



AN BILLE LEASA SHÓISIALAIGH, 1989
SOCIAL WELFARE BILL, 1989

EXPLANATORY MEMORANDUM

Introduction

The main purpose of the Bill is to provide for the increases in the rates of social welfare payments and other improvements in social welfare schemes announced in the Budget. There will be a 3 per cent increase in payments generally, with higher increases in the lowest payments, a minimum child dependant allowance of £10 a week with further streamlining of adult and child dependant allowances and payment of the higher rate of child benefit, which at present applies to the 6th and subsequent children in families, for the 5th child. Other improvements include the introduction of a new social assistance scheme for widowers and deserted husbands with dependent children and the payment of increases under long-term social welfare payment schemes for children aged between 18 and 19 years in full-time education. Consequent on the review of the operation of the separate urban and non-urban rates of unemployment assistance announced in the Budget the Bill provides for the abolition of the separate non-urban rate of payment and the application of one rate throughout the country. The Bill also provides for an increase in the earnings disregard used in calculating pay-related benefit and for raising the earnings ceiling for social insurance contribution purposes. The Bill includes measures for the recovery from liable spouses of recipients of deserted wife's benefit and allowance, deserted husband's allowance and supplementary welfare allowance of contributions towards the cost of those payments. The Bill also contains a number of other amendments to the social welfare code, including exempting health board fostering allowances for means assessment purposes, inclusion of the Garda Síochána in the occupational injuries insurance scheme, providing power to alter the arrangements in separate payments cases, a number of provisions relating to abuse of the social welfare system and to court proceedings and a number of other miscellaneous amendments.

Social Insurance

Section 3 provides for the increase of 3 per cent in the weekly personal, adult and child dependant rates of social insurance and occupational injuries benefits with effect from the end of July, 1989. The personal rates of disability and unemployment benefit are being increased by £1.40 per week with an increase of 80p per week being provided for an adult dependant. The basic weekly rate of maternity allowance also goes up by £1.40. The personal rate of injury benefit is increased by £1.80 per week and the additions for adult and child dependants are increased in line with those for other short-term payments.

The personal rates of old age (contributory) and retirement pensions are being increased by £1.70 per week with an additional £1.10 per week for adult dependants and 80p per week for a prescribed relative giving full-time care and attention to a pensioner. The rates

of 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 payable under the occupational injuries scheme. The maximum weekly rate of disablement pension is being increased by £2.05 for a person under 66 and the personal rates of pensions for widows and invalided widowers under the scheme are being increased by £1.90. The rates of increases for child dependants under the various social insurance and occupational injuries schemes are being further streamlined and the minimum child dependant allowance of £10 per child per week will mean additional increases in payments for certain children under the disability, unemployment and maternity schemes. The following table shows the effects of the increases on the principal rates of benefit payable under the social insurance schemes:—

	Present Rate	Proposed Rate
	£	£
Disability and Unemployment Benefit:		
— Personal Rate	43.60	45.00
— Married Couple	71.80	74.00
— Married Couple and 2 children	93.00	95.80
Maternity Allowance	43.60	45.00
*Old Age (Contributory) Pension/Retirement Pension:		
— Personal Rate — under 80 years	56.80	58.50
— Personal Rate — over 80 years	60.60	62.40
— Married Couple (Pensioner under 80 years)		
— Pensioner under 80 and adult dependant over 66	99.20	102.20
— Pensioner over 80 with adult dependant over 66	103.00	106.10
Invalidity Pension (under 66):		
— Personal rate	50.00	51.50
— Married Couple	82.40	85.60
— Married Couple with 2 children	105.60	109.40
*Widow's (Contributory) Pension and Deserted Wife's Benefit:		
— Personal rate (under 66)	51.00	52.50
— with 2 children	78.80	81.10
— Personal rate (66-79)	52.10	53.70
— Personal rate (80 and over)	55.50	57.20
Orphan's (Contributory) Allowance	32.20	33.20

*An additional amount of £3.90 per week is payable to a person who has attained pensionable age and is living alone.

