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Explanatory Memorandum](#)

AN BILLE LEASA SHÓISIALAIGH 2010
SOCIAL WELFARE BILL 2010

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As initiated

ARRANGEMENT OF SECTIONS

PART 1

PRELIMINARY AND GENERAL

Section

1. Short title, construction and commencement.
2. Definitions.

PART 2

AMENDMENTS TO SOCIAL WELFARE ACTS

3. Social insurance benefits (new rates).
4. Social assistance payments (new rates).
5. Child benefit (new rates).
6. Increases in disablement pension.
7. Jobseeker's benefit — reduction of rates in certain circumstances.
8. Jobseeker's allowance — reduction of rates in certain circumstances.
9. Supplementary welfare allowance — reduced weekly amounts in certain circumstances.
10. Repeals.
11. Abolition of income ceilings.
12. Abolition of employee PRSI relief on employee pension contributions.
13. Reduction in employer PRSI relief on employee pension contributions.
14. Self-employment contributions — increase in rate.

[No. 56 of 2010]

PART 3

REPEAL OF HEALTH CONTRIBUTIONS ACT 1979

15. Repeal of Health Contributions Act 1979 and consequential amendment.

SCHEDULE 1

SCHEDULE 2

SCHEDULE 3

ACTS REFERRED TO

Financial Emergency Measures in the Public Interest Act 2009	2009, No. 5
Health Contributions Act 1979	1979, No. 4
Social Welfare (Miscellaneous Provisions) Act 2008	2008, No. 22
Social Welfare (Miscellaneous Provisions) Act 2010	2010, No. 28
Social Welfare and Pensions (No. 2) Act 2009	2009, No. 43
Social Welfare and Pensions Act 2009	2009, No. 10
Social Welfare Consolidation Act 2005	2005, No. 26
Social Welfare Law Reform and Pensions Act 2006	2006, No. 5



AN BILLE LEASA SHÓISIALAIGH 2010
SOCIAL WELFARE BILL 2010

BILL

entitled

5 AN ACT TO AMEND AND EXTEND THE SOCIAL WELFARE
ACTS; TO REPEAL THE HEALTH CONTRIBUTIONS
ACT 1979; AND TO PROVIDE FOR RELATED MATTERS.

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

PART 1

10 PRELIMINARY AND GENERAL

1.—(1) This Act may be cited as the Social Welfare Act 2010.

Short title,
construction and
commencement.

(2) The Social Welfare Acts and this Act (other than *subsections*
(1) to (3) of *section 15*) shall be read together as one.

15 (3) *Sections 7, 8, 9 and 10* shall come into operation on such day
or days as the Minister may appoint by order or orders either gener-
ally or with reference to any particular purpose or provision and
different days may be so appointed for different purposes or
provisions.

2.—In this Act—

Definitions.

20 “Act of 2006” means the Social Welfare Law Reform and Pensions
Act 2006;

“Act of 2009” means the Social Welfare and Pensions (No. 2) Act
2009;

25 “Act of 2010” means the Social Welfare (Miscellaneous Provisions)
Act 2010;

“Minister” means the Minister for Social Protection;

“Principal Act” means the Social Welfare Consolidation Act 2005.

PART 2

AMENDMENTS TO SOCIAL WELFARE ACTS

Social insurance
benefits (new
rates).

3.—(1) Schedule 2 to the Principal Act (amended by section 8 of the Act of 2010) is amended by substituting the Parts set out in *Schedule 1* for Parts 1 to 4 of the said Schedule 2. 5

(2) This section comes into operation—

- (a) in so far as it relates to jobseeker's benefit, on 30 December 2010,
- (b) in so far as it relates to illness benefit, health and safety benefit, injury benefit and disablement gratuity, on 3 10 January 2011,
- (c) in so far as it relates to carer's benefit, State pension (transition), invalidity pension and a payment referred to in paragraph (a) of the definition of "relevant payment" in section 178(1) of the Principal Act, on 6 January 15 2011, and
- (d) in so far as it relates to disablement pension, death benefit under section 81, 82 or 83 of the Principal Act, State pension (contributory), widow's (contributory) pension, widower's (contributory) pension and guardian's payment 20 (contributory), on 7 January 2011.

Social assistance
payments (new
rates).

4.—(1) Schedule 4 to the Principal Act (amended by section 4(1) of the Act of 2009) is amended by substituting—

- (a) the Part set out in *Schedule 2* for Part 1 of the said Schedule 4, and 25
- (b) the Part set out in *Schedule 3* for Part 3 of the said Schedule 4.

(2) This section comes into operation—

- (a) in so far as it relates to jobseeker's allowance, pre-retirement allowance and farm assist, on 29 December 30 2010,
- (b) in so far as it relates to supplementary welfare allowance, on 3 January 2011,
- (c) in so far as it relates to disability allowance, on 5 January 35 2011,
- (d) in so far as it relates to one-parent family payment (other than where payable in respect of a widow or widower), carer's allowance and a payment referred to in paragraph (b) or (c) of the definition of "relevant payment" in section 178(1) of the Principal Act, on 6 January 2011, 40 and
- (e) in so far as it relates to State pension (non-contributory), blind pension, widow's (non-contributory) pension, widower's (non-contributory) pension, one-parent family payment payable in respect of a widow or widower and 45

guardian's payment (non-contributory), on 7 January 2011.

5.—(1) Section 221 of the Principal Act is amended by substituting the following subsection for subsection (1) (amended by section 17 of the Act of 2006):

Child benefit (new rates).

“(1) Subject to this Act, a qualified person shall be paid a monthly benefit of the amount set out in column (2) of Part 4 of Schedule 4 for a qualified child referred to in column (1) of that Part of that Schedule opposite that amount.”.

