Section 1 - General Social Welfare Rates

1. *The Committee recommends that as there was no increase in the basic social welfare rates in the last few years the committee believes that at a minimum there should be a rise in all payments equivalent to the cost of living increases since the last increase*

While core rates of payment remained unchanged in Budgets 2020 and 2021, a series of targeted measures were introduced which sought to protect some of the most vulnerable groups, including pensioners.

In recognition of research which indicates that those who are aged 65 years and over are more likely to be at risk of poverty, deprivation and consistent poverty if they live alone, the Living Alone Allowance was increased by €10 per week over the course of Budgets 2020 and 2021. This brought the rate from €9 to €19 per week.

To take account of increased costs arising as a result of increases to the carbon tax, the Fuel Allowance was increased by €2 per week in Budget 2020 and a further €3.50 per week in Budget 2021, raising the weekly rate of payment from €22.50 in 2019 to €28 currently.

In addition, Minimum Essential Standard of Living (MESL) research has consistently shown that households with children, and particularly older children, face higher costs than those without. Since 2019, the Increase for a Qualified Child (IQC) rate in respect of children aged under 12 has been increased by €4 per week, while the rate for children aged 12 and over was increased by €8 per week, bringing the current rates to €38 and €45 respectively.

Any consideration of increases in social welfare payments will also take account of commitments in the Programme for Government and available resources.

2. *The Committee recommends, in the longer term, that all basic social welfare payments should be reviewed on an annual basis and benchmarked against the Minimum Essential Standard of Living.*

The estimated cost of bringing working age and pension welfare payments up to the Minimum Essential Standard of Living (MESL) is €2.9 billion.

The Government, as part of the Roadmap for Social Inclusion, has set out its intention to benchmark pension rates of payments to prices and earnings and to consider extending this approach to other welfare payments.

Section 2 – Tackling Poverty

3. *The Committee recommends that the period for paying Fuel Allowance is increased by four weeks to a total of 32 weeks*

The Fuel Allowance is an important measure that assists pensioners and other welfare dependent householders to address income deficiency, especially during the winter when a household faces increased heating needs. The duration of the scheme is designed to coincide with the coldest periods of the year, and it is for this reason the scheme runs from October to mid-April annually.

Increasing the fuel allowance season by 4 weeks would cost in the region of €51.5 million. Any such decision would need to be made in the context of overall budgetary considerations.

For example, the fuel season was extended by four weeks in 2020.

Each year, the Government takes account of prevailing conditions and adjusts the fuel allowance season if, and as, appropriate.

4. *The Committee recommends that eligibility for the Fuel Allowance would be extended to all recipients whose income was less than €120 over the relevant social welfare rates rather than €100 as has been the case for many years*
5. *The Committee recommends that Fuel Allowance eligibility is extended to those in receipt of Working Family Payment and those on Jobseeker's payments for less than a year*
6. *The Committee recommends that the Department of Social Protection develops a half payment of the Fuel Allowance rate for those with an income between €100 and €200 over the relevant social welfare rates;*
7. *The Committee recommends that the Fuel Allowance means test limit is increased to €120 (half-rate) and €240 (full rate) above the full social welfare rate respectively*

The criteria for fuel allowance are framed in order to direct the limited resources available in as targeted a manner as possible. All recipients of non-contributory payments are accepted as satisfying the means-test for fuel. People who are in receipt of a qualifying contributory payment must also satisfy a means test. This ensures that the Fuel Allowance payment goes to those who are more vulnerable to fuel poverty, including those reliant on social protection payments for longer periods and who are unlikely to have additional resources of their own.

It would be expected that the measure would require significant extra funding for the scheme, especially if targeted at short term jobseeker's recipients on the scheme for less than a year.

The criteria for Fuel Allowance are framed to direct the limited resources available to the Department in as targeted a manner as possible, and so it is focussed on long term payments where an applicant satisfies a means test. People on long term payments are unlikely to have additional resources of their own and are more vulnerable to poverty, including energy poverty.

Issues relating to fuel allowance are set out in detail in a recent report from the Department and published on the Oireachtas website at the following link: https://opac.oireachtas.ie/AWData/Library3/Documents%20Laid/pdf/EASPdoclaid10112020_101120_105240.pdf

8. *The Committee recommends that, in relation to the Non-Contributory State Pension, self-employed income including disregards should be treated the same way as employed income;*

For the State Pension Non-Contributory (SPNC), the first €30 per week of means from any source (including self-employment) is disregarded for the means test.

The means assessment for the SPNC allows for the disregard of expenses incurred in the course of self-employment. There is no exhaustive list of all expenses allowed in self-employed cases, as expenses vary with the nature and extent of the self-employment. This means that earnings from self-employment are assessed net of expenses incurred by the person in the course of their work, for example, on petrol/diesel, purchase of equipment and raw materials and so forth.

Any changes to the means testing criteria for the SPNC would need to be considered in an overall budgetary and policy context.

9. *The Committee recommends that the Minister for Social Protection engages with the Minister of Environment, Climate and Communications on the expansion and delivery of the Better Energy Warmer Homes Scheme and raising the minimum BER rating of rental properties*

The Better Energy Warmer Homes Scheme is primarily the responsibility of the Department of the Environment, Climate and Communications, while the Department of Housing, Local Government and Heritage have responsibility for minimum standards for rental accommodation.

10. *The Committee recommends that funding is ringfenced for the purpose of tackling food poverty*

11. *The Committee recommends that the funding for the School Meals Scheme is increased in Budget 2022*

The Roadmap for Social Inclusion 2020-2025 includes a commitment to develop a comprehensive programme of work to further explore the drivers of food poverty and to identify mitigating actions (Commitment #61). A Food Poverty Working Group has been established in order to progress the delivery of this commitment and is chaired by Minister O'Brien. The group is comprised of officials from relevant departments along with representatives from the Society of St. Vincent de Paul, Crosscare and the Children's Rights Alliance. Work to date includes a high-level mapping exercise to identify the range of work undertaken, or funded, by Departments and other State bodies to address food poverty in its various forms. The Working Group has met twice so far, with a third meeting planned for the end of September. It is expected that the work of this Group will contribute to the development of future Roadmap commitments out to 2025.

Specific measures that tackle food poverty under the remit of the Department of Social Protection include the Fund for European Aid to the Most Deprived (FEAD) and School Meals Programme. The Fund for European Aid to the Most Deprived (FEAD) supports the actions of EU countries to provide material/food assistance to the most deprived. FEAD aims to help people take their first steps out of poverty and social exclusion by addressing their most basic needs i.e. food and or basic materials for personal use. The Department of Social Protection is the designated managing authority for the 2014-2020 programme and has responsibility for the implementation of the Operational Programme in Ireland. The total value of the fund in Ireland is €26.7m, €4m of which will come from the Irish Exchequer.

There are 156 approved Local Partner Organisations/Charities currently operating the programme nationwide. Since the food distribution operation began in 2016 to end of 2020 over 774,000 individuals were assisted by the FEAD programme, with over 990,000 food packs and more than 4.9million meals distributed.

