



AN BILLE LEASA SHÓISIALAIGH, 1987

SOCIAL WELFARE BILL, 1987

EXPLANATORY MEMORANDUM

Introduction

The Bill provides for increased rates of payment in the schemes of social insurance, social assistance and occupational injuries benefit. The Bill also provides for improvements in the family income supplement scheme. There is provision for raising the earnings ceiling for social insurance contribution purposes, for an increase in the earnings disregard used in calculating pay-related benefit and for the introduction of a single rate (12 per cent) of pay-related benefit. This provision also provides for changes in the conditions for entitlement to disability benefit, maternity allowance, unemployment benefit and invalidity pension. The Bill also gives effect to the PRSI exemption scheme for the 1987/88 tax year. It also provides for adjustments to the Unemployment Benefit and Assistance Schemes arising from the introduction of the Part-Time Job Allowance and the Educational Opportunities Schemes on a pilot basis in 1986. Finally the Bill provides for the deletion of the requirement on the Exchequer to make an investment return to the Social Insurance Fund in respect of the premises at Aras Mhic Dhiarmada.

Social Insurance

Section 2 provides for increases of 3 per cent in the weekly personal, adult and child dependant rates of social insurance and occupational injuries benefits with effect from mid-July, 1987 with the increased rates in all cases being rounded to the nearest 10p. The personal rates of disability and unemployment benefit are being increased by £1.20 a week and an extra 80p is provided for an adult dependant. The basic weekly rate of maternity allowance goes up by £1.20. The personal rate of injury benefit is increased by £1.70 and the additions for adult and child dependants are increased in line with those for the other short-term benefits.

Old age (contributory) pensions and retirement pensions are increased by £1.65 with an additional £1.00 for adult dependants and 80p in the amount of the increase payable 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 scheme. The maximum disablement pension is being increased by £1.90 and the personal rates of pensions for widows and invalided widowers under the scheme by £1.80. The following table shows the effects of the increases on the principal rates of benefit payable under the general social insurance schemes.

	Present rate	Proposed rate
	£	£
Disability and Unemployment Benefit:		
— Personal rate	41.10	42.30
— Married couple	67.70	69.70
— Married couple and 2 children	87.60	90.20
Maternity Allowance	41.10	42.30
Old Age (Contributory) Pension/Retirement Pension:		
—*Personal rate—under 80 years	53.45	55.10
—*Personal rate—over 80 years	57.10	58.80
Married Couple (Pensioner under 80 years):		
(i) Where adult dependant is under age 66	87.55	90.20
(ii) Where adult dependant is 66 years or over	93.35	96.20
Married Couple (Pensioner over 80 years):		
(i) Where adult dependant is under 66 years	91.20	93.90
(ii) Where adult dependant is over 66 years	97.00	99.90
Invalidity Pension:		
— Personal rate (under 66)	47.10	48.50
— Married couple	77.70	80.00
— Married couple and 2 children	99.65	102.60
Widow's (Contributory) Pension and Deserted Wife's Benefit:		
— Personal rate (under 66)	48.10	49.50
— with 2 children	74.15	76.40
—*Personal rate (66-79)	49.10	50.60
—*Personal rate (80 and over)	52.35	53.90
Orphan's (Contributory) Allowance	30.40	31.30

* An additional amount of £3.70 is payable to a person who has attained pensionable age and is living alone.

Social Assistance

Section 3 provides for increases of 3 per cent in the weekly personal and dependant rates of social assistance payments with effect from mid-July, 1987, with the increased rates being rounded in all cases to the nearest 10p.

The maximum personal weekly rate of old age and blind pension payable to persons under 80 years will be increased by £1.35. For persons aged 80 years or more the increase will be £1.50.

The maximum personal weekly rate of widow's (non-contributory) pension and deserted wife's allowance will be increased by £1.30 for those under age 66.

The weekly rates of long-term unemployment assistance payments are being increased by £1.10 for a single person in an urban area and by £1.85 for a person with an adult dependant. The corresponding increases for persons resident in rural areas are £1.10 and £1.90 respectively.

The weekly rates of short-term unemployment assistance payments are being increased by £1.05 for a single person in an urban area and by £1.75 for a person with an adult dependant. Unemployment assistance in rural areas and supplementary welfare allowance is being increased by £1.00 for a single person and £1.75 for a person with an adult dependant. The following table shows the effects of the increases on levels of payment under the social assistance schemes.

