AN BILLE LEASA SHÓISIALAIGH, 2011
SOCIAL WELFARE BILL 2011

EXPLANATORY MEMORANDUM

Introduction

Main Provisions

The Bill is designed to give legislative effect to certain Social Welfare measures announced in the Budget Statement of 5 December 2011, which are due to come into effect from 1 January 2012. These include the following:

- Redundancy Payments scheme — reduction in employer rebate for statutory redundancy payments from 60% to 15%.

- Disablement Benefit — abolition of entitlement to Disablement Benefit where loss of faculty is less than 15%.

- Disability Allowance/Domiciliary Care Allowance — increase in the maximum age for qualification for Disability Allowance from 16 to 18 years, for new cases, and a consequential increase in the maximum age for receipt of Domiciliary Care Allowance from 16 to 18 years.

- Disability Allowance — alignment of the rates of payment for new claimants aged 18 to 24 with the rates of payment for Jobseeker's Allowance.

- Child Benefit — abolition of higher rates of payment for three or more children and discontinuation of once-off grants for multiple births.

- Qualified Child Increase — discontinuance of entitlement to a half-rate Qualified Child Increase where the claimant's spouse or partner has weekly income in excess of €400, in the case of new claims for Invalidity Pension, Carer's Benefit, State Pension (Contributory), State Pension (Transition) and Incapacity Supplement.

- One-Parent Family Payment — phased reduction over a five year period in the weekly earnings disregard for all claimants and discontinuance of the 6 month Transitional OPFP payment (payable where weekly earnings exceed €425) where the claimant has been getting OPFP for at least a year.

- State Pension (Contributory), State Pension (Transition), Widow/er's and Surviving Civil Partner's (Contributory) Pension schemes and Guardian's Payment (Contributory) — reduction in the statutory backdating arrangements for ''late claims'', from 12 months to 6 months.

- Widow/er's and Surviving Civil Partner's (Contributory) Pension — increase in the total number of contributions required to qualify from 156 to 260 from July 2012 and to 520 from July 2013, for new claimants.

- Changes to means tests — abolition of income disregard for income from employment as a HSE home help for means test purposes, and increase in the proportion of income from farming and fishing assessed for Farm Assist and Jobseekers Allowance purposes.

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 collective citations and *Section 2* provides for the definition of common terms used throughout the Bill.

Part 2

Amendments to Social Welfare Acts

Section 3 provides for the abolition of entitlement to payment of Disablement Benefit in the case of assessments of loss of faculty amounting to less than 15%, with effect from the beginning of January 2012. Existing recipients of Disablement Benefit who have qualified for payment before 1 January 2012 on the basis of assessments of less than 15% will be protected.

Section 4 provides for discontinuing the current entitlement to the payment of a half-rate qualified child increase where the spouse, civil partner or cohabitant of the beneficiary has weekly income in excess of a prescribed amount (i.e. €400) in the case of new claimants for Carer's Benefit, State Pension (Contributory), State Pension (Transition) and Invalidity Pension, with effect from the beginning of July 2012. This section also extends the reference to the ''spouse'' of the beneficiary, in the case of similar provisions applying to the Incapacity Supplement scheme, to include a reference also to the ''civil partner or cohabitant'' of the beneficiary.

Section 5 provides that the implementation of certain provisions of Schedule 6 to the Social Welfare Consolidation Act 2005, relating to changes in the entitlement conditions for State Pension (Contributory) and State Pension (Transition) with effect from 6 April 2012, will not apply to existing recipients of those pensions. Paragraph 3 of Schedule 6 provides for the increase in the minimum number of paid employment or self-employment contributions required to qualify for the State Pension (Contributory) and the State Pension (Transition) from 260 to 520 with effect from 6 April 2012.

Section 6 provides for increasing the number of qualifying contributions required to qualify for the Widow/er's and Surviving Civil Partner's (Contributory) Pension from 156 to 260, with effect from July 2012 and a further increase from 260 to 520 with effect from July 2013. Existing pensioners will not be affected by these changes.

Section 7 provides for the discontinuance, with effect from January 2012, of the transitional measures which enable the One-Parent Family Payment (OPFP) to continue to be paid for a period of up to 6 months where a claimant's weekly earnings exceed €425, provided that person has been receiving OPFP for at least a year. Existing OPFP recipients who are benefitting from these transitional measures at the beginning of January 2012 will continue to receive the transitional payment for the unexpired balance of the 6 months period.

Sections 8 and *9* provide for an increase in the minimum age for qualification for Disability Allowance from 16 to 18 years and for a consequential increase in the maximum age for receipt of Domiciliary Care Allowance from 16 to 18 years, with effect from 1 January 2012. Existing recipients of Disability Allowance who are aged between 16 and 18 years on 1 January 2012 will continue to be entitled to Disability Allowance, but in this case they will not be eligible to receive Domiciliary Care Allowance as well.

Section 10 provides for the introduction of reduced personal rates and increases for qualified adults for recipients of Disability Allowance aged under 25 years, similar to those already provided for in the case of recipients of Jobseeker's Allowance and Supplementary Welfare Allowance, with effect from 4 April 2012. There are a number of circumstances in which the reduced rates will not apply, including—

- where the claim for Disability Allowance commences before 4 April 2012,

- where the claimant is entitled to an increase in respect of a qualified child,

- where the claimant was in receipt of certain specified payments immediately before claiming Disability Allowance.

Section 11 provides for the discontinuance of the payment of the grant for multiple births under the Child Benefit scheme with effect from 1 January 2012. This section also provides for the phased alignment of the different rates of monthly Child Benefit payable according to the family size into a single rate. The rates payable to the third and subsequent qualified children will be reduced with effect from 1 January 2012 and further reduced from 1 January 2013, when there will be a single rate of €140 for each qualified child.

Section 12 reduces the period for backdating claims to long-term contributory pensions such as the State Pension (Contributory), the State Pension (Transition), the Widow/er's and Surviving Civil Partner's (Contributory) Pension schemes and the Guardian's Payment (Contributory), from up to 12 months before the claim was made to 6 months. The new backdating arrangements will apply to claims for such payments made from the beginning of April 2012.

Section 13 amends the rules relating to the assessment of means for certain social assistance payments, including—

- the abolition of the income disregard for income from employment by the HSE as a Home Help in the case of all social assistance payment schemes, and

- increasing the proportion of income from farming and fishing assessed as means from 70% to 85%, for the purposes of the Farm Assist and Jobseeker's Allowance schemes.

These amendments apply to both new and existing claimants of the relevant schemes with effect from 1 January 2012.

Section 14 provides that for the purposes of calculating means for the One-Parent Family Payment the weekly earnings disregard is being decreased from €146.50 to €60 over a 5 year period commencing from 1 January 2012. The annual reductions in the weekly disregard will apply to both new and existing OPFP claimants.

Part 3

Section 15 provides for amendments to the Redundancy Payments Act 1967 by way of a reduction from 60% to 15% in the rebates paid to employers from the Social Insurance Fund. This reduction will apply in the case of rebates paid to employers on or after 1 January 2012 in respect of the statutory redundancy lump-sum payments made to employees who are made redundant on or after 1 January 2012. Rebates paid to employers on or after 1 January 2012 in respect of the statutory redundancy lump-sum payments made to employees who are made redundant before 1 January 2012 will continue to be paid at 60%.

An Roinn Coimirce Sóisialaí,
Nollaig, 2011.

Wt. —. 635. 12/11. Clondalkin Pharma and Healthcare. (X58702). Gr. 30-15.