Social Assistance

Section 4 provides for an increase of 3 per cent in the weekly personal, adult and child dependant rates of social assistance payments, with higher increases for the lowest payments. There are increases of £5 per week (12 per cent) in the personal rates of long-term unemployment assistance and £3 per week (over 7.5 per cent) in the personal rates of short-term unemployment assistance. With the abolition of the non-urban rates of unemployment assistance higher increases of up to 15.5 per cent will apply in the case of persons residing in non-urban areas as previously defined. The higher increase also applies in the case of supplementary welfare allowance which was linked with the lower non-urban rate of unemployment assistance. The adult dependant increases under the unemployment payment schemes are being streamlined and provision is also made for further streamlining of rates of child dependant increases. The minimum child dependant allowance of £10 per child per week will mean additional increases in payments in respect of certain children under the old age pension, unemployment assistance and supplementary welfare allowance schemes.

The maximum personal weekly rate of old age and blind pension payable to persons under 80 years is being increased by £1.50 from

£48.50 to £50.00. For persons aged 80 years or more the increase will be £1.60 per week. A married couple both over pensionable age will now receive £100 per week. The maximum personal weekly rate of widow's (non-contributory) pension and deserted wife's allowance is being increased by £1.40 per week for those under 66.

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)		
— Personal Rate	39.00	42.00
— Married Couple	65.10	68.90
— Married Couple and 2 children	84.10	88.90
Unemployment Assistance:		
(Long duration)		
— Personal Rate	42.00	47.00
— Married Couple	70.00	76.00
— Married Couple and 2 children	90.40	97.00
*Old Age (Non-Contributory) Pension and Blind Pension (under 80):		
— Personal Rate	48.50	50.00
— Married Couple	72.90	75.10
— Married Couple and 2 children	93.90	96.70
*Widow's (Non-Contributory) Pension and Allied Payments:		
— Personal rate (under 66)	47.60	49.00
— Widow and 2 children	72.60	74.80
Single Woman's Allowance	42.00	47.00
Orphan's (Non-Contributory) Pension	27.10	27.90

*An additional amount of £3.70 is payable to pensioners who have attained 80 years of age.

An additional amount of £3.90 is payable to a person who has attained pensionable age and is living alone.

Child Benefit

Section 5 provides for an increase in child benefit payable in respect of the fifth qualified child from October 1989. Child benefit will be payable at the rate of £15.05 per month in respect of the first four qualified children and at the rate of £21.75 in respect of the fifth and subsequent qualified children.

Widower's (Non-Contributory) Pension and Deserted Husband's Allowance

Section 6 provides for the introduction of new social assistance schemes for widowers and deserted husbands with dependent children. These new schemes will be along the same lines as the existing non-contributory schemes for widows and deserted wives and will be subject to the same means test and the same rates of weekly payment. The new payments will continue to be paid as long as the widower or deserted husband has at least one child dependant, i.e. a child up to the age of 18 years, or up to age 21 if still in full-time education.

Qualified Child

Section 7 provides for a redefinition of what is a qualified child for social welfare purposes so as to extend from 18 to 19 years the age limit for increases in respect of dependent children of recipients of long-term social welfare payments where the child continues in full-time education, with effect from September 1989.

PRSI Contributions Ceiling

Sections 8 and 9 provide for an increase in the ceiling up to which social insurance contributions are payable by employees, their employers and the self-employed, with effect from 6th April, 1989. Section 8 provides for an increase from £16,200 to £16,700 per annum

in the ceiling for contributions payable by employees and from £16,200 to £18,000 per annum for contributions payable by employers. The rates of contributions are not being increased. *Section 9* provides for an increase in the ceiling up to which social insurance contributions are payable by the self-employed from £16,200 to £16,700.

Pay-Related Benefit

Section 10 provides for an increase from £66 to £69 in the amount of weekly earnings disregarded in calculating the rate of pay-related benefit. This change will apply to periods of incapacity for work and periods of interruption of employment commencing on or after 3rd April, 1989.

