

**Select Committee on Employment Affairs and Social Protection on
Thursday 21 February 2019**

**Opening Remarks of the Minister Employment Affairs and Social
Protection**

Chairperson,

I would like to thank the Committee for the invitation to come here today to discuss the Convention on Social Security signed recently between the Government of Ireland and the Government of the United Kingdom.

In the context of Brexit, my objective is to ensure that the reciprocity of social welfare rights and entitlements, which currently exist for Irish and UK citizens moving within the Common Travel Area, are safeguarded and maintained. This has been my aim since immediately after the Referendum in the UK on 23rd June 2016.

This is in line with the Government's overall commitment to maintain the Common Travel Area which is one of our four Brexit priorities.

Ireland and the UK share a long history of cooperation and reciprocity in social security matters. The principle of reciprocity has been reinforced in bilateral agreements and arrangements on social security between the two countries since 1924 and, subsequently, EU co-ordination regulations.

That reciprocity is underpinned by the principle of equal treatment so that Irish citizens in the UK enjoy the same benefits as UK citizens and vice versa.

These rules are designed to protect people moving and working between each State and to minimise any disadvantages they might experience.

From a social welfare perspective, maintenance of this status quo through safeguarding and preserving that very reciprocity is of critical importance to me and to the Government.

Because of the unique nature of the Common Travel Area and the associated rights and privileges which it provides, and will continue to provide, for Irish and British citizens in each other's countries, it was agreed that Ireland and the UK would formalise the pre-existing

Common Travel Area social protection arrangements in a legally binding agreement.

Last year, I met with the then UK Secretary of State for Work and Pensions and we agreed the objective of ensuring that the reciprocity of social welfare rights and entitlements, which currently exist for Irish and UK citizens moving within Ireland and between Ireland and Britain under the Common Travel Area, are safeguarded and maintained.

Since then, there has been intensive work at official level in order to develop and finalise the agreement to underpin these arrangements.

The agreement was signed on 1st February and is now subject to ratification processes in both Ireland and the UK.

Under the terms of the agreement all existing arrangements with regard to recognition of, and access to, social insurance entitlements will be maintained in both jurisdictions. This means that the rights of Irish citizens living in Ireland to benefit from social insurance contributions made when working in the UK and to access Social Insurance payments if resident in the UK are protected and vice versa.

There are approximately 132,000 people in receipt of a UK State Pension living in this country and approximately 1,000 customers receiving child benefit payments from the UK for children residing in Ireland.

There are 28,760 people residing in the UK who are in receipt of a state pension (contributory) from Ireland. 840 people residing in the UK are in receipt of full rate child benefit payments from my Department. These payments are in respect of 1,830 children, 95% of whom reside in Northern Ireland. A further 920 people residing in the UK are in receipt of child benefit supplement payments from my Department, in respect of 2,010 children, 97% of whom reside in Northern Ireland. We want to ensure the continuation of these payments and that is the purpose of the agreement.

The agreement means there will be no change to social welfare payments which will continue to be made as usual. Where payments are made from Ireland to the UK or from the UK to Ireland these arrangements will also continue. It means our citizens can be sure that their social welfare benefits and entitlements remain as they were before Brexit.

As part of the ratification process the agreement was laid before the Houses on 7th and 8th February and it was the subject of a Dáil Motion on 12th February as a result of which we are here today. The motion has a return date of 5 March. Once these parliamentary procedures are completed, letters of exchange will be arranged. The convention will be brought into effect by way of Ministerial order.

The ratification process in the UK is also underway and it also expected to be completed by 29 March.

If there is a no deal Brexit then the Convention will be required to come into effect immediately. If there is a deal, which we all still hope there will be, then the Convention need not take effect until the end of the associated transition period.

Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Bill 2019

While I am confident that the ratification process will be completed in both jurisdictions before 29 March I want to be absolutely certain that export and payment of benefits between Ireland and the United Kingdom and vice versa can continue, in the event of a no deal

Brexit, even if all the necessary steps in the ratification process are not completed on that date.

Therefore, it is prudent to proceed with Part 11 of the Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Bill 2019 which we discussed at the Joint Committee yesterday. These amendments to the Social Welfare (Consolidation) Act 2005 are also designed to maintain the status quo in the Common Travel Area with respect to social welfare arrangements.

I have also included amendments to the Protection of Employees (Employers' Insolvency) Act 1984 which provides for the insolvency payments scheme.

The scheme covers wage related entitlements of employees who are employed in Ireland by an employer who has become insolvent in Ireland or another EU Member State, including the UK.

Once the UK leaves the EU, employers in a state of insolvency under the laws of the UK will not fall within the scope of the Act. That means employees of those employers, who work and pay their insurance in Ireland, would no longer be covered by the protections

set out in the Act unless the amendments set out in this Part of the Bill are made.

The purpose of the amendments in this Part of the Bill is to ensure that those employees will continue to be covered by the scheme, after a no-deal Brexit.

In the economic uncertainties which may prevail in a no-deal scenario it is vital that we continue to provide this protection to workers in Ireland and that is why I am introducing these amendments in the Bill.

Timetable for the Bill

The Government has discussed this proposed legislation throughout our meetings in January and February. Its provisions were also the subject of intensive and daily engagements between Departments and Parliamentary Counsel.

As outlined yesterday, the Government expects to publish the full Omnibus Bill on 22 February. It is our intention that:

- it would go before the Dáil for second stage from 26-28 February;

- it would go through Dáil Committee and Report Stage from 4 – 8 March;
- it would then go to the Seanad for Second Stage on 11-12 March;
- followed by Committee and Report Stage in the Seanad on 13-14 March.

Concluding Remarks

This Convention is an essential element in the maintenance of the status quo in the Common Travel Area. It brings certainty to this area which affects so many of our citizens.

I appreciate the support of this Committee and your cooperation and efforts which will help ensure that we can complete the ratification process for the Convention by 29th March.

I would like to thank you for your attention and I will be happy to respond to any questions that Deputies may have.

[ENDS]