The FEAD programme ends December 2021 and a new programme 'Support for the Most Deprived' under the European Social Fund Plus is commencing in January 2022. The Department of Further and Higher Education, Research, Innovation and Science are the Managing Authority for the European Social Fund Plus fund and the Department of Social Protection will be an Intermediary Body, managing the programme on their behalf. Under the new programme, the level of support currently being provided will be maintained.

The school meals programme provides funding towards the provision of food to some 1,506 schools and organisations benefitting 230,000 children. The objective of the programme is to provide regular, nutritious food to children who are unable, due to lack of good quality food, to take full advantage of the education provided to them. The programme is an important component of policies to encourage school attendance and extra educational achievement.

As part of Budget 2019, funding was provided for a pilot scheme from September 2019, providing hot school meals in primary schools at a cost of €1m for 2019 and €2.5m in 2020. The pilot involved 37 schools benefitting 6,744 students for the 2019/2020 academic year and was aimed primarily at schools with no onsite cooking facilities. Budget 2021 provided an additional €5.5m to extend the provision of hot school meals to an additional 35,000 primary school children, currently receiving the cold lunch option.

A budget of €65.1 million has been provided for the scheme in 2021 and the programme will continue in 2022.

It is intended to commission an independent evaluation of the School Meals Programme to measure the effectiveness of the programme to guide future policy direction.

12. *The Committee recommends that consideration be given to establishing a cross party Oireachtas Committee on tackling poverty to complement the current Action Plan for Social Inclusion, ensuring that all Departments play their part in tackling poverty*

The Roadmap for Social Inclusion itself provides for the establishment of a Social Inclusion Roadmap Steering Group (SIRSG) to monitor progress in the implementation of the Roadmap and its commitments across Government Departments. This group has been established and is comprised of senior representatives from responsible departments at Assistant Secretary and Principal Officer Level to ensure that implementation of the Roadmap remains on the agenda of each Department. The Steering Group also includes three external members from the Community and Voluntary sector: Society of St Vincent de Paul; the Vincentian Partnership for Social Justice and the European Anti-Poverty Network.

The Chair of the Steering Group is Minister Joe O'Brien, Minister of State with responsibility for Social Inclusion in the Department of Social Protection. There have been three meetings of the SIRSG, the most recent taking place on 6 July 2021. The next meeting is scheduled to take place in November 2021.

The Roadmap outlines the governance structure to ensure the successful implementation of the Roadmap commitments. The monitoring of progress at Government level is undertaken by the Cabinet Committee on Social Affairs and Equality and the Roadmap notes that the Minister will provide an annual progress report to the Committee. The Cabinet Committee is supported by the Senior Officials Group, which will also consider the annual progress report and any other progress reports requested or submitted during the year.

The Roadmap contains a commitment to publish an Annual Report on progress against each commitment and key metric. The Roadmap further commits to presenting this report to the Oireachtas Joint Committee on Social Protection, Community and Rural Development and the Islands and to discuss progress on the Roadmap with the Committee. Minister Joe O'Brien previously accepted an invitation from this Committee in March 2021 to discuss early progress on the Roadmap.

Finally, an independent mid-term review of the Roadmap will be undertaken in 2022. This will allow for reframing commitments as we emerge from the COIVD-19 pandemic; reflect the current Programme for Government, *Our Shared Future*; and include any commitments relating to tackling food poverty, as outlined above.

The establishment of an Oireachtas Committee is a matter for the Oireachtas itself.

13. *The Committee recommends that the income disregard of €165 for those in receipt of One Parent Family Payment should be increased to €200 in Budget 2022;*

There is widespread evidence which shows that policies that allow lone parents to participate in the labour market while also maintaining social welfare support are integral to lifting lone parents and their children out of poverty.

In Budget 2021, in order to enhance support for working lone parents, the Government removed the €425 earnings limit on One-Parent Family Payment. This measure, which came into effect from April, allows for a more tapered reduction in social welfare support compared to an earnings limit cut-off. An estimated 3,200 lone parents immediately benefited at the time of the change, although this number does not account for those who may have become eligible for the scheme and those who may increase their intensity of employment following this change.

Lone parents who are working and in receipt of the Working Family Payment will also have benefitted from increases to the income thresholds for that payment in recent Budgets. Budgets 2020 and 2021 saw the income thresholds for families with 1-3 children increase by €10 per week, each budget. The weekly income limits for families with one, two and three children are now at €541, €642 and €743 respectively.

The level of the income disregard on One-Parent Family Payment and Jobseeker's Transition payment is kept under review.

14. *The Committee recommends that a statutory Child Maintenance Service is established to ensure that child maintenance is collected and paid towards the care of the child or children;*
15. *The Committee recommends that Child Maintenance should not be included as household income in means tests for social welfare supports;*
16. *The Committee recommends that 100% of mortgage and rent costs should be deductible from Child Maintenance assessments.*

The Government established a Child Maintenance Review Group to examine certain issues in relation to child maintenance in Ireland. The Group is chaired by former Circuit Court Judge Catherine Murphy and includes legal, policy and academic professionals as well as officials from the Department of Social Protection and the Department of Justice.

The issues raised in recommendations 14, 15 and 16 fall within the Group's Terms of Reference.

The work of the Group is ongoing. A consultation process to facilitate feedback from stakeholder groups and members of the public in order to inform the Group's work has been undertaken and the international experience is also being examined.

The report of the Group is expected by the end of the year. On receipt of the report, the Government will review any recommendations put forward.

17. *The Committee recommends that the Living Alone Increase is increased from €19 to €25 in Budget 2022.*

The Living Alone Allowance is a payment for people aged 66 years or over who live alone and are in receipt of state pension and certain other social welfare payments: the State Pension (Contributory), State Pension (Non-Contributory); Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension; Widow's/Widower's Pension under the Occupational Injuries Benefit Scheme; Incapacity Supplement under the Occupational Injuries Benefit Scheme or Deserted Wife's Benefit or Allowance. It is also paid to people aged under 66 who live alone and are in receipt of Disability Allowance, Invalidity Pension, Incapacity Supplement or Blind Pension. This Living Alone Allowance is not means tested and the payment is made as an increase to the recipient's primary social welfare payment. Accordingly, it is targeted to those most in need.

Budgets 2020 and 2021 combined provided for a €10 increase to the Living Alone Allowance from €14 to €19 per week giving a total payment of €988 over the course of the year in addition to the recipient's primary social welfare payment.

The ESRI Report 'Income Adequacy in Retirement' suggests that those who are living alone are at greater risk of falling below the "at-risk-of-poverty" line than those who are married or cohabiting. It recognises that this allowance a very useful targeted policy tool to target support to those living alone.

The Department regularly reviews its supports and payment schemes, to ensure that they continue to meet their objectives.

18. *The Committee recommends that the examination of the establishment of Universal Basic Income should commence in 2022 and reported on within one year, as provided for in the Programme for Government.*

In line with the commitment in the Programme for Government, the Government has already requested the Low Pay Commission to examine a Universal Basic Income. This is within the remit of the Minister for Enterprise, Trade and Employment.

Section 3 – Equality Measures

19. *The Committee recommends that the Department of Social Protection begins to investigate the development of an individualised social welfare system to ensure that all citizens are protected equally and reports back on the same in due course;*

There is currently some degree of individualisation in the social welfare system. Since 2007, for all new State pension claims which include an Increase for a Qualified Adult, the increase is automatically paid directly to the adult dependant.

