension/Retirement Pension:		
*Personal Rate — Under 80 years	45.10	48.25
*Personal Rate — Over 80 years	48.20	51.55
Married Couple (Pensioner under 80 years):		
(i) Where adult dependant is under age 66	73.90	79.05
(ii) Where adult dependant is 66 years or over	78.75	84.25
Married Couple (Pensioner over 80 years):		
(i) Where adult dependant is under 66 years	77.00	82.35
(ii) Where adult dependant is over 66 years	81.85	87.55
Invalidity Pension—		
— Personal Rate (under 66)	39.75	42.55
— Married couple	65.55	70.15
— Married couple and 2 children	84.80	90.75
Widow's (Contributory) Pension and Deserted Wife's Benefit:		
— Personal Rate (under 66)	40.60	43.45
— with 2 children	63.45	67.90
*Personal rate (66-79)	41.40	44.30
*Personal rate (80 and over)	44.20	47.30
Orphan's (Contributory) Allowance	25.65	27.45

*An additional amount of £3.20 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 social assistance payments with effect from the beginning of July 1984. Pensions and allied payments are being increased by 7 per cent. The maximum personal weekly rate of old age and blind pension payable to persons under 80 years will be increased by £2.70. For persons aged 80 years or more the increase will be £2.90. The maximum rate of payment in respect of an adult dependant will be increased by £1.35.

The maximum personal weekly rate of widow's (non-contributory) pension and deserted wife's allowance will be increased by £2.65 for those under age 66. For those aged 66 or over the rates of increase are the same as those which apply to old age pension.

The weekly rates of short-term assistance payments are also being increased by 7 per cent. Unemployment assistance in rural areas and supplementary welfare allowance is being increased by £1.95 for a single person and £3.35 for a person with an adult dependant. The system of means assessment by reference to rateable valuation of land is being phased out and the rates of unemployment assistance payable to smallholders whose means are still assessed on that basis are not being increased.

The weekly rates of unemployment assistance payable to persons who have been continuously unemployed for at least 15 months are being increased by 8 per cent from July 1984. This will mean an increase of £2.45 per week for a single person in an urban area and £4.20 for a person with an adult dependant. The corresponding increases for persons resident in rural areas are £2.35 and £4.05 respectively.

The additional amounts for child dependants under the various schemes of social assistance are also being increased.

The following table shows the effects of the increases on levels of payment.

	Present Rate (Maximum) £	Proposed Rate (Maximum) £
Unemployment Assistance (short-duration):		
Urban rate:		
—Personal rate	28.90	30.90
—Married couple	49.75	53.20
—Married couple and 2 children	65.15	69.65
Rural rate:		
—Personal rate	28.00	29.95
—Married couple	48.35	51.70
—Married couple and 2 children	63.75	68.15
Unemployment Assistance (long-duration):		
Urban rate:		
—Personal rate	30.35	32.80
—Married couple	52.25	56.45
—Married couple and 2 children	68.40	73.90
Rural rate:		
—Personal rate	29.40	31.75
—Married couple	50.75	54.80
—Married couple and 2 children	66.90	72.25
*Old Age (Non-Contributory) Pension and Blind Pension:		
—Personal rate under 80	38.60	41.30
—Married couple	58.00	62.05
—Married couple and 2 children	75.40	80.65
*Widow's (Non-Contributory) Pension and Allied Payments:		
—Personal rate	37.85	40.50
—Widow and 2 children	58.55	62.65
Single Woman's Allowance	33.05	35.35
Orphan's (Non-Contributory) Pension	21.50	23.00

*An additional amount of £3.00 is payable to pensioners who have attained 80 years of age.

An additional amount of £3.20 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 £82.60.

Children's Allowances

Section 4 also provides for increases in the monthly rates of children's allowances from August, 1984. These are to be increased by £0.80 for each of the first five children and £1.25 for the sixth and each subsequent child making the monthly allowance £12.05 for each of the first five children and £18.75 for each subsequent child.