(2) Schedule 4 to the Principal Act is amended by substituting the following Part for Part 4 (inserted by section 7 of the Act of 2009):

“PART 4

AMOUNTS OF CHILD BENEFIT

Child in respect of whom child benefit is payable (1)	Monthly rate of child benefit payable per child (2)
	€
1. Each of the first 2 qualified children	140.00
2. Third qualified child	167.00
3. Each qualified child in excess of 3 qualified children	177.00

”.

(3) This section comes into operation on 1 January 2011.

6.—(1) The Principal Act is amended—

Increases in
disablement
pension.

(a) in section 3(10) by substituting “76(3), 77A” for “76(3)”,

(b) by substituting the following section for section 77 (amended by section 8(2) of the Act of 2010):

“Increase of
disablement
pension on
account of
incapacity.

77.—(1) Subject to this Act, the weekly rate of disablement pension shall be increased by the amount set out in column (2) of Part 4 of Schedule 2 where, as a result of the relevant loss of faculty, the beneficiary is incapable of work and likely to remain permanently so incapable.

(2) (a) For the purposes of this section, a person may be treated as being incapable of work, and likely to remain permanently incapable of work, notwithstanding that the loss of faculty

is not such as to prevent the person being capable of work, where it is likely to restrict him or her to earning not more than the amount that may be prescribed. 5

(b) In paragraph (a) the reference to “earning” includes a reference to receiving any remuneration or profit derived from gainful occupation. 10

(3) An increase of pension under this section (in this Chapter referred to as ‘an incapacity supplement’) shall be payable for the period that may be determined at the time it is granted, but may be renewed from time to time.”, and 15

(c) by inserting the following new section after section 77:

“Increase in
disablement
pension for
qualified adult,
qualified
children etc. 77A.—(1) Where a person qualifies for an incapacity supplement under section 77, 20
disablement pension shall be increased for the period during which incapacity supplement is payable—

(a) by the amount set out in column (3) of Part 4 of Schedule 2 for any period during which the beneficiary has a qualified adult, subject to the restriction that a beneficiary shall not be entitled for the same period to an increase of disablement pension under this paragraph in respect of more than one person, 25 30

(b) by the amount set out in column (4) of Part 4 of Schedule 2 in respect of each qualified child who normally resides with the beneficiary, 35

(c) by the amount set out in column (5) of Part 4 of Schedule 2 where the beneficiary is living alone, and 40

(d) by the amount set out in column (6) of Part 4 of Schedule 2 where the beneficiary is ordinarily resident on an island. 45

(2) Subject to subsection (3), any increase of disablement pension payable under subsection (1)(b) in respect of a qualified child who normally resides with the beneficiary and with the spouse of the beneficiary shall be payable at the rate of one-half of the appropriate amount in any 50

case where the spouse of the beneficiary is not a qualified adult and subsection (1)(b) shall be read and have effect accordingly.

(3) Subsection (2) shall not apply and no increase of disablement pension payable under subsection (1)(b) in respect of a qualified child who normally resides with the beneficiary and with the spouse of a beneficiary shall be payable where the weekly income of that spouse, calculated or estimated in the manner that may be prescribed, exceeds any amount that may be prescribed.”.

(2) This section comes into operation on 7 January 2011.

7.—(1) The Principal Act is amended by inserting the following section after section 62:

“Jobseeker’s benefit — reduction of rates in certain circumstances.

62A.—Notwithstanding section 62, in the case of a person who—

Jobseeker’s benefit — reduction of rates in certain circumstances.

(a) has, when requested to do so by an officer of the Minister, without good cause refused to participate or to agree to participate in a course of training which is considered appropriate by the officer having regard to the training needs of the person and his or her personal circumstances,

(b) has, without good cause, refused or failed to avail himself or herself of any reasonable offer of training provided or approved of by An Foras Áiseanna Saothair, or

(c) has, without good cause, refused or failed to avail himself or herself of an opportunity of participating in a programme administered by An Foras Áiseanna Saothair and the Minister pursuant to the plan commonly known as the National Employment Action Plan,

the weekly rate of jobseeker’s benefit shall be as set out in section 65(2) or, as the case may be, paragraph (a), (b) or (c) of section 65A(2).”.

(2) Section 64(1) (as amended by section 18 of the Social Welfare (Miscellaneous Provisions) Act 2008) of the Principal Act is amended—

(a) in paragraph (c)(i) by substituting “reckonable” for “prescribed reckonable”,

(b) in paragraph (c)(ia) by substituting “reckonable” for “prescribed reckonable”,

(c) in paragraph (c)(ii) by substituting “reckonable” for “prescribed reckonable”, and

(d) in paragraph (c) by substituting “in excess of €300 in the governing contribution year or has reckonable weekly earnings specified in paragraphs (a) to (c) of subsection (6) or, as the case may be, has reckonable weekly income specified in paragraphs (d) to (f) of subsection (6) in the periods specified in respect of those earnings or that income in those paragraphs” for “in excess of a prescribed amount in the prescribed period”. 5 10

(3) Section 64 (as amended by section 18 of the Social Welfare (Miscellaneous Provisions) Act 2008) of the Principal Act is amended—

(a) in subsection (4) by substituting “68(1), 68(6) or 68(6A)” for “68(1) or 68(6)”, 15

(b) by substituting the following subsection for subsection (6):

“(6) For the purposes of the requirements of subsection (1)(c) relating to reckonable weekly earnings or, as the case may be, reckonable weekly income, a claimant—

(a) has reckonable weekly earnings— 20

(i) which do not exceed €44.43,

(ii) which exceed €44.43 but do not exceed €63.48, or

(iii) which exceed €63.48 but do not exceed €88.87, 25

in respect of a period of interruption of employment which commenced before 25 December 2003,

(b) has reckonable weekly earnings—

(i) which do not exceed €79.99,

(ii) which exceed €79.99 but do not exceed €124.99, or 30

(iii) which exceed €124.99 but do not exceed €149.00,

in respect of a period of interruption of employment which commenced on or after 25 December 2003 and before 5 January 2009, 35