On other schemes, where both the claimant and the adult dependant agree, the IQA can be paid directly to the qualified adult. Alternatively, a 'split' payment can be made whereby the total payment is divided and paid separately to the two individuals concerned.

The Roadmap for Social Inclusion 2020 – 2025 commits to reviewing the current system of classifying second adults in households as 'dependent adults' with a view to individualising welfare payments and supports.

20. *The Committee recommends that, as a first step, the means assessments of IQA for contributory pensioners should be reformed as follows. The disregard of income for the purpose of means assessment should be increased to €200 and the payment then should taper off between €200 and €500 per week;*

An Increase for a Qualified Adult (IQA) is paid, generally, where a pensioner has an adult dependent (e.g., a spouse who is financially dependent upon them), who does not have enough contributions to claim a maximum rate State pension (contributory) in his/her own right.

The maximum rate of an IQA for someone aged over 66 is €222.50 and so in most cases where it is claimed, such couples have additional income or means above their State pension payments (as otherwise they would obtain a higher payment by the Qualified Adult claiming a State pension (Non-Contributory) (SPNC), which is subject to a household means-test, and has a maximum personal rate of €237 weekly.

Currently, where a qualified adult has weekly means of less than €100, the maximum rate of IQA is payable. Where his/her weekly means are between €100 and €310, a reduced rate of IQA is payable. If the qualified adult has means of more than €310 per week, this exceeds the means limit and no IQA payment is due. For claimants of contributory pension, only the means of the qualified adult are taken into account. In the case of joint bank accounts, or joint ownership of land or property (apart from the family home), half the value or amount is assessed as means for the qualified adult.

Increasing the disregard to €200 per week and tapering the payment between €200 and €500 per week would introduce considerable additional costs in two ways. Firstly, it would likely result in a significant increase in the number of State Pension IQAs. Second, it could impact a wide range of other schemes offering IQA. Accordingly, any change of this nature would be subject to wider budgetary considerations.

21. *That Committee recommends that means on capital should be reformed as follows. Exempt the first €50,000 of savings, assess the next €20,000 at €1 per week per €1000 and assess the balance at €2 per week per €1,000. The present situation particularly hits those who put savings and lump sums in joint accounts as couples are often advised to do;*

The assessment of capital reflects the fact that there is an expectation that people with reasonable amounts of capital and property are in a position to use that capital, or to realise the value of property, to meet some of their living costs without having to rely solely on a means tested welfare payment.

The formula for assessing the value of capital for an individual for most social welfare schemes is as follows: the first €20,000 is fully disregarded; the next €10,000 assessed at €1 per thousand, the next €10,000 is assessed at €2 per thousand, with the remainder assessed at €4 per thousand.

The exceptions to the formula above are Disability Allowance, where the first €50,000 of capital is not taken into account, Supplementary Welfare Allowance, where the first €5,000 is not taken into account, and the Working Family Payment, where capital is not taken into account at all.

Any proposals to change the capital means assessment formula for social assistance schemes would need to be considered in an overall budgetary and policy context.

22. *The Committee recommends that IQA rates of payment should be increased proportionally by a greater amount over four years to make them equivalent to the primary payment so that people in receipt of the IQA get double the single rate;*

An Increase for a Qualified Adult is an additional payment made to social welfare recipients in respect of a spouse, civil partner or cohabitant who is financially dependent on them. This additional payment is means-tested.

The rate of payment is dependent on the scheme and for some schemes differs according to the age of the qualified adult, with larger increases payable in respect of those aged over 66. The Qualified Adult rates vary from €134.70 for most working age schemes such as Jobseeker’s Allowance and Disability Allowance, to €222.50 for a qualified adult aged over 66 on the State Pension Contributory.

The current rate of payment in respect of qualified adults reflects the economies of scale faced by a two-adult household compared to those of a one-adult household. MESL research has found that the minimum needs of the adults in a couple headed household cost 1.5 times (rather than twice) that of an equivalent one adult headed household with children. This finding was backed up by similar research in other countries developed minimum budget standards research[1].

Any changes to the proportionate rates of payments for qualified adults would need to be considered in an overall budgetary and policy context.

[1] ‘The Minimum Income Standard and equivalisation: Reassessing relative costs of singles and couples and of adults and children.’ Journal of Social Policy, Cambridge University Press

23. *The Committee recommends that the changes made in 2012 to the eligibility for State pensions for those with reduced contribution rates should be reversed over four years.*

A policy to introduce the Total Contributions Approach (TCA) to pensions calculation was adopted by Government in the National Pensions Framework in 2010.

In January 2018, it was decided that pensioners affected by the 2012 changes in rate bands to have their pension entitlement calculated using a “Total Contributions Approach” (TCA), which includes up to 20 years of HomeCaring periods.

The TCA ensured that the totality of a person’s social insurance contributions - as opposed to the timing of them - would determine their final pension outcome. Those who reached state pension age since January 2018 have had their pension entitlement assessed under yearly averaging and the TCA with the most beneficial payment being awarded to them.

Work began on examining the social insurance records of over 94,000 pensioners in September 2018. Where these reviews resulted in an increase in the pensioner’s rate of payment, the increase was backdated to 30 March 2018 or the pensioners 66th birthday, as appropriate. As at the end of October 2019, with the project completed, 94,258 reviews had been finalised; of these, 53,092 (56%) were women and 41,166 (44%) were men. Of the 53,092 women reviewed 28,528 (54%) received an increase while the rest remained on their existing rate. Of the 41,166 men reviewed, 9,956 (24%) received an increase and the remainder continued to receive their same rate of payment. No pensioner had his/her pension payment reduced as part of this review.

As part of the Programme for Government, a Commission on Pensions was set up to examine sustainability and eligibility issues with the State Pension and the Social Insurance Fund. More broadly, it also considered the issue of retirement ages in employment contracts and how the pension system can further accommodate carers, who are predominantly women. The Commission formally submitted its report to the Minister earlier this month. The Minister will bring the report before Government shortly for consideration.

Section 4 – Family Carer’s, Disability and Fostering Supports

24. *The Committee recommends that the income disregard for those in receipt of Carer’s Allowance is increased in Budget 2022 to €500 for a single person and €1,000 for a couple;*

Carer’s Allowance is part of the system of social assistance supports which provide payments based on an income need with the means test playing the critical role in determining whether or not an income need arises as a consequence of a particular contingency - be that illness, disability, unemployment or caring.

The application of a means-test not only ensures that the recipient has an income need but also that scarce resources are targeted to those with the greatest need.

Weekly earnings disregarded are €332.50 per week for a single person and €665 per week for a couple.

In the case of a couple, a carer may retain a full-rate payment of €219.00 per week while having an annual income of €37,500 from employment, retain a payment of (just under half-rate) €109.00 per week while having an annual income from employment of €49,750, and retain the minimum payment of €4 per week while having an annual income of €61,000.

In the case of a single carer, a similar scenario illustrates that a carer may (i) retain a full-rate payment of €219.00 while having an annual income of just under €19,000, (ii) retain a payment of €109.00 per week (just under half-rate) while having an annual income of €25,400, or (iii) retain the minimum payment of €4 per week while having an annual income of €31,100.