Abolition of Rural Rate of Unemployment Assistance

Section 11 provides for the discontinuance of the lower rate of unemployment assistance currently paid to persons residing in non-urban areas and the application of the higher 'urban' rate throughout the country.

Liability to Maintain Families

Sections 12 and 13 impose a liability on the spouse of a recipient of deserted wife's benefit or allowance, deserted husband's allowance or supplementary welfare allowance to contribute towards such payments and empowers the Minister, or in the case of supplementary welfare allowance, the Health Board, where the person liable fails to make an appropriate contribution to apply to the District Court for an order fixing the level of contribution and directing that the person make such a contribution. *Section 12* provides that recipients of any of the benefit or allowances referred to will be liable to transfer to the Minister or the Health Board, as appropriate, payments received by way of various orders under the Family Law (Maintenance of Spouses and Children) Act, 1976 made after the date of coming into force of these provisions, with certain exceptions in the case of orders which vary existing orders which were made prior to that date. The necessary provisions for investigations, recovery of amounts due to be transferred and penalties for non-compliance are also provided for.

Section 13 provides for certain amendments to the Family Law (Maintenance of Spouses and Children) Act, 1976 arising from the provisions of *section 12* to enable maintenance and equivalent payments awarded by the Court to be transferred direct to the Minister or Health Board, as appropriate. Provision is also made that social welfare payments to deserted persons will be excluded from the benefits that can be taken into account by the Court in determining whether a maintenance order should be made and the amount of such order.

Miscellaneous Provisions

Unemployment Payments

Section 14 empowers the Minister, in certain circumstances, to make regulations to allow unemployed persons who have an entitlement to unemployment benefit and unemployment assistance the option of claiming either benefit or assistance, whichever is the more favourable.

Section 15 provides that payments by Health Boards in respect of a child who has been boarded out to foster parents will be exempted from the assessment of means for social assistance purposes.

Separate Payments

Section 16 enables such amount of a social welfare payment as the Minister considers reasonable in the circumstances to be paid directly to the spouse of the recipient. Provision already exists whereby increases in respect of dependants can be paid directly to the dependent spouse of a claimant (referred to as "separate payments"). This section will enable a greater proportion of the overall payment to be made to the dependent spouse in these circumstances, the detailed arrangements to be provided in regulations.

Insurability of Sub-postmasters

Section 17 provides that employment by An Post as a sub-postmaster remunerated by scale payment will be insurable for social insurance purposes. While such employment has always been held to be insurable this provision confirms the current insurability status of sub-postmasters by specifically including them as a category in the list of insurable employments contained in the Social Welfare (Consolidation) Act, 1981.

Occupational Injuries Insurance for Members of the Garda Síochána

Section 18 provides that coverage for occupational injuries benefits will be extended to members of the Garda Síochána with effect from a date to be fixed by order of the Minister. Gardai will be covered for a restricted range of occupational injury benefits taking account of the benefits available under sick pay etc. schemes on similar lines as apply in the case of civil servants.

Notification of Commencement of Employment

Section 19 provides that persons who are engaged to carry out work on a sub-contractor basis will be brought within the scope of the provisions of section 2 of the Social Welfare (No. 2) Act, 1987 under which employers may be required to notify the Minister when engaging workers.

Proceedings

Section 20 relates to the copying of records or the storing of information from records and to the use of original or copy records in Court proceedings. The section would enable the Department and certain agencies involved in the operation of various aspects of the social welfare system to make copies of records and to store information from records, electronically or otherwise. The section also provides that a copy record can be authenticated by an authorised person and that original or copy records can be used in Court proceedings to prove facts which are stated on those records.

Section 21 provides that records which are maintained by an employer, in accordance with regulations, relating to earnings and periods of employment and which are produced to a Social Welfare Inspector shall be *prima facie* evidence, until the contrary is shown, that the persons were employed and of the earnings of such persons and of periods during which such persons were employed.