(c) has reckonable weekly earnings—

(i) which do not exceed €149.99,

(ii) which exceed €149.99 but do not exceed €219.99, or 40

(iii) which exceed €219.99 but do not exceed €299.99,

in respect of a period of interruption of employment which commenced on or after 5 January 2009,

(d) has reckonable weekly income—

- (i) which does not exceed €44.43,
- (ii) which exceeds €44.43 but does not exceed €63.48, or
- (iii) which exceeds €63.48 but does not exceed €88.87,

in respect of a period of interruption of employment which commenced before 25 December 2003,

(e) has reckonable weekly income—

- (i) which does not exceed €79.99,
- (ii) which exceeds €79.99 but does not exceed €124.99, or
- (iii) which exceeds €124.99 but does not exceed €149.00,

in respect of a period of interruption of employment which commenced on or after 25 December 2003 and before 5 January 2009, or

(f) has reckonable weekly income—

- (i) which does not exceed €149.99,
- (ii) which exceeds €149.99 but does not exceed €219.99, or
- (iii) which exceeds €219.99 but does not exceed €299.99,

in respect of a period of interruption of employment which commenced on or after 5 January 2009.”,

(c) by deleting subsection (7),

(d) in subsection (8) by deleting “that the claimant must have prescribed reckonable weekly earnings in excess of a prescribed amount in the prescribed period”, and

(e) by inserting the following subsections after subsection (8):

“(9) For the purposes of subsection (1)(c)—

- (a) the reckonable weekly earnings referred to in subparagraphs (i) and (ia) of that subsection shall, subject to paragraph (b), be calculated as the total reckonable earnings in the governing contribution year increased by the amount of—

(i) a payment, if any, referred to in section 38, and

(ii) an allowable contribution, if any, referred to in Regulation 41 or 42 of the Regulations of 2001, 5

divided by the number of qualifying contributions in that governing contribution year,

(b) without prejudice to paragraph (a), the governing contribution year, for the purposes of the calculation, in accordance with paragraph (a), 10 of the reckonable weekly earnings referred to in subparagraph (ia) of subsection (1)(c) shall be—

(i) the governing contribution year, or

(ii) the governing contribution year that relates 15 to the jobseeker's benefit claim referred to in subsection (1)(c)(ia)(II),

whichever is the more favourable, and

(c) the reckonable weekly income referred to in subparagraph (ii) of that subsection shall be 20 calculated as the total reckonable income in the governing contribution year increased by the amount of—

(i) a payment, if any, referred to in section 38, and 25

(ii) an allowable contribution, if any, referred to in Regulation 41 or 42 of the Regulations of 2001,

divided by the number of qualifying contributions in that governing contribution year. 30

(10) In the case of a claimant whose claim, by virtue of having been entitled to or in receipt of jobseeker's benefit or illness benefit in respect of any day in the 13 week period preceding 4 January 1993, forms part of a period of interruption of employment which commenced prior to 35 that date, nothing in this section shall be construed as reducing the rate of jobseeker's benefit payable to him or her to a rate which is less than the rate to which he or she was entitled to before that date.

(11) In subsection (9), 'Regulations of 2001' means the 40 Income Tax (Employments) (Consolidation) Regulations 2001 (S.I. No. 559 of 2001).".

(4) Section 65 (as amended by section 4 of and Schedule 1 to the Act of 2006) of the Principal Act is amended—

(a) by renumbering the existing provision as subsection (1) of 45 that section, and

(b) by inserting the following subsection after subsection (1):

“⁽²⁾ Subject to this Act, notwithstanding subsection (1), in the case of a person to whom section 62A refers, the weekly rate of jobseeker’s benefit shall be reduced and accordingly shall be the weekly rate set out in column (2) of Part 1 of Schedule 2 which shall be reduced in each week by €44.”.

(5) The Principal Act is amended by inserting the following new section after section 65:

“Rates of jobseeker’s benefit relating to certain reckonable weekly earnings, certain reckonable weekly income and certain periods.

65A.—(1) Subject to this Act, in the case of—

- (a) a person with reckonable weekly earnings specified in section 64(6)(a)(i) or reckonable weekly income specified in section 64(6)(d)(i), the weekly rate of jobseeker’s benefit shall be €84.50,
- (b) a person with reckonable weekly earnings specified in section 64(6)(a)(ii) or reckonable weekly income specified in section 64(6)(d)(ii), the weekly rate of jobseeker’s benefit shall be €121.40,
- (c) a person with reckonable weekly earnings specified in section 64(6)(a)(iii) or reckonable weekly income specified in section 64(6)(d)(iii), the weekly rate of jobseeker’s benefit shall be €147.30,
- (d) a person with reckonable weekly earnings specified in section 64(6)(b)(i) or reckonable weekly income specified in section 64(6)(e)(i), the weekly rate of jobseeker’s benefit shall be €84.50,
- (e) a person with reckonable weekly earnings specified in section 64(6)(b)(ii) or reckonable weekly income specified in section 64(6)(e)(ii), the weekly rate of jobseeker’s benefit shall be €121.40,
- (f) a person with reckonable weekly earnings specified in section 64(6)(b)(iii) or reckonable weekly income specified in section 64(6)(e)(iii), the weekly rate of jobseeker’s benefit shall be €147.30,
- (g) a person with reckonable weekly earnings specified in section 64(6)(c)(i) or reckonable weekly income specified in section 64(6)(f)(i), the weekly rate of jobseeker’s benefit shall be €84.50,
- (h) a person with reckonable weekly earnings specified in section 64(6)(c)(ii) or reckonable weekly income specified in section 64(6)(f)(ii), the weekly rate of jobseeker’s benefit shall be €121.40, or

- (i) a person with reckonable weekly earnings specified in section 64(6)(c)(iii) or reckonable weekly income specified in section 64(6)(f)(iii), the weekly rate of jobseeker's benefit shall be €147.30. 5

(2) Subject to this Act, notwithstanding subsection (1), in the case of a person to whom section 62A refers, the weekly rate of jobseeker's benefit shall be reduced and accordingly—

- (a) in the case of a person referred to in subsection (1)(a), (1)(d) or (1)(g), the weekly rate shall be €65.00, 10

- (b) in the case of a person referred to in subsection (1)(b), (1)(e) or (1)(h), the weekly rate shall be €93.00, or 15

- (c) in the case of a person referred to in subsection (1)(c), (1)(f) or (1)(i), the weekly rate shall be €113.00.”.