A half-rate Carer's Allowance is also payable with other welfare payments e.g. pensions and disability payments. This is unique to the Carer’s Allowance payment.

Carers may also, subject to certain conditions, qualify for the Household Benefits Package and a Free Travel Pass.

Changes to schemes are considered in an overall expenditure and policy context and from an evidence-based perspective.

25. *The Committee recommends that an urgent review of the means test for family carers is carried out as part of the Budget 2022 discussions to ensure that the current means test is fit for purpose and reflects the cost of living in 2022. This should totally disregard mortgage or rent costs. The means assessment on capital should be amended to exempt the first €50,000 of savings, to assess €1/week per €1,000 means on the next €20,000 and the balance at €2/week per €1,000;*

The main income supports provided by my Department include Carer's Allowance, Carer's Benefit, Domiciliary Care Allowance, and the Carer's Support Grant. Over 135,000 carers benefit from regular income supports and spending on these payments in 2021 is expected to be in the region of €1.5 billion. The value of income transfers to family carers has increased by over 50% since 2015.

Carer's Allowance acts as an income support for those who cannot earn adequate income in the open labour market due to their caring responsibilities. This allowance is part of the system of social assistance supports that provide payments based on an income need. The means test plays a critical role in determining whether or not an income need arises as a consequence of a particular contingency – such as disability, unemployment or caring. This ensures that the recipient has a verifiable income need and that resources are targeted to those who need them most.

A comprehensive Policy Review of Carer’s Allowance, including an examination of the means test, was prepared by the Department and was laid before the Houses of the Oireachtas at the end of August 2019. In addition, in August 2019, the Department of Public Expenditure and Reform published a Spending Review of Carer’s Supports, including Carer's Allowance. Among its key findings was that of the €1.04bn spent on Carer’s Support Programmes in 2018, Carer’s Allowance accounted for 77% of total support.

Any proposals to change the means assessment for carer’s allowance would have to be considered in an overall budgetary context.

26. *The Committee recommends that discretion is applied to the 18.5 hour per week employment exemption for those in receipt of Carer's Allowance in situations where additional working hours do not affect the level of care being provided in the home;*

As part of Budget 2020, the number of hours per week that carers could engage in employment, education or training was increased from 15 to 18.5 hours per week. This measure was prioritised in response to carers and carer representative groups who found the previous number of 15 hours to be too restrictive, not only for work but for education and training purposes.

Any proposals for further changes to this condition would need to maintain the balance between the care recipient's needs and the carer maintaining and attachment to the labour force, and would have to be considered in an overall budgetary context and would require legislative change.

27. *The Committee recommends that consideration is given to providing PRSI credits to those providing long-term foster care to ensure they are entitled to a State pension after a lifetime of providing foster care and assisting the State.*

Subject to the standard qualifying conditions for State Pension (Contributory) also being satisfied, the State pension system currently gives significant recognition to those whose work history includes an extended period of time outside the paid workplace, often to raise families or in a full-time caring role, including foster caring, through the award of credits and/or the application of the Homemaker's Scheme (under the Yearly Average method for payment calculation) and/or the application of HomeCaring Periods (under the Aggregated Contribution Method or Interim Total Contributions Approach).

Details of these are –

- Credits – PRSI Credits are awarded to recipients of Carer's Allowance (and Carer's Benefit) where they have an underlying entitlement to credits. Credits are also awarded to workers who take unpaid Carer's Leave from work.
- Homemaker's Scheme - The scheme, which was introduced with effect from 1994, is designed to help homemakers and carers qualify for State Pension (Contributory). The Scheme, which allows periods caring for children or people with a caring need to be disregarded (from 1994), can have the effect of increasing the Yearly Average.
- HomeCaring Periods – This Scheme makes it easier for a home carer to qualify for a higher rate of State Pension (Contributory). HomeCaring Periods can only be used under the Aggregated Contribution Method (also known as Interim Total Contributions Approach or T12) of pension calculation. HomeCaring Periods may be awarded for each week not already covered by a paid or credited social insurance contribution.

28. *The Committee recommends that the Department of Social Protection investigates whether it would be beneficial to provide the Carer's Support Grant in two instalments rather than one on an optional basis;*

The Carer's Support Grant is paid in a single lump-sum which makes it a substantial contribution towards expenses that are above and beyond what would be regarded as normal household expenditure.

Should the grant be split into payments, a person who commences caring after the payment of the first tranche would only receive €925 in that year.

Furthermore, the grant split into two separate payments would require those not on one of the qualifying carer's payments who automatically receive the grant having to reapply for the second payment in order to ensure that still they meet the other qualifying conditions, namely still providing full-time care and attention.

The change would potentially benefit very low numbers of people, as most recipients are used to the current arrangement and plan accordingly for a single payment of the larger amount.

Evidence would suggest that an option for two payment dates in a year would not be taken up widely by those on Carer's Benefit, where claiming patterns indicate a surge in claims before 1st June with care finishing at the end of the summer period. This suggests that claimants need to have their carer's benefit coinciding with the long summer school holidays which are a peak time for care giving in respect of children who would be in the education system for the rest of the year. The current payment date of the grant as a lumpsum coincides with this period.

Where people are experiencing financial issues, the Supplementary Welfare Allowance scheme (SWA) provides a "safety net" within the overall social protection system and provides assistance to eligible people in the State whose means are insufficient to meet their needs and those of their dependants. SWA provides immediate and flexible assistance for those in need who do qualify for payment under other schemes.

29. *The Committee recommends that the Carers Support Grant is increased to €2,000 in Budget 2022.*

The Carer's Support Grant is an annual payment for carers who look after certain people in need of full-time care and attention. The grant is paid in a single lump sum annually, usually on the first Thursday in June. The grant is not means-tested and is not taxable.

It is paid automatically to people in receipt of Carer's Allowance, Carer's Benefit and Domiciliary Care Allowance and to other carers who are not in receipt of a social welfare payment but who are providing full time care and attention.

The objective of the Carer's Support Grant is to support carers in their caring role and carers may use the grant in a manner that is appropriate to their needs. The grant is paid in respect of each person being cared for to take account of the additional cost of providing care and to recognise the particular challenges faced by these carers The grant can be used for a variety of purposes, including meeting heating and other household bills, providing for much needed holiday breaks and to pay for respite for the care recipient.

As part of Budget measures 2021, the the Carer's Support Grant by €150 to €1,850, the first increase since 2016 and the highest rate the grant has ever been paid.

All changes to payment schemes have to be considered in the overall budgetary context and with regard to balancing competing demands.

30. *The Committee recommends that a tiered increased payment relating to the cost of disability should be paid where recipients are deemed to have a moderate, severe or profound disability;*
31. *The Committee recommends that in the case of a mild disability the standard rate of payment should match that of Jobseekers Allowance*

The Programme for Government commits the Government to use the research into the cost of disability to individuals and families to properly inform the direction of future policy. The Department commissioned Indecon International Consultants to carry out research into the cost of disability in Ireland. The report has been received and the Department is considering it in detail.

This matter is significantly wider than the income support system as many of the costs faced by people with disabilities relate to health and other services. The issue will not therefore be addressed through income support actions alone which is why a whole-of-Government perspective is being taken.