	Present rate	Proposed rate
	£	£
Unemployment Assistance (short-duration)		
Urban Rate:		
— Personal rate	34.05	35.10
— Married couple	58.65	60.40
— Married couple and 2 children	76.10	78.40

	Present rate	Proposed rate
	£	£
Rural Rate:		
— Personal rate	33.00	34.00
— Married couple	56.95	58.70
— Married couple and 2 children	74.40	76.70
Unemployment Assistance (long-duration)		
Urban Rate:		
— Personal rate	36.70	37.80
— Married couple	63.15	65.00
— Married couple and 2 children	81.75	84.20
Rural Rate:		
— Personal rate	35.50	36.60
— Married couple	61.30	63.20
— Married couple and 2 children	79.90	82.40
*Old Age (Non-Contributory) Pension and Blind Pension:		
— Personal rate (under 80)	45.75	47.10
— Married couple	68.75	70.80
— Married couple and 2 children	88.55	91.20
*Widow's (Non-Contributory) Pension and Allied Payments:		
— Personal rate (under 66)	44.90	46.20
— Widow and 2 children	68.50	70.50
Single Woman's Allowance	39.15	40.30
Orphan's (Non-Contributory) Pension	25.50	26.30

*An additional amount of £3.50 is payable to pensioners who have attained 80 years of age.

An additional amount of £3.70 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 £94.20.

Changes in Family Income Supplement Scheme

Section 4 provides for certain improvements in the family income supplement scheme. The rate of supplement is being increased from one-third to a half of the difference between gross family income and a prescribed upper limit, depending on family size.

This section also provides for an increase in the prescribed income limits up to which family income supplement is payable and for increases in the maximum amounts of supplement. The upper limit of weekly income up to which a supplement is payable will now be £104 for a family with one child rising by £22 per week for each additional child, up to and including the fifth child.

The maximum amount of supplement payable to families with one child will be increased by £6, from £10 to £16 and the amount payable in respect of each additional child up to and including the fifth child will increase from £4 to £7 per week per child.

The income levels at or below which the maximum supplement is payable are also being adjusted, e.g. from £70 to £72 per week for a one-child family.

These changes will take effect from 23 July 1987.

The following tables show the effects of the changes.

Family size	Upper family income limit		Level of family income below which maximum supplement will be payable		Maximum weekly supplement payable	
	Present	Proposed	Present	Proposed	Present	Proposed
	£	£	£	£	£	£
1 child	100	104	70	72	10	16
2 children	120	126	78	80	14	23
3 children	140	148	86	88	18	30
4 children	160	170	94	96	22	37
5 or more children	180	192	102	104	26	44

Pay-Related contributions ceiling

Section 5 provides for an increase from £14,700 to £15,500 in the earnings ceiling up to which social insurance contributions are payable with effect from 6 April 1987. The rates of contributions are not being increased.

PRSI Employers' Exemption Scheme

Section 6 gives effect to the decision to re-introduce the PRSI Exemption Scheme by allowing for the exemption of employers from liability to pay their share of the PRSI contribution for the 1987/88 tax year in respect of certain additional employees taken on between 16 December, 1986 and 31 January, 1987.

Pay-Related Benefit

Section 7 provides for the introduction of a single rate (12%) of pay-related benefit payable to all new claimants from 6 April 1987 onwards. The section also provides for an increase from £58 to £62 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 6 April 1987.

Changes in contribution conditions

Section 8 (1) provides for an increase from 26 to 39 in the number of paid contributions required for payment of disability benefit. Section 8 (2) provides for an increase from 156 to 208 in the number of paid contributions required for entitlement to disability benefit for periods in excess of one year with effect from 6 April 1987. Sections 8 (3) and 8 (4) provide for an increase from 26 to 39 in the number of paid contributions required for entitlement to maternity allowance and unemployment benefit respectively for all new claimants from 6 April 1987. Section 8 (5) provides for an increase from 156 to 208 in the number of paid contributions required for entitlement to invalidity pension for new claimants with effect from 6 April 1987.

Rounding to the nearest 10p

In determining the rates of payments as set out in the Schedules it is provided that each of the weekly social insurance and assistance personal rates and increases for adult and child dependants be rounded to the nearest 10p. In the case of periods of less than a week, section 9 provides for the rounding of unemployment and disability benefit payments also to the nearest unit of 10p.

Section 10 provides for the removal of a restriction in the Social Welfare (Consolidation) Act, 1981 which prevents the rounding of amounts payable in respect of pay-related benefit to units of 10p in line with other rates of payment.

Changes in Unemployment Payments Schemes

Section 11 provides that participation in the pilot Part-Time Job Allowance and Educational Opportunities Schemes will not result in an unemployed person breaking his unemployment benefit or assistance claim and that such persons will resume their previous entitlement to unemployment benefit or assistance without serving a further waiting period of three days. Where they were in receipt of unemployment assistance at the long-term rate they will resume payment at that rate.

Miscellaneous

Section 12 provides for the deletion of the requirement on the Exchequer to make an investment return to the Social Insurance Fund in respect of the premises at Aras Mhic Dhiarmada which is owned by the Fund. This return is now insignificant in the context of the general Exchequer subvention to the Fund.

*An Roinn Leasa Shóisialaigh,
Máirta, 1987.*