(6) Section 66 (as amended by section 4 of and Schedule 1 to the Act of 2006) of the Principal Act is amended— 20

- (a) in subsection (1), by substituting “Subject to subsection (1A), the weekly rate” for “The weekly rate”, and

- (b) by inserting the following subsection after subsection (1):

“(1A) In the case of a person referred to in section 65A, the weekly rate of jobseeker's benefit shall be increased by €80.90 for any period during which the beneficiary has a qualified adult, subject to the restriction that a beneficiary shall not be entitled for the same period to an increase of benefit under this subsection in respect of more than one person.”. 25 30

(7) Section 68 (as amended by section 4 of and Schedule 1 to the Act of 2006) of the Principal Act is amended—

- (a) in subsection (6)—

- (i) by deleting paragraph (b), and

- (ii) by deleting paragraph (c), 35

and

- (b) by inserting the following subsection after subsection (6):

“(6A) A person shall be disqualified for receiving jobseeker's benefit where he or she has refused an offer of suitable employment.”. 40

(8) Section 67 of the Principal Act is amended in subsection (9) by inserting “or 68(6A)” after “section 68(6)”.

8.—(1) The Principal Act is amended by inserting the following section after section 141 (as amended by section 6 of the Social Welfare and Pensions Act 2009):

Jobseeker's allowance — reduction of rates in certain circumstances.

“Jobseeker's allowance — reduction of rates in certain circumstances. 141A.—Notwithstanding section 141, in the case of a person who—

(a) has, when requested to do so by an officer of the Minister, without good cause refused to participate, or to agree to participate, in a course of training which is considered appropriate by the officer having regard to the training needs of the person and his or her personal circumstances,

(b) has, without good cause, refused or failed to avail himself or herself of any reasonable offer of training provided or approved of by An Foras Áiseanna Saothair, or

(c) has, without good cause, refused or failed to avail himself or herself of an opportunity of participating in a programme administered by An Foras Áiseanna Saothair and the Minister pursuant to the plan commonly known as the National Employment Action Plan,

the scheduled rate of jobseeker's allowance shall be the weekly rate as set out in section 142(1A), 142A(1A) or, as the case may be, 142B(1A).”.

(2) Section 142 (as amended by section 6 of the Act of 2009) of the Principal Act is amended by inserting the following subsection after subsection (1):

“(1A) Subject to this Act and notwithstanding subsection (1), in the case of a person to whom section 141A refers, the scheduled rate of jobseeker's allowance shall be reduced and accordingly shall be the weekly rate as set out in column (2) at reference 1(b) of Part 1 of Schedule 4 which shall be reduced in each week by €44, increased by—

(a) the amount set out in column (3) of that Part opposite that reference for any period during which the claimant or beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this paragraph in respect of more than one person, and

(b) the appropriate amount set out in column (4) of that Part opposite that reference in respect of each qualified child who normally resides with the claimant or beneficiary.”.

(3) Section 142A (as amended by section 6 of the Act of 2009) of the Principal Act is amended—

(a) by inserting the following subsection after subsection (1):

“(1A) Subject to this Act and notwithstanding subsection (1), in the case of a person to whom section 141A refers, the scheduled rate of jobseeker’s allowance shall be reduced and accordingly shall be the weekly rate as set out in column (2) at reference 1(c) of Part 1 of Schedule 4 which shall be reduced in each week by €25, increased by the amount set out in column (3) of that Part opposite that reference for any period during which the claimant or beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this subsection in respect of more than one person.”,

and

(b) in subsection (2)(a), by inserting “or subsection (1A)” after “subsection (1)”.

(4) Section 142B (inserted by section 6 of the Act of 2009) of the Principal Act is amended—

(a) by inserting the following subsection after subsection (1):

“(1A) Subject to this Act and notwithstanding subsection (1), in the case of a person to whom section 141A refers, the scheduled rate of jobseeker’s allowance shall be reduced and accordingly shall be the weekly rate as set out in column (2) at reference 1(d) of Part 1 of Schedule 4 which shall be reduced in each week by €33, increased by the amount set out in column (3) of that Part opposite that reference for any period during which the claimant or beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this subsection in respect of more than one person.”,

and

(b) in subsection (2)(a), by inserting “or subsection (1A)” after “subsection (1)”.

(5) Section 147 (as amended by section 4 of and Schedule 1 to the Act of 2006) of the Principal Act is amended—

(a) in subsection (4) by—

(i) deleting paragraph (b), and

(ii) by deleting paragraph (c),

and

(b) by inserting the following subsection after subsection (4):

“(4A) A person shall be disqualified for receiving jobseeker’s allowance where he or she has refused an offer of suitable employment.”.

“Supplementary welfare allowance — reduced weekly amounts in certain circumstances. 195A.—Notwithstanding section 195, in the case of a person who—

(a) has, when requested to do so by an officer of the Minister, without good cause refused to participate, or to agree to participate, in a course of training which is considered appropriate by the officer having regard to the training needs of the person and his or her personal circumstances,

(b) has, without good cause, refused or failed to avail himself or herself of any reasonable offer of training provided or approved of by An Foras Áiseanna Saothair, or

(c) has, without good cause, refused or failed to avail himself or herself of an opportunity of participating in a programme administered by An Foras Áiseanna Saothair and the Minister pursuant to the plan commonly known as the National Employment Action Plan,

the weekly amount of supplementary welfare allowance payable shall be as set out in subsection (1A), (2A) or, as the case may be, (4A) of section 197.”.