The Department is, therefore, briefing and seeking the views of relevant government departments who have a role to play in the delivery of disability services and supports in terms of next steps and how best to address the issues arising in the report. Once this process is complete, it is intended to submit the report to Government for its consideration.

32. *The Committee recommends that the means test for Disability Allowance should be changed as follows the earnings disregard should be increased to €150 with 50% of the balance assessable;*

Disability Allowance (DA) is structured to support recipients to avail of opportunities to pursue their own employment ambitions, be that self-employment or in insurable employment. When an individual commences employment, they can avail of an income disregard of €140 per week. In addition, a 50% taper on earnings between €140 and €350 is also applied for the purpose of the means test.

Any changes to means assessment for DA would need to be considered in an overall budgetary and policy context.

33. *The Committee recommends that private pensions are assessed at 50% of their income rather than the current 100%;*

Income from any source, including private pensions, is not taken into account in determining eligibility for social insurance payments, including the State Pension (Contributory)

For social assistance schemes, social welfare legislation provides that the means test takes account of the income and assets of the person (and spouse or partner, if applicable) applying for the relevant scheme. The purpose of this is to maintain the policy of ensuring that social welfare expenditure is targeted to those who need it most.

The general rule for the assessment of private pension funds or annuities is that money invested in a pension fund is not assessable for means purposes if it is not accessible to the claimant. However, this must specifically be a pension fund, and not a general savings account being used by the claimant as savings for their retirement. For PRSA pensions, so long as the pension remains inaccessible to the claimant, it is not assessable as means.

Regular pension payments received are treated as income for means purposes. The value of any cash otherwise available from a pension fund is assessed on the basis of the capital valuation of that fund.

Any changes to the assessment of income private pensions in the means test would need to be considered in an overall budgetary and policy context.

34. *The Committee recommends that the same rules applicable to employed income should apply to self-employed income. Self-employed income is currently assessed at 100% of income.*

The social protection system includes a variety of social assistance payments with different rules in relation to means testing, reflecting the different contingencies under which payments are made. The means assessment reflects the fact that there is an expectation that people with reasonable amounts of income or capital are in a position to use these resources to support themselves so that social welfare expenditure can be directed towards those who need it most.

In relation specifically to Disability and Carer’s payments, there is an earnings disregard in place for Disability Allowance and Blind Pension as follows; the first €140 of weekly earnings from employment or self-employment is not taken into account in the means test, while weekly earnings between €140 and €350 are assessed at 50 per cent. In this respect, earnings from self-employment are treated the same as earnings from insurable employment.

For Carer’s Allowance, there is a disregard in place for the first €332.50 (€665 in the case of a couple), of income from any source. This can include earnings from insurable or self-employment. However, to meet the eligibility criteria for the scheme, the claimant must not be engaged in employment, self-employment, voluntary work, training or education courses for more than 18.5 hours a week.

35. The Committee recommends that the capital disregard for those in receipt of Disability Allowance is increased in Budget 2022 as follows: - •• Disregards the first €100,000 of savings; •• Assess the next €20,000 as €1/€1,000 per week; and •• Assess the balance at €2/€1,000 per week;

The system of social assistance supports provides payments based on an income need. The means test plays a critical role in determining whether or not an income need arises as a consequence of a particular contingency – such as disability, unemployment or caring. This ensures that the recipient has a verifiable income need and that resources are targeted to those who need them most.

By its nature, the means test takes account of the income a person or couple has in terms of cash, savings and investments or property other than the family home.

The assessment of capital reflects the fact that there is an expectation that people with reasonable amounts of capital and property are in a position to use that capital, or to realise the value of property, to meet some of their living costs without having to rely solely on a means tested welfare payment.

Capital assessed includes all monies held in financial institutions or otherwise, the market value of shares as well as houses and premises owned by a claimant which may or may not be put to commercial use. Property personally used (a claimant's home) is not included in the means assessment.

The Department uses an assessment formula, which is set out in legislation, to calculate a person's weekly means from capital. For most social assistance schemes, the formula is as follows; the first €20,000 is fully disregarded; the next €10,000 assessed at €1 per thousand, the next €10,000 is assessed at €2 per thousand, with the remainder assessed at €4 per thousand.

The capital assessment formula applying to Disability Allowance is unique in the social welfare system, in that the first €50,000 is fully disregarded; the next €10,000 assessed at €1 per thousand, the next €10,000 is assessed at €2 per thousand, with the remainder assessed at €4 per thousand.

Any changes to the means test for Disability Allowance would need to be considered in an overall budgetary and policy context.

36. *The Committee recommends that to encourage employers to employ those with disabilities the wage subsidy scheme payments should be increased from €5 per hour to €6.50 per hour, or 70% of the minimum wage as it was previously.*

The Wage Subsidy Scheme is an employment support to private sector employers, the objective of which is to encourage employers to employ people with disabilities and thereby increase the numbers of people with disabilities obtaining and sustaining employment in the open labour market. The scheme provides financial incentives to private sector employers to hire people with a disability for between 21 and 39 subsidised hours per week under a contract of employment.

The basic rate of subsidy is €5.30 per hour. This gives a total annual subsidy available of €10,748 per annum based on a 39-hour week. The contract of employment offered must be for a minimum of 6 months and the employee should be subject to and have the same rights as per the conditions of employment as any of the other employees. Included in these conditions is the requirement that the employee must be paid the going rate for the job which must be at least the statutory minimum wage.

The financial supports for employers are structured under three separate strands and companies could benefit under one strand or under two or three strands simultaneously depending on the number of people with a disability employed.

Strand I is a general subsidy for any perceived productivity shortfall in excess of 20% for a person with a disability, in comparison to a colleague without a disability. The subsidy is based on the number of hours worked.

Strand II subsidy is payable when an employer employs three or more people with disabilities who are supported by a Wage Subsidy Scheme Strand I payment. Strand II is intended to cover the additional supervisory, management and other work-based costs relating to such employees. This top-up payment is a percentage of the Strand I subsidy and is based on the overall number of employees with a disability employed under Strand I. It ranges from an additional 10% of wage subsidy for 3 to 6 employees with a disability to a maximum of 50% of wage subsidy for 23+ employees with a disability. Therefore, when an employer has 23 or more Wage Subsidy Scheme employees a 50% top-up is applied to the hourly rate increasing the payment rate to **€7.95 per hour** for each employee.

3 to 6 employees with a disability	10% top-up of wage subsidy paid
7 to 11 employees with a disability	20% top-up of wage subsidy paid
12 to 16 employees with a disability	30% top-up of wage subsidy paid
17 to 22 employees with a disability	40% top-up of wage subsidy paid
23 + employees with a disability	50% top-up of wage subsidy paid

Strand III subsidy enables employers who employ 25 or more workers with a disability on the Wage Subsidy Scheme to be eligible for a grant of up to €30,000 per year towards the expense of employing an Employment Assistance Officer to support these employees.

Estimated expenditure on the Wage Subsidy Scheme in 2021 is expected to be in the region of €25 million.

Any changes to payment rates would have to be considered in an overall budgetary context.