Section 5 is a technical measure arising from the establishment of An Post. Sections 4 and 67 of the Social Welfare (Consolidation) Act, 1981 allow for the payment out of the Social Insurance Fund and the Occupational Injuries Fund respectively of any expenses incurred by the Minister or any other Minister which relate to the schemes of social insurance and occupational injuries insurance. The effect of section 5 is that certain expenses which were formerly payable to the Minister for Posts and Telegraphs will now be payable to An Post.

Occupational Injuries Contributions

Section 6 provides for increases in the rates of occupational injuries contributions. The contribution, which is payable in full by employers, will be increased by 0.1% to 0.4% with effect from 6 April, 1984.

Pay-Related Benefit

Section 7 provides for an increase from £36 to £43 in the amount of weekly earnings disregarded in calculating the rate of pay-related benefit. This change will apply to periods of interruption of employment commencing on or after 2 April, 1984.

Section 8 provides for the making of regulations to enable the pay-related benefit payable with unemployment benefit, which a

person who is accepted into the Enterprise Allowance Scheme administered by the Department of Labour would otherwise have received had he continued to be unemployed, to be paid to him in a lump sum. The lump sum will be equivalent to the amount of pay-related benefit he would otherwise have received in respect of the unexpired portion of the relevant period of interruption of employment up to a maximum of 26 weeks.

Change in means-test

Section 9 provides for changes in the rules for the assessment of income for social assistance purposes in the case of leased land. The existing methods of assessing means favour those engaged in short-term lettings of their land. Land which is let for short periods is regarded as remaining in the occupation of the title holder and means are calculated on the basis of the profits from the letting. Land leased for a number of years is assessed on a capital value basis as property which is not personally used or enjoyed. *Section 9* is designed to encourage more longer term leasing among farmers by providing that, in the case of land leased with the approval of the Land Commission, the means of the lessor for social assistance purposes be calculated not by reference to the capital value of the holding but on the basis of the profits from the lease.

Subsection (1) provides for changes in the means assessment rules relating to unemployment assistance and single woman's allowance. *Subsection (2)* makes similar provision in the case of supplementary welfare allowance. *Subsection (3)* relates to old age, blind and widows pensions and other social assistance allowances.

Minor changes in Children's Allowance Scheme

Sections 10 and *11* provide for minor changes in the children's allowances scheme. *Section 10* provides for an expansion of an existing provision in section 223 of the Social Welfare (Consolidation) Act, 1981 which enables children's allowances to be paid in respect of a child resident outside the State to the father while he is employed abroad in the service of the Government, the State or an international organisation. The effect of the amendment is to extend this provision to a qualified person other than the father, for example the mother.

Section 11 extends the validity of the orders in children's allowance books from three months to six months.

Reckoning of certain benefits in assessment of road traffic accident damages

Section 12 provides that the amount of disability benefit, associated pay-related benefit or invalidity pension payable for up to a period of five years to a person arising from injuries received in a road traffic accident shall be taken into account in assessing damages for personal injuries. The provision is on similar lines to the provision in section 68 of the Social Welfare (Consolidation) Act, 1981 in regard to occupational injuries benefits.

New Family Income Supplement Scheme

Part III (Sections 13 to 17) provides for the introduction of a new family income supplement scheme. The new scheme is designed to maintain the incentive to work by providing cash support for workers with families who are in receipt of low incomes and who are only marginally better off working than if they were claiming social welfare benefits. It will be confined to employees in the active labour force.

Under the scheme, payments will be made to families with children, where one or both parents is or are engaged in remunerative full-time employment and where the weekly income of the family is less than a specified amount. A child for the purposes of the scheme will be a child who is accepted as a qualified child for children's allowances purposes.

The amount of the weekly family income will be determined in accordance with regulations and will include the worker's current earnings, aggregate earnings being used where both parents are in employment. Income of a spouse from self-employment will also be included as will certain social welfare payments to the claimant or the spouse. Unearned income will not be taken into account.

The levels of weekly income up to which a supplement will be payable are £95 per week for a family with one child increasing by £15 per week for each additional child, up to and including the fifth child.

The amount of supplement will be 25 per cent of the difference between the amount of the weekly family income and the maximum level of weekly income appropriate in that case subject to a maximum payment of £8 per week for a one-child family increasing by £1.75 for each additional child up to the fifth child.