(2) Section 196 of the Principal Act is amended in subsection (1) by inserting “and section 195A” after “section 341(7)”.

(3) Section 197 (as amended by section 13 of the Act of 2009) of the Principal Act is amended—

(a) by inserting the following subsection after subsection (1):

“(1A) Subject to this Act and notwithstanding subsection (1), in the case of a person to whom section 195A refers, the weekly amount of supplementary welfare allowance shall be reduced and accordingly shall be the weekly amount of supplementary welfare allowance as set out in column (2) at reference 10(a) of Part 1 of Schedule 4 which shall be reduced in each week by €42, increased by—

(a) the amount set out in column (3) of that Part for any period during which the claimant or beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this paragraph in respect of more than one person, and

(b) the appropriate amount set out in column (4) of that Part in respect of each qualified child.”,

(b) by inserting the following subsection after subsection (2):

“(2A) Subject to this Act and notwithstanding subsection (2), in the case of a person to whom section 195A

refers, the weekly amount of supplementary welfare allowance shall be reduced and accordingly shall be the weekly amount of supplementary welfare allowance as set out in column (2) at reference 10(b) of Part 1 of Schedule 4 which shall be reduced in each week by €25, increased by the amount set out in column (3) of that Part for any period during which the claimant or beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this subsection in respect of more than one person.”,

and

(c) by inserting the following subsection after subsection (4):

“(4A) Subject to this Act and notwithstanding subsection (4), in the case of a person to whom section 195A refers, the weekly amount of supplementary welfare allowance shall be reduced and accordingly shall be the weekly amount of supplementary welfare allowance as set out in column (2) at reference 10(c) of Part 1 of Schedule 4 which shall be reduced in each week by €33, increased by the amount set out in column (3) of that Part for any period during which the beneficiary has a qualified adult, subject to the restriction that the claimant or beneficiary shall not be entitled for the same period to an increase of allowance under this subsection in respect of more than one person.”.

Repeals.

10.—Sections 18, 19 and 20 of the Act of 2010 are repealed.

Abolition of income ceilings.

11.—(1) The Principal Act is amended—

(a) in section 2(1) by substituting the following definition for the definition of “qualifying contribution”:

“ ‘qualifying contribution’ means the appropriate employment contribution or self-employment contribution which was paid in respect of any insured person or the appropriate optional contribution which was paid in respect of any optional contributor;”,

(b) in section 13—

(i) in subsection (2) (amended by section 3 of the Social Welfare and Pensions Act 2009) by deleting paragraphs (c) and (ca), and

(ii) by deleting subsection (3),

(c) in section 25(1)—

(i) in paragraph (a), by substituting “A contribution” for “Subject to paragraph (c), a contribution”, and

(ii) by deleting paragraph (c),

and

(d) in section 29 by substituting the following subsection for subsection (1) (amended by section 4 of the Social Welfare and Pensions Act 2009):

“ (1) An optional contributor shall pay an optional contribution amounting to 4 per cent of his or her reckonable income in excess of €2,500 in the preceding contribution year, or €200, whichever is the greater amount.”.

(2) This section comes into operation on 1 January 2011.

12.—(1) The Principal Act is amended—

Abolition of
employee PRSI
relief on employee
pension
contributions.

(a) in section 2(1) by substituting the following definition for the definition of “reckonable emoluments”:

“ ‘reckonable emoluments’, in relation to a self-employed contributor, means emoluments (other than reckonable earnings and any other emoluments that may be prescribed) to which Chapter 4 of Part 42 of the Act of 1997 applies;”,

(b) in section 13(2)—

(i) in paragraph (b) by substituting “paragraph (ba)” for “paragraph (c)”, and

(ii) by inserting the following paragraph after paragraph (b):

“(ba) Where in any contribution week—

(i) a payment of more than €356 is made to or for the benefit of an employed contributor in respect of reckonable earnings of that employed contributor, and

(ii) other than in a case to which subsection (8) applies, the employed contributor’s employer is liable, under paragraph (d)(i), to pay a contribution at the rate of 7.8 per cent,

then the reckonable earnings of that employed contributor shall be calculated as if, in that week, they amount to €356 and there shall be payable a contribution by that employed contributor at the rate of €9.16, in that week, (or the equivalent thereof in the case of an employed contributor remunerated otherwise than on a weekly basis) in respect of each employment to which that payment relates.”,

(c) by deleting section 38, and

(d) in section 38A(1) (inserted by section 8 of the Act of 2009) by substituting “section 34 or 37” for “section 34, 37 or 38”.

(2) This section comes into operation on 1 January 2011.

Reduction in employer PRSI relief on employee pension contributions.

13.—(1) The Principal Act is amended—

- (a) in section 2(1) by substituting the following definition for the definition of “reckonable earnings”:

“ ‘reckonable earnings’ means, subject to section 13(2)(*da*) and to regulations, earnings derived from insurable employment or insurable (occupational injuries) employment;”,

and

- (b) in section 13(2)—

- (i) in paragraph (*d*), by substituting “Subject to paragraph (*da*), subsection (8)” for “Subject to subsection (8)”,

and

- (ii) by inserting the following paragraph after paragraph (*d*):

“(da) For the purposes of paragraph (*d*), reckonable earnings shall be reduced by—

- (i) so much of the allowable contribution referred to in paragraph (*e*) of regulation 41 (inserted by section 16 of the Financial Emergency Measures in the Public Interest Act 2009) of the Income Tax (Employments) (Consolidated) Regulations 2001 (S.I. No. 559 of 2001), and

- (ii) half of so much of the allowable contribution referred to in—

(I) paragraphs (*a*) to (*d*) of regulation 41, and

(II) regulation 42,

of the Income Tax (Employments) (Consolidated) Regulations 2001.”.