Section 5 – Incentives to Work

37. The Committee recommends that the 38 working hours per fortnight threshold to qualify for Working Family Payment is reduced to ensure it supports the largest number of people back into employment;

The Department of Social Protection recognises the need for specific supports, particularly for those parenting alone. For that reason, the Working Family Payment can be paid concurrently with One-Parent Family Payment. The dual policy purpose of Working Family Payment is to provide an in-work support for low income families and to alleviate child poverty.

A reduction of the existing hours worked threshold could lead to a bigger role for Working Family Payment as a subvention mechanism. Notwithstanding this, under the recently published Pathways to Work strategy the Department of Social Protection will progress the delivery of a working age payment modelled on the Working Family Payment.

38. The Committee recommends that the threshold for eligibility for the Working Family Payment should also be increased in line with general wage increases in the economy.

The Roadmap for Social Inclusion, published in January 2020, contains commitments to continue to target a reduction in poverty among children and families on low incomes as part of the annual budget process. There is also a commitment to institute a biennial review of the earnings thresholds used to qualify for in-work income supports for families on low incomes.

A range of factors is considered when deciding whether to increase the income thresholds for Working Family Payment. The national minimum wage has been used as an indicator upon which to increase the income threshold to ensure that any increase in the national minimum wage is not offset by the Working Family Payment taper. Otherwise, the increase in national minimum wage received by families of could be offset by the taper resulting in the effect that for every hour worked the Working Family Payment decreases by 60% of the increase in the national minimum wage. It is also important to note that Increasing the Working Family Payment thresholds benefit all recipients, not just those on the national minimum wage.

In Budgets 2020 and 2021 the Government increased the income thresholds for families with 1, 2 or 3 children by €10 per week in each year. The weekly income limits therefore for families with one, two and three children are now €541, €642 and €743 respectively.

39. *The Committee recommends that periods on the Pandemic Unemployment Payment should be considered as reckonable income for the purposes of redundancy payments.*

Policy responsibility for the Redundancy Payments Acts transferred to the Department for Enterprise, Trade and Employment in 2020, and any changes to the eligibility criteria for the schemes would be a matter for that Department.

40. *The Committee recommends that the means test for those in receipt of Jobseeker's Allowance is reformed as part of a wider move towards individualising the social protection system;*

Under the national employment strategy, Pathways to Work 2021-2025, Government has committed to bring forward detailed proposals on the development of a new pay related jobseekers' payment and a basic income guarantee.

In the case of the Jobseekers Allowance Scheme, the Department has committed to prepare a paper on options to modify the Jobseeker's Allowance payment by using the Revenue real time earnings data to adjust payment levels in line with a person's weekly earnings, to guarantee a basic income floor and ensure that in all cases a person's income increases when they work.

41. *The Committee recommends an increase in the rate payable for young Jobseekers aged 18-24 years in Budget 2022, with the aim of full restoration by 2026;*

Changes to the rates of Jobseekers Allowance for young people would have to be considered in a budgetary context with consideration given to the policy implications and the overall resources available for scheme improvements.

The age-related rate of Jobseekers Allowance, currently paid at the weekly rate of €112.70, was introduced on a phased basis from 2009, to incentivise young jobseekers aged 18-24 years to access further education and training with the aim of improving employment outcomes.

Where a young jobseeker in receipt of an age-related payment participates in education or training, they can receive the maximum jobseeker weekly personal rate of €203.

Prior to the onset of the pandemic the CSO seasonally adjusted youth unemployment rate had more than halved in the previous 10 years to 11.5% at the end of 2019. The EU27 youth unemployment rate in December 2019 was higher at 15%. The evidence in Ireland in a report by Maynooth University was that the age-related rates had a positive impact - with a reduction of over 50% in average unemployment durations for people aged 18.

Given the severity of the impact of the pandemic on youth unemployment one of the Department's key priorities as restrictions are lifted is to focus on getting young people back to work and assisting those wishing to obtain their first job. The recently published Pathways to Work 2021-2025 provides for the following key measures in this regard:

- Expanding the caseload capacity of Intreo Centres, with the assignment of 100 job coaches
- Expanding the JobsPlus scheme to 8,000 places and enhancing the incentive to recruit young jobseekers in particular, by increasing the youth age limit from 25 to 30 years;
- Delivering an additional 50,000 further and higher education places;
- Providing a grant of €3,000 to employers for each new apprentice recruited via the Apprenticeship Incentivisation Scheme, which has been expanded to December 2021;
- Facilitating access to the Back to Education Allowance and Back to Work Enterprise Allowance for PUP recipients, by waiving the usual qualifying period of 3-9 months;
- Delivering a new quality Work Placement Experience Programme at a cost of €95 million to provide opportunity to build on the job experience to 10,000 jobseekers by end-2022

The Department launched the Work Placement Experience Programme in July, which provides a 6-month voluntary work experience and training programme for 30 hours per week for qualifying jobseekers of any age if they are unemployed for more than 6 months. Participants will receive a minimum weekly rate of €306 if they participate on the scheme, including those in receipt of the age-related rates. More than half of the those approved for participation in the programme so far are under 25 years.

In addition, The Action Plan for Apprenticeship 2021-2025, launched by the Minister for Further and Higher Education, Research, Innovation and Science, sets out a five-year strategy to deliver on the Programme for Government commitment of reaching 10,000 new apprentice registrations per year by 2025.

This whole-of-Government strategy to assist people to return to work will seek to build upon those support measures in line with the Programme for Government commitment to improve jobseekers supports for young people.

42. *The Committee recommends that all self-employed income is assessed at 50% of assessable income rather than 100% as it is at present;*

The social protection system includes a variety of social assistance payments with different rules in relation to means testing, reflecting the different contingencies under which payments are made. The means assessment reflects the fact that there is an expectation that people with reasonable amounts of income or capital are in a position to use these resources to support themselves so that social welfare expenditure can be directed towards those who need it most.

In assessing means from self-employment under the Jobseeker's Allowance scheme, income from the previous twelve months is used as an indicator of likely future earnings. Given the variety of self-employment situations, the means assessment procedures are applied in a flexible manner to ensure that any circumstances that would be likely to lead to a significant variation, either upward or downward, in the level of a person's income from one year to the next are taken into consideration.

The income from self-employment is generally taken to be the gross profit less allowable work-related expenses such as travel, lighting, heating, motor running costs applicable to the business. There is no exhaustive list of all business expenses allowed because expenses vary with the nature and extent of the self-employment.

The recommendation to assess a self- employed person's income at 50% would need to be explored in the context of costs and policy implications, including a full comparison on other jobseekers who are in PAYE employment.

43. *The Committee recommends that, in relation to a partner's income the present system should be reformed as follows: disregard the first €100 for those who work three or more days with a proportionate reduction for those who work one or two days and assess the balance at 50%;*

In general, earnings from employment are assessed as income across the Department's assistance-based schemes based on the specific statutory criteria of the scheme.

In the case of Jobseekers Allowance, a disregard of €20.00 a day for each day worked by the jobseeker up to a maximum of 3 days each week applies (maximum €60.00 per week). In relation to employment income, earnings less PRSI, pension contributions and trade union subscriptions are assessed. The balance is then assessed at 60%. In the case of a couple, each person is assessed in the same manner, in effect a combined weekly disregard of up to €120 can be applied.