For example, in the case of a worker with three children and with a gross weekly income of £85 per week, the amount of the supplement would be calculated as follows:—

Upper Income level	= (£95 + £15 + £15)	= £125 per week
Weekly Family income	=	£85 per week
		£40 per week
Difference =		£40 per week
Amount of Supplement 25% of £40		= £10 per week

The following table outlines the levels of incomes before income tax and PRSI deductions, up to which the supplement will be payable and the maximum rates of supplement for each family size.

Family size	Upper family income limit	Level of family income below which maximum supplement will be payable	Maximum weekly supplement payable
(1)	(2)	(3)	(4)
	£	£	£
1 child family	95	63	8.00
2 child family	110	71	9.75
3 child family	125	79	11.50
4 child family	140	87	13.25
5 or more child family	155	95	15.00

The supplement, once awarded, will normally remain in payment for a period of 52 weeks. It will be payable to the wage-earner or, where both spouses are in full-time employment it will be paid to the principal wage-earner. The supplement will not be subject to income tax or pay-related social insurance deductions.

Section 13 provides for the insertion of a new Part in the Social Welfare (Consolidation) Act, 1981, setting out the provisions of the new family income supplement scheme.

Section 15 provides that regulations will be made by the Minister to enable payments of family income supplement to be withdrawn in cases where it is concurrently payable with certain social welfare payments.

Section 16 provides that family income supplement shall be disregarded in assessing means for social assistance purposes.

Section 14 deals with the making of regulations and *section 17* provides for a commencement date.

Abolition of Old Age Pension Committees and Consequential Provisions

Part IV (sections 18 to 30) provides for the abolition of Old Age Pension Committees and the assignment of their adjudication function to deciding officers appointed by the Minister. Provision is also made (*section 20*) for the abolition of the office of clerk to such committees and for the payment of compensation to clerks.

Under the present system, claims to old age (non-contributory) pension and questions as to the continued entitlement to pension are determined, subject to the right of appeal to an Appeals Officer, by old age pension committees. These committees were established under the Old Age Pensions Act, 1908 and are appointed by County Councils and County Borough and Borough Councils. There are currently 355 local committees and sub-committees.

Under the new arrangements all matters relating to entitlement to old age pension will be determined, subject to the right of appeal to an Appeals Officer, by deciding officers appointed by the Minister. This will bring old age pension into line with the system of adjudication which applies to social welfare benefit and assistance claims generally.

Section 18 provides for the abolition of local pension committees by the repeal of the relevant provisions of the Social Welfare (Consolidation) Act, 1981. *Section 27* provides that all decisions relating to old age pensions will be decided by deciding officers appointed by the Minister.

Section 19 provides for the appointment of social welfare officers by the Minister for old age pensions purposes. A similar provision was contained in *section 165* which is now being repealed by *section 18*.

Sections 21 to 26 and 28 contain consequential amendments to other provisions of the Act. *Section 29* is a transitional measure and *section 30* provides for a commencement date.

***An Roinn Leasa Shóisialaigh,
Márta, 1984.***

Section 12 provides that the amount of disability benefit, associated with the award of a pension, will normally remain payable for a period of 26 weeks. It will be payable to the wage-earner or where both spouses are in full-time employment it will be paid to the principal wage-earner. The supplement will not be subject to income tax or pay-related social insurance deductions.

Section 13 provides for the insertion of a new Part in the Social Welfare (Consolidation) Act, 1981, setting out the provisions of the family income supplement scheme. The scheme is designed to maintain the incentive to work by providing cash support for workers with families who are in receipt of low incomes and who are only able to work part-time hours. The scheme will be made by the Minister to provide that regulations will be made by the Minister to provide for the payment of family income supplement to be withdrawn in cases where it is concurrently payable with certain social welfare payments.

Under the scheme, payments will be made to families with children where one or both parents is or are engaged in remunerative full-time employment and where the weekly income of the family is less than the amount of the family income supplement. The scheme is designed to provide first-time income supplement to the family of a child who is assessed as being a child in need of special assistance for purposes.