- (2) This section comes into operation on 1 January 2011.

Self-employment contributions — increase in rate.

14.—(1) Section 21 of the Principal Act is amended in—

- (a) subsection (1)(a), by substituting “4 per cent” for “3 per cent”,

- (b) subsection (1)(c), by substituting “4 per cent” for “3 per cent”, and

- (c) subsection (3)(a)(i), by substituting “4 per cent” for “3 per cent”.

- (2) This section comes into operation on 1 January 2011.

PART 3

REPEAL OF HEALTH CONTRIBUTIONS ACT 1979

15.—(1) The Health Contributions Act 1979 is repealed.

Repeal of Health
Contributions Act
1979 and
consequential
amendment.

5 (2) The repeal of the Health Contributions Act 1979, effected by
this section, shall not affect the liability under that Act or regulations
made under that Act to pay a health contribution for any period
ending on or before 31 December 2010, or matters relating to the
estimation, collection, recovery or refund of those contributions or
of interest thereon or other proceedings relating to those contri-
10 butions or that interest.

(3) Health contributions paid on or after 1 January 2011 under
subsection (2) or health contributions remitted by the Revenue Com-
missioners on or after 1 January 2011 shall be paid into the Social
Insurance Fund.

15 (4) Section 38A(5) of the Principal Act is amended, in the defini-
tion of “contributions” (inserted by section 5 of the Act of 2010), by
deleting paragraph (e).

(5) This section comes into operation on 1 January 2011.

SCHEDULE 1

“PART 1

RATES OF PERIODICAL BENEFITS AND INCREASES

Description of benefit	Weekly rate	Increase for qualified adult (where payable)	Increase for each qualified child (where payable)	Increase for pre-scribed relative under section 183 (where payable)	Increase where the person is living alone (where payable)	Increase where the person has attained the age of 80 years (where payable)	Increase where the person is ordinarily resident on an island off the coast of Ireland (where payable)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	€	€	€	€	€	€	€	
1. Illness Benefit, Jobseeker's Benefit, Injury Benefit and Health and Safety Benefit	188.00	124.80	29.80	—	—	—	—	20
2. Death Benefit:								25
(a) pension payable to a widow or widower (section 81)	218.50	—	29.80	143.00	7.70	10.00	12.70	30
additional increase for a widow or widower (under section 81) who has attained pensionable age	16.20	—	—	—	—	—	—	35
(b) pension payable to a parent:								
(i) reduced rate	105.60	—	—	143.00	7.70	—	—	
(ii) maximum rate	218.50	—	—	143.00	7.70	—	—	
(c) pension payable to an orphan	164.80	—	—	—	—	—	—	40
3. State Pension (Contributory) and State Pension (Transition):	230.30	153.50	29.80	143.00	7.70	10.00	12.70	45
additional increase for a qualified adult who has attained pensionable age	—	52.80	—	—	—	—	—	
4. Invalidity Pension:	193.50	138.10	29.80	143.00	7.70	10.00	12.70	50
additional increase for a beneficiary who has attained the age of 65 years	36.80	—	—	—	—	—	—	

	Description of benefit	Weekly rate	Increase for qualified adult (where payable)	Increase for each qualified child (where payable)	Increase for pre-scribed relative under section 183 (where payable)	Increase where the person is living alone (where payable)	Increase where the person has attained the age of 80 years (where payable)	Increase where the person is ordinarily resident on an island off the coast of Ireland (where payable)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		€	€	€	€	€	€	€
5	additional increase where qualified adult has attained pensionable age	—	68.20	—	—	—	—	—
10	5. Widow's (Contributory) Pension and Widower's (Contributory) Pension and a payment referred to in paragraph (a) of the definition of 'relevant payment' in section 178(1);	193.50	—	29.80	143.00	7.70	10.00	12.70
20	additional increase for a beneficiary who has attained pensionable age	36.80	—	—	—	—	—	—
25	6. Guardian's Payment (Contributory)	161.00	—	—	—	—	—	—
30	7. Carer's Benefit: in the case of a person to whom section 102(1)(b) applies	205.00	—	29.80	—	—	—	—
	in the case of a person to whom section 102(1)(a) applies	307.50	—	29.80	—	—	—	—

PART 2

OCCUPATIONAL INJURIES BENEFITS — GRATUITY AND GRANT

35	Description of Grant	Amount
	(1)	(2)
		€
	1. Disablement Benefit: Maximum gratuity	15,320
	2. Death Benefit	850

PART 3

DISABLEMENT PENSION

Degree of disablement (1)	Weekly rate (2)	
	€	
100 per cent... ..	219.00	5
90 per cent... ..	197.10	
80 per cent... ..	175.20	
70 per cent... ..	153.30	
60 per cent... ..	131.40	
50 per cent... ..	109.50	10
40 per cent... ..	87.60	
30 per cent... ..	65.70	
20 per cent... ..	43.80	

PART 4

INCREASES OF DISABLEMENT PENSION

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Description of increase (1)	Weekly rate (2)	Increase for qualified adult (where payable) (3)	Increase for each qualified child (where payable) (4)	Increase where the person is living alone (where payable) (5)	Increase where the person is ordinarily resident on an island off the coast of Ireland (where payable) (6)	
	€	€	€	€	€	
1. Increase where the person is permanently incapable of work:	188.00	124.80	29.80	7.70	12.70	25
additional increase for a beneficiary who has attained the age of 66 years	16.30	—	—	—	—	30
additional increase where the qualified adult has attained the age of 66 years	—	10.80	—	—	—	35
2. Increase where the person requires constant attendance	205.00	—	—	—	—	40
						45
						50

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SCHEDULE 2

Section 4.

