



AN BILLE LEASA SHÓISIALAIGH, 2002
SOCIAL WELFARE BILL, 2002

EXPLANATORY MEMORANDUM

Introduction

The Bill provides for increases in the rates of social insurance and social assistance payments, and improvements in the Family Income Supplement scheme.

It provides for the changes in PRSI announced in the Budget including an increase in the annual earnings ceiling above which contributions are not payable by employed contributors.

It also contains additional measures for optional contributors (i.e. Class P PRSI).

Main Provisions

The Bill contains 7 Sections.

Section 1 contains definitions of certain terms as they apply in the Bill.

Sections 2 and *3* provide for increases in rates of social welfare payments, including an increase of €10 per week for pensioners aged 66 and over and for people on Retirement or Invalidity Pension aged 65 and over. The personal rates of Widow(er)'s (Contributory) Pension and Deserted Wife's Benefit for those aged over 66 years is being increased by €11 per week as part of a phased increase in these payments to the rate of Old Age (Contributory) Pension. Provision is also made for an increase of between €6 and €7 in other weekly personal rates of social insurance and social assistance payments.

The increases in respect of qualified adults for Old Age (Contributory) and Retirement Pensions is €7.70 per week, where the qualified adult is aged 66 years or over and €6.70 per week, where s/he is aged under 66 years. An increase of €7.70 per week is being provided for the qualified adult of an Invalidity Pensioner where s/he is aged 66 years or over and an increase of €5 per week is being provided for those aged under 66 years. (Pro-rata increases will apply for those on certain reduced rates).

An increase of €6.70 is being provided for qualified adults of Old Age (Non-Contributory) Pensioners. Qualified adults aged over 66 years whose spouses/partners are receiving Blind Pension will also receive an increase of €6.70. All other qualified adult rates are being increased by €4 per week.

These increases will take effect from the first week in January, 2003.

Family Income Supplement

Section 4 provides for increases in the weekly net income thresholds used to determine entitlement to Family Income Supplement. The new thresholds range from €379 in the case of a family with one child to €556 in the case of a family with eight or more children.

PRSI Changes

Section 5 provides for an increase from €38,740 to €40,420 in the annual earnings ceiling up to which social insurance contributions are payable by employees, with effect from 1 January, 2003.

Section 6 provides for a reduction in the rate of social insurance contributions for optional (Class P PRSI) contributors from 5% to 4%; an increase in the Class P PRSI-free Allowance from €1,321 to €2,500 and a reduction in the minimum social insurance contribution from €253 to €200 per annum. It also provides for an increase, from €38,740 to €40,420, in the income ceiling above which social insurance contributions are not payable by optional contributors. These measures come into effect from 1 January, 2003.

Section 7 contains the usual provisions for the short title and construction of this Bill.

Increases in weekly payments

Social Insurance

The personal rates of Disability Benefit, Unemployment Benefit, Injury Benefit and Health and Safety Benefit are being increased by €6 to €124.80 per week and the Qualified Adult Allowance payable with these benefits is being increased by €4 to €82.80 per week.

The personal rates of Old Age (Contributory) Pension and Retirement Pension are being increased by €10 to €157.30 per week. The rate payable to a contributory pensioner with a qualified adult is being increased by €6.70 per week, where s/he is under age 66, and by €7.70, where s/he is over age 66, bringing the weekly rate for a couple to €262.10 where the qualified adult is under the age of 66 and €278.80 where the qualified adult is aged 66 or over.

The rate of Invalidity Pension is being increased by €7 to €130.30 where the pensioner is under the age of 65 and by €10 to €157.30 per week where the pensioner is aged 65 or over.

The weekly rate of Widow's and Widower's (Contributory) Pension is being increased by €7 to €130.30 and is further increased by €11 to €155.80 where the widow or widower has attained pensionable age. Orphan's (Contributory) Allowance is being increased by €6 to €97 per week.

The maximum weekly rate of Disablement Pension is being increased by €7 per week to €155.90. The maximum weekly rate of pension for widows and widowers under the Occupational Injuries Benefits scheme is being increased by €7 to €153.60. The following table shows the effects of the increases on the principal rates of social insurance payments:

Increases in weekly payments

Social Insurance	Present Rate €	Proposed Rate €
Disability and Unemployment Benefit:		
—Personal Rate	118.80	124.80
—Married Couple	197.60	207.60
Retirement Pension:		
—Personal Rate under 80	147.30	157.30
—Personal Rate over 80	153.70	163.70
Married Couple		
—Pensioner under 80 and Qualified Adult over 66	261.10	278.80
—Pensioner over 80 and Qualified Adult over 66	267.50	285.20
Invalidity Pension:		
—Personal Rate under 65	123.30	130.30
—Married Couple	211.30	223.30
—Personal Rate 65 and over	147.30	157.30
—Married Couple	252.70	270.40
—Married Couple (spouse < 66) and 2 Children	273.90	288.90
Widow's and Widower's (Contributory) Pension:		
—Personal Rate under 66	123.30	130.30
—With 2 Children	166.50	173.50
—Personal Rate over 66	144.80	155.80
—Personal Rate over 80	151.20	162.20
Orphan's (Contributory) Allowance:	91.00	97.00
Carer's Benefit:		
—Personal Rate	132.70	139.70
—Carer of more than one person	199.10	209.60

Social Assistance

The personal rates of Unemployment Assistance, Pre-Retirement Allowance, One-parent Family Payment, Farm Assist and Disability Allowance have been increased by €6 to €124.80 and the appropriate rates of Qualified Adult Allowance will be increased by €4 to €82.80 per week.

The personal rate for Old Age Pensioners has been increased by €10 to €144. The personal rate for Widows, Widowers and Blind Pensioners and recipients of One-parent Family Payment who are over 66 years has also increased by €10 to €144, while for those aged under 66 years the rate has increased by €6 to €124.80.

The personal rate of Carer's Allowance is being increased by €7 per week to €129.60 and €194.40 where the carer is caring for more than one person. Where the carer has attained pensionable age, the rates are increased by €10 per week to €147.80 and €221.70 respectively.

The following table shows the effect of the increases on the principal rates of social assistance payments:

Increases in weekly payments.

Social Assistance	Present Rate €	Proposed Rate €
Unemployment Assistance short duration:		
—Personal Rate	118.80	124.80
—Married Couple	197.60	207.60
—Married Couple and 2 Children	231.20	241.20

Social Assistance	Present Rate €	Proposed Rate €
Unemployment Assistance long duration, Pre-Retirement Allowance and Disability Allowance:		
—Personal Rate	118.80	124.80
—Married Couple	197.60	207.60
—Married Couple and 2 Children	231.20	241.20
Old Age (Non-Contributory) and Blind Pension (over 66):		
—Personal Rate (under 80)	134.00	144.00
—Married Couple (both over 66 years)	222.50	239.20
—Married Couple and 2 Children	256.10	272.80
Widow's and Widower's (Non-Contributory) Pension:		
—Personal Rate (under 66)	118.80	124.80
—Personal Rate (over 66)	134.00	144.00
One-parent Family Payment:		
—including payment for 1 Child	138.10	144.10
—with 2 Children	157.40	163.40
—with 1 Child (recipient over age 66)	153.30	163.30
Carer's Allowance:		
—Personal Rate (under 66)	122.60	129.60
—Carer of more than one person	183.90	194.40
—Personal Rate (over 66)	137.80	147.80
—Carer of more than one person	206.70	221.70
Orphan's (Non-Contributory) Pension	91.00	97.00

*An Roinn Gnóthaí Sóisialacha agus Teaghlaigh,
Nollaig, 2002.*