Repayment of Benefit Fraudulently Obtained

Section 22 provides that, where an employer is convicted of an offence in connection with the fraudulent receipt of benefit by an employee of his, that employer will be liable for the payment to the Minister on demand, of a sum not exceeding the amount irregularly received by the employee while in his employment.

Self-Employment Contributions

Section 23 enables the Minister in certain circumstances to treat as having been paid contributions payable by self-employed contributors which have not been paid.

Pre-Retirement Allowance

Section 24 provides for a number of amendments to the provision for a pre-retirement allowance in the Social Welfare Act, 1988. The main effect of these amendments is to provide that entitlement to the allowance will not be dependent on the person concerned having an underlying entitlement to unemployment assistance.

Conditions for Receipt of Pro-Rata Pensions

Section 25 provides for an amendment of the provision for pro-rata pensions introduced in 1988 for certain persons affected by the social insurance remuneration limit which applied prior to 1974. The purpose of the amendment is to specify, in more precise terms, the persons covered by the provision, namely persons who on the abolition of the remuneration limit in April 1974 commenced paying contributions reckonable for entitlement to old age pension.

Application of Provisions of Acts by Regulations

Section 26 is a technical provision designed to ensure that where powers are given to apply, by regulations, any of the provisions of the Social Welfare (Consolidation) Act, 1981 such powers will include powers to apply also any amending provisions contained in subsequent legislation.

Overlapping Benefits

Section 27 amends existing provisions relating to overlapping payments so as to give statutory effect to provisions which are at present contained in regulations and which prevent concurrent payment of more than one pension or allowance to persons aged over 66.

An Roinn Leasa Shóisialaigh, Feabhra, 1989.

1890

1891

SECTION

1. ...

2. ...

3. ...

4. ...

5. ...

6. ...

7. ...

8. ...

9. ...

10. ...

11. ...

12. ...

13. ...

14. ...

15. ...

16. ...

17. ...

18. ...

19. ...

20. ...

Self-Employment Contributions

Section 23 enables the Minister in certain circumstances to treat as having been paid contributions payable by self-employed contributors which have not been paid.

Pre-Retirement Allowance

Section 24 provides for a number of amendments to the provision for a pre-retirement allowance in the Social Welfare Act, 1988. The main effect of these amendments is to provide that entitlement to the allowance will not be dependent on the person concerned having an underlying entitlement to unemployment assistance.

Conditions for Receipt of Pro-Rata Pensions

Section 25 provides for an amendment of the provision for pro-rata pensions introduced in 1988 for certain persons affected by the social insurance remuneration limit which applied prior to 1974. The purpose of the amendment is to specify, in more precise terms, the persons covered by the provision, namely persons who on the abolition of the remuneration limit in April 1974 commenced paying contributions reckonable for entitlement to old age pension.

Application of Provisions of Acts by Regulations

Section 26 is a technical provision designed to ensure that where powers are given to apply, by regulations, any of the provisions of the Social Welfare (Consolidation) Act, 1981 such powers will include powers to apply also any amending provisions contained in subsequent legislation.

Overlapping Benefits

Section 27 amends existing provisions relating to overlapping payments so as to give statutory effect to provisions which are at present contained in regulations and which prevent concurrent payment of more than one pension or allowance to persons aged over 66.

An Roinn Leasa Shóisialaigh, Feabhra, 1989.

The Minister of Social Welfare, Mr. Michael J. Noonan, TD, announced in the Dáil on 22 February 1989 that the Government had decided to introduce a Bill to amend the Social Welfare Act, 1988. The Bill would give effect to the recommendations of the Social Welfare Review Committee's report on 'Social Welfare: A New Framework for the 1990s'. The Bill would also give effect to the recommendations of the Social Welfare Review Committee's report on 'Social Welfare: A New Framework for the 1990s'.

The Bill would amend the Social Welfare Act, 1988, in relation to the following: self-employed contributions, pre-retirement allowance, conditions for receipt of pro-rata pensions, application of provisions of Acts by regulations, overlapping benefits, and the Social Welfare Review Committee's report on 'Social Welfare: A New Framework for the 1990s'.