“PART 1

RATES OF PERIODICAL SOCIAL ASSISTANCE AND INCREASES

5	Description of assistance	Weekly rate	Increase for qualified adult (where payable)	Increase for each qualified child (where payable)	Increase for prescribed relative under section 183 (where payable)	Increase where the person is living alone (where payable)	Increase where the person has attained the age of 80 years (where payable)	Increase where the person is ordinarily resident on an island off the coast of Ireland (where payable)
10	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
15		€	€	€	€	€	€	€
20	1. Jobseeker's Allowance:							
25	(a) in the case of a person to whom section 142(1)(a) applies	188.00	124.80	29.80	—	—	—	—
30	(b) in the case of a person to whom section 142(1)(b) applies	188.00	124.80	29.80	—	—	—	—
35	(c) in the case of a person to whom section 142A applies	100.00	100.00	—	—	—	—	—
40	(d) in the case of a person to whom section 142B applies	144.00	124.80	—	—	—	—	—
40	2. Pre-Retirement Allowance	188.00	124.80	29.80	—	—	—	—
40	3. Disability Allowance	188.00	124.80	29.80	—	—	—	—
45	4. State Pension (Non-Contributory)	219.00	—	29.80	143.00	7.70	10.00	12.70
45	5. Blind Pension	188.00	—	29.80	143.00	7.70	10.00	12.70
50	6. Widow's (Non-Contributory) Pension, Widower's (Non-Contributory) Pension and a payment referred to in paragraph (b) or (c) of the definition of 'relevant payment' in section 178(1)							
55		188.00	—	29.80	143.00	7.70	10.00	12.70

Description of assistance	Weekly rate	Increase for qualified adult (where payable)	Increase for each qualified child (where payable)	Increase for prescribed relative under section 183 (where payable)	Increase where the person is living alone (where payable)	Increase where the person has attained the age of 80 years (where payable)	Increase where the person is ordinarily resident on an island off the coast of Ireland (where payable)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	€	€	€	€	€	€	€
7. One-Parent Family Payment	188.00	—	29.80	—	—	—	—
8. Carer's Allowance:							
(a) in the case of a person to whom section 181(1)(a) applies	306.00	—	29.80	—	—	10.00	12.70
additional increase for a beneficiary who has attained pensionable age	52.50	—	—	—	—	—	—
(b) in the case of a person to whom section 181(1)(b) applies	204.00	—	29.80	—	—	10.00	12.70
additional increase for a beneficiary who has attained pensionable age	35.00	—	—	—	—	—	—
9. Guardian's Payment (Non-Contributory)	161.00	—	—	—	—	—	—
10. Supplementary Welfare Allowance							
(a) in the case of a person to whom section 197(1) applies	186.00	124.80	29.80	—	—	—	—
(b) in the case of a person to whom section 197(2) applies	100.00	100.00	—	—	—	—	—
(b) in the case of a person to whom section 197(4) applies	144.00	124.80	—	—	—	—	—
11. Farm Assist	188.00	124.80	29.80	—	—	—	—

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“PART 3

INCREASE OF BLIND PENSION FOR ONE OF A COUPLE WHERE
SPOUSE HAS NOT ATTAINED PENSIONABLE AGE

5	Means of claimant or pensioner	Weekly rate of increase
		€
	Where the weekly means of the claimant or pensioner do not exceed €7.60	124.80
	exceed €7.60 but do not exceed €10.10	123.10
	exceed €10.10 but do not exceed €12.60	121.50
10	exceed €12.60 but do not exceed €15.10	119.80
	exceed €15.10 but do not exceed €17.60	118.20
	exceed €17.60 but do not exceed €20.10	116.50
	exceed €20.10 but do not exceed €22.60	114.80
	exceed €22.60 but do not exceed €25.10	113.20
15	exceed €25.10 but do not exceed €27.60	111.50
	exceed €27.60 but do not exceed €30.10	109.90
	exceed €30.10 but do not exceed €32.60	108.20
	exceed €32.60 but do not exceed €35.10	106.50
	exceed €35.10 but do not exceed €37.60	104.90
20	exceed €37.60 but do not exceed €40.10	103.20
	exceed €40.10 but do not exceed €42.60	101.60
	exceed €42.60 but do not exceed €45.10	99.90
	exceed €45.10 but do not exceed €47.60	98.20
	exceed €47.60 but do not exceed €50.10	96.60
25	exceed €50.10 but do not exceed €52.60	94.90
	exceed €52.60 but do not exceed €55.10	93.30
	exceed €55.10 but do not exceed €57.60	91.60
	exceed €57.60 but do not exceed €60.10	89.90
	exceed €60.10 but do not exceed €62.60	88.30
30	exceed €62.60 but do not exceed €65.10	86.60
	exceed €65.10 but do not exceed €67.60	85.00
	exceed €67.60 but do not exceed €70.10	83.30
	exceed €70.10 but do not exceed €72.60	81.70
	exceed €72.60 but do not exceed €75.10	80.00
35	exceed €75.10 but do not exceed €77.60	78.30
	exceed €77.60 but do not exceed €80.10	76.70
	exceed €80.10 but do not exceed €82.60	75.00
	exceed €82.60 but do not exceed €85.10	73.40
	exceed €85.10 but do not exceed €87.60	71.70
40	exceed €87.60 but do not exceed €90.10	70.00
	exceed €90.10 but do not exceed €92.60	68.40
	exceed €92.60 but do not exceed €95.10	66.70