A person who is engaged in PAYE employment under Jobseeker's Allowance must be unemployed for 4 in 7 consecutive days to be eligible to receive a payment. No such restriction applies to a qualified adult.

The recommendation to disregard the first €100 for those who work three or more days with a proportionate reduction for those who work one or two days and assess the balance at 50% would need to be explored in the context of both costs and policy implications, in that it should encourage full-time unemployed people to take up some level of employment but it should not disincentivise taking up full-time employment.

44. *The Committee recommends that savings and investments be assessed as follows: - Disregard the first €50,000 of savings, assess the next €20,000 at €1/€1,000 per week and the remainder at €2/€1,000 per week;*

The system of social assistance supports provides payments based on an income need. The means test plays a critical role in determining whether or not an income need arises as a consequence of a particular contingency – such as disability, unemployment or caring. This ensures that the recipient has a verifiable income need and that resources are targeted to those who need them most.

By its nature, the means test takes account of the income a person or couple has in terms of cash, savings and investments or property other than the family home.

The assessment of capital reflects the fact that there is an expectation that people with reasonable amounts of capital and property are in a position to use that capital, or to realise the value of property, to meet some of their living costs without having to rely solely on a means tested welfare payment.

The formula for assessing the value of capital for an individual for most social welfare schemes is as follows: the first €20,000 is fully disregarded; the next €10,000 assessed at €1 per thousand, the next €10,000 is assessed at €2 per thousand, with the remainder assessed at €4 per thousand.

The exceptions to the formula above are Disability Allowance, where the first €50,000 of capital is not taken into account, Supplementary Welfare Allowance, where the first €5,000 is not taken into account, and the Working Family Payment, where capital is not taken into account at all.

Any proposals to change the capital means assessment formula for social assistance schemes would need to be considered in an overall budgetary and policy context.

45. *The Committee recommends that for those on Farm/Fish Assist the following changes should apply: - Savings should be assessed as per the proposals for Jobseekers Allowance. Farm income should be assessed at 50% of income with the disregard for environmental scheme payments both Pillar 1 and Pillar 2 should be increased to €5,000.*

The Farm Assist scheme is a statutory social assistance scheme which provides support for farmers on low incomes. It has similarities to the Jobseeker's Allowance scheme, and recipients retain the advantages of that scheme such as the retention of secondary benefits and access to activation programmes.

There are approximately 5,100 Farm Assist claims in payment at present. Expenditure on the scheme in 2020 was €66.4 million.

A person can qualify if they are aged 18 to 66, engaged in farming and subject to a means test. They can earn income from self-employment, insured employment, capital etc. The means test takes account of virtually every form of income but assesses it in different ways and disregards various amounts.

Payments received under the Rural Environmental Protection Scheme (REPS), the Agri-Environmental Options Scheme (AEOS), the National Parks and Wildlife Service Farm Plan Scheme (NPWS) and the Green Low-Carbon Agri-Environment Scheme (GLAS) attract a disregard of €2,540, with 50% of the balance then being assessed as means. Remaining farm income and income from off-farm self-employment is assessed at 70%, after disregards for children are deducted.

In line with other means tested social welfare schemes, the first €20,000 of capital is not assessed.

The Department of Social Protection is currently conducting a review of the means test disregards for the Farm Assist Scheme, in line with a commitment under the current Programme for Government and in the Our Rural Future, Rural development Policy 2021 – 2025.

46. *The Committee recommends that a complete review of tax credits and the social welfare system takes places to ensure that working is always financially better for individual citizens and families.*

TUnder he Programme for Government, the Commission on Taxation and Welfare has been established by the Minister for Finance, to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity.

47. The Committee recommends all those who return to full time education or training after they have started paying PRSI should be able to obtain credited contributions.

The primary purpose of credited employment contributions is to preserve the continuity of a person's insurance record during periods when they are unable to work and pay social insurance contributions in the normal way for reasons including illness or unemployment.

In order to qualify for credited employment contributions, absences from work would have to arise due to notified incapacity for work, proven unemployment, or periods during which the person was in receipt of certain other social welfare payments.

Currently, there are a number of ways in which a person commencing education, returning to education, re-training or upskilling may be awarded social insurance credits. Student credits, which are reckonable for short term benefits, may be due where an insured person has completed a full-time course of education and re-enters insurable employment. However, student credits can only be awarded once and to students who commence a full-time course before reaching the age of 23.

Employment contributions are also credited to persons who undertake an approved training course such as he Vocational Training Opportunities Scheme or any other course of education or training approved of by the Minister for Social Protection. The courses approved cover a range of sectors and opportunities and are delivered by Further Education and Training (FET), the National Tourism Development Authority, BIM and Teagasc. FET courses and programmes are provided through the Education and Training Board network throughout the country as well as through other local providers including online through SOLAS' eCollege. It may be possible to qualify for credits even if not in receipt of a DSP payment.

The Back to Education Allowance scheme (BTEA), administered by the Department of Social Protection, is an educational opportunities scheme for customers in receipt of certain social welfare payments wishing to pursue second or third level courses of education, subject to meeting the qualifying conditions**.** BTEA provides income support to certain DSP customers to undertake a range of education and training options with the aim of improving labour market opportunities. Credits will be awarded for the duration of the course, provided the person was eligible for credits before starting the course.

Persons under the pensionable age of 66 who cease to be covered by compulsory social insurance either as an employee or as a self-employed person may opt to become insured on a voluntary basis and pay voluntary contributions provided certain contribution conditions are satisfied. Voluntary contributions act to maintain a person's established social insurance record in respect to eligibility for State pensions in the future.

Section 6 – Children

48. The Committee recommends that Child Benefit is extended to parents of children up to 19 years of age;

Child Benefit is a monthly payment made to families with children in respect of all qualified children up to the age of 16 years. The payment continues to be paid in respect of children until their 18th birthday who are in full-time education, or who have a disability.

Extending Child Benefit to age 19 would have significant cost implications and would have to be considered in an overall budgetary context. Each additional 1,000 single Child Benefit claims would cost approximately €1.68 million per year.

Families on low incomes may be able to avail of a number of existing social welfare schemes that support children in full-time education until the age of 22, including:

- Increase for a Qualified Child (IQCs) with primary social welfare payments;
- the Working Family Payment for low-paid employees with children;
- the Back to School Clothing and Footwear Allowance

These schemes provide targeted assistance that is directly linked to household income and thereby support low-income families with older children participating in full-time education.

49. *The Committee recommends that Child Benefit is increased and benchmarked against the cost of living and at risk of poverty threshold;*

As it is a universal payment, any increase in Child Benefit would have significant cost implications and would have to be considered in an overall budgetary context. In terms of income adequacy, it is widely recognised that the combined child related social welfare payments should be set at a level equivalent to a proportion of the adult rate of social welfare – typically between 33% and 35%.

Between 2005 and 2020 the combined value of Child Benefit and the Increase for Qualified Child payments have stayed between 33% and 35% of the adult social welfare rate. The Increase for a Qualified Child rates have been increased each year since Budget 2019 resulting in the overall value of child contingent payments increasing to 36% of the adult rate for under 12-year olds and 39% for over 12-year olds.