Means of claimant or pensioner	Weekly rate of increase	
exceed €95.10 but do not exceed €97.60	65.10	
exceed €97.60 but do not exceed €100.10	63.40	
exceed €100.10 but do not exceed €102.60	61.70	
exceed €102.60 but do not exceed €105.10	60.10	
exceed €105.10 but do not exceed €107.60	58.40	5
exceed €107.60 but do not exceed €110.10	56.80	
exceed €110.10 but do not exceed €112.60	55.10	
exceed €112.60 but do not exceed €115.10	53.40	
exceed €115.10 but do not exceed €117.60	51.80	
exceed €117.60 but do not exceed €120.10	50.10	10
exceed €120.10 but do not exceed €122.60	48.50	
exceed €122.60 but do not exceed €125.10	46.80	
exceed €125.10 but do not exceed €127.60	45.10	
exceed €127.60 but do not exceed €130.10	43.50	
exceed €130.10 but do not exceed €132.60	41.80	15
exceed €132.60 but do not exceed €135.10	40.20	
exceed €135.10 but do not exceed €137.60	38.50	
exceed €137.60 but do not exceed €140.10	36.80	
exceed €140.10 but do not exceed €142.60	35.20	
exceed €142.60 but do not exceed €145.10	33.50	20
exceed €145.10 but do not exceed €147.60	31.90	
exceed €147.60 but do not exceed €150.10	30.20	
exceed €150.10 but do not exceed €152.60	28.50	
exceed €152.60 but do not exceed €155.10	26.90	
exceed €155.10 but do not exceed €157.60	25.20	25
exceed €157.60 but do not exceed €160.10	23.60	
exceed €160.10 but do not exceed €162.60	21.90	
exceed €162.60 but do not exceed €165.10	20.20	
exceed €165.10 but do not exceed €167.60	18.60	
exceed €167.60 but do not exceed €170.10	16.90	30
exceed €170.10 but do not exceed €172.60	15.30	
exceed €172.60 but do not exceed €175.10	13.60	
exceed €175.10 but do not exceed €177.60	11.90	
exceed €177.60 but do not exceed €180.10	10.30	
exceed €180.10 but do not exceed €182.60	8.60	35
exceed €182.60 but do not exceed €185.10	7.00	
exceed €185.10 but do not exceed €187.60	5.30	
exceed €187.60 but do not exceed €190.10	3.70	
exceed €190.10 but do not exceed €192.60	2.00	
exceed €192.60	Nil	40

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**AN BILLE LEASA SHÓISIALAIGH 2010
SOCIAL WELFARE BILL 2010**

EXPLANATORY MEMORANDUM

Introduction

Main Provisions

The Bill is designed to give legislative effect to certain Social Welfare measures announced in the Budget Statement of 7 December 2010, which are due to come into effect from 1 January 2011. These include the abolition of the income ceiling for employees and optional contributors and the abolition of the Health Contribution, commonly referred to as the Health Levy. The Bill also provides for an increase of 1% in the rate of PRSI contribution payable by self employed contributors giving a new rate of 4%. The Bill also provides for reductions in the weekly rates of social insurance benefit and social assistance payable to people of working age. It also provides for reductions of €10 each in the monthly rates of child benefit for the first, second and the fourth and subsequent children and also provides for the introduction of a new rate of benefit for the third child with effect from 1 January 2011. It also provides for miscellaneous amendments to the Social Welfare Code.

The Bill comprises 3 Parts and 15 Sections.

Part 1 — Preliminary and General

Section 1 provides for the short title, construction and any necessary commencements and *Section 2* provides for the definition of common terms used throughout the Bill.

Part 2 — Amendments to Social Welfare Acts

Section 3, together with Schedule 1 to the Bill provides for the reduction in the weekly rates of social insurance benefit payable to people of working age, as provided for in the Budget, with effect from the beginning of January 2011.

Section 4 together with Schedules 2 and 3 to the Bill provides for the reduction in the weekly rates of social assistance payable to people of working age, as provided for in the Budget, with effect from the beginning of January 2011.

Section 5 provides for reductions of €10 each in the monthly rates of child benefit for the first and second child and for the fourth and subsequent children, as well as for the introduction of a new rate of child benefit for the third child, with effect from 1 January 2011.

Section 6 clarifies the legislative provisions in relation to the payment of various increases with disablement pension so as to ensure that the increases of disablement pension for qualified adults, children etc. can only be paid where the disablement pensioner is entitled to an incapacity supplement.

Section 7 provides for changes in the reduced rate of jobseeker's benefit for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the National Employment Action Plan. This change is consequential on the reduction in rates provided for in section 3.

Section 8 provides for changes in the reduced rate of jobseeker's allowance for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the National Employment Action Plan. This change is consequential on the reduction in rates provided for in section 4.

Section 9 provides for changes in the reduced rate of supplementary welfare allowance for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the National Employment Action Plan. This change is consequential on the reduction in rates provided for in section 4.

Section 10 provides for repeals consequential on sections 7, 8 and 9.

Section 11 provides for the abolition of the income ceiling of €75,036 applying to the PRSI contributions payable in the case of employees, voluntary contributors and optional contributors (who are engaged in share fishing), with effect from 1 January 2011. The section also provides for a number of consequential amendments to the Social Welfare Consolidation Act 2005.

At present PRSI is levied on gross income, less any superannuation contributions payable. *Section 12* provides for the abolition of PRSI relief on employee superannuation contributions payable with effect from 1 January 2011.

At present both employer and employee PRSI is levied on gross income less any superannuation contributions payable. While section 12 provides for the abolition of PRSI relief on employee superannuation contributions payable, *Section 13* provides for a reduction of 50% in the PRSI relief available for employer PRSI contributions arising from the employee superannuation contributions payable.

Section 14 increases the rate of PRSI contribution payable by self-employed contributors by 1% to 4%.

Part 3 — Repeal of Health Contributions Act 1979

Section 15 provides for the abolition of the Health Contribution payable under the Health Contributions Act, 1979, with effect from 1 January 2011. This section also provides that any liability for health contributions assessed after 1 January 2011 in respect of tax years

before 2011 are payable and that matters relating to the estimation, collection, recovery or refund of those contributions or of interest thereon or other proceedings relating to those contributions or that interest can be enforced.

*An Roinn Coimirce Sóisialaí,
Nollaig, 2010.*