50. *The Committee recommends that the Increase for a Qualified Child Allowance, available with certain social welfare payments, is increased in Budget 2022;*
51. *The Committee recommends that the Increase for a Qualified Child should be payable for children up until the age of 22 for those on Jobseekers Benefit and Illness Benefit.*

The Roadmap for Social Inclusion, published in January 2020, contains commitments to continue to target a reduction in poverty among children and families on low incomes as part of the annual budget process.

Most weekly social welfare payments include an additional payment – an Increase for a Qualified Child (IQC) – in respect of each qualified child up to the age of 18, which is extended to include older children up to age 22 years under certain circumstances.

The progressive measure – in recognition of the estimated 60% increased costs associated with raising older children - to separate the rates of IQCs for children aged over and under 12 was introduced as part of Budget 2019 and is now a well-established principle. These rates were increased again as part of Budget 2021 and since January 2021 the full rate of payment is €45 per week in respect of each child over 12 years and €38 per week in respect of each child under 12 years.

Where a student reaches 18 during the academic year, but the primary claimant is in receipt of a short-term payment and does not satisfy the 156 days requirement, the IQC will continue to be paid in respect of that child up to the 30th June following their 18th birthday or until they complete the full-time day course, whichever is earlier.

Where a student reaches age 22 during an academic year, payment of the IQC is continued for the duration of that academic year, provided he or she remains in full-time education.

52. *The Committee recommends that Domiciliary Care Allowance is increased in Budget 2022 to €350 per month;*

Domiciliary Care Allowance is paid in respect of a child with a severe disability who requires additional care and attention. The payment is made to a person providing for the child's care while they are resident with that person for at least 5 days each week. The current rate of payment is €309.50 per month.

The estimated cost of increasing the monthly rate to €350 is estimated to be €22.9 million in a full year. This costing is based on the estimated average number of recipients in 2022 and is subject to change in light of emerging trends and subsequent revision of the estimated number of recipients.

53. *The Committee recommends that the application process for those aged 16 transitioning from Domiciliary Care Allowance to Disability Allowance in their own right should have the existing medical evidence provided to the Department of Social Protection reviewed before additional medical evidence is sought.*

The majority of new claims for Domiciliary Care Allowance (DCA) are made in respect of children aged between 2 and 8 years of age. In many cases, by the time a child turns 16 and makes an application for Disability Allowance (DA), the medical evidence provided with the application for DCA initially may no longer be completely accurate in respect of the child's current condition.

There are fundamental differences in the nature of the two schemes. DCA is a payment made to a carer in respect of a child with a severe disability, who requires additional care and attention. Disability Allowance is paid to directly to a claimant who cannot work as a result of an injury or disability has lasted or is expected to last for at least one year.

54. *The Committee recommends that the Department of Social Protection reintroduces an increased rate of Child Benefit for larger families.*

Child Benefit is a monthly payment made to families with children in respect of all qualified children up to the age of 16 years. The payment continues to be paid in respect of children up to their 18th birthday who are in full-time education, or who have a physical or mental disability.

As a universal payment, Child Benefit assists parents with the cost of raising children. It is paid at €140 monthly in respect of each child. The Government is conscious that Child Benefit is an important source of income for families. Parents of multiple birth children receive an additional monthly premium paid at one and a half times the monthly Child Benefit payment rate for each twin and double the monthly payment rate for each child in other multiple births. For larger families with no multiple births the single rate is paid per child.

Section 7 – Supporting people to provide Vital Services to Society while improving their Wellbeing

55. *The Committee recommends that Local Employment Services and Jobs Clubs be maintained in their current model;*

In late 2019, the Department engaged with external consultants who undertook a review of public employment services in my Department. This built upon previous Indecon Reviews of LES and Job Clubs. Based on these reviews and following extensive engagement with stakeholders, officials commenced a series of procurement exercises to secure appropriate services to engage with the long-term unemployed and other cohorts throughout the State. This approach is consistent with the new Pathways to Work 2021-2025 strategy, published in July.

The Department is bound by a legal requirement to hold competitive tenders for future employment services. This follows repeated advices from the Chief State Solicitors Office and, more recently, the Attorney-General. In addition, the Comptroller and Auditor General found, in his 2019 report, that the Department is not adherent to public procurement policy. The new procurement model will update decades-old contracts in line with procurement regulations.

The procurement process was preceded by extensive engagement both at Ministerial and official level. All stakeholders were given the opportunity to share their views and suggestions on the Department's plans to procure quality employment services in an open and competitive manner. Departmental officials met again, in recent days, with the relevant stakeholders including the ILDN, non ILDN service providers and employee representatives.

The design of the request for tender for the Regional Employment Service, places significant value on an organisation's ability to deliver a wide range of services locally working with a range of other service providers. It has been developed to ensure it is accessible to tenderers from the community and voluntary sector, giving due regard to their experience and competencies.

Phase one of the process, involving the procurement of a Regional Employment Service for four lots in seven counties in the Midlands and North-West - areas currently without a local employment service - is now at an advanced stage. Phase two will follow in due course with the aim of having services in place for early 2022.

Before the phase 2 Request for Tender (RFT) is published, the Department will fully examine the lessons learned from the first phase of procurement and the feedback gained from our most recent engagements with stakeholders. These changes to the RES model will aim ensure there are no barriers to the participation of the community and voluntary sector.

56. *The Committee recommends that individuals on the Rural Social Scheme do not receive a time limit on the amount of time they can stay on the scheme. This is because the Rural Social Scheme is not a job activation programme and ensures necessary work in the community is fulfilled;*

RSS participants, who commenced on RSS prior to the introduction of the limit on 1st February 2017, can remain on RSS indefinitely provided they continue to satisfy the qualification criteria. As the six-year limit was introduced on 1st February 2017, the earliest that any of the new RSS participants will be affected is 2023.

Prior to the introduction of the six-year time limit, an RSS participant could remain on the RSS scheme for a significant part of their working life, once they continued to satisfy the qualifying criteria. This had the effect of restricting the turnover of places on RSS and thereby reducing opportunities for potential new entrants. It also had the potential to create a long-term dependency on the programme.

The intention of the participation duration limit ensures that places will continue to be available to new RSS participants while also encouraging participants to explore other employment and training opportunities available. However, the Department continues to evaluate all of its employment supports, including RSS, to ensure that they continue to meet the underlying objectives of the programmes. A review of RSS is planned for 2022.

57. *The Committee recommends that the Rural Social Scheme is reformed to ensure that all participants receive the full rate irrespective of their previous means;*

58. *The Committee recommends that the number of places on the Rural Social Scheme is increased by 1,000;*

59. *The Committee recommends that all participants on the Rural Social Scheme should be automatically entitled to the full personal rate, IQA and child dependent allowance irrespective of the means assessed under the means test. This is the way the scheme operated between 2003 and 2012, when the rules changed, leaving little incentive, particularly for those with a dependent adult or children to participate on the scheme as they only benefit from 19.5 hours work by little over €1 per hour;*

RSS is specifically designed for participants whose income falls below certain limits. To be eligible to participate on the scheme, participants must be actively farming or fishing and also satisfy the means test assessment required to qualify for the Farm Assist payment.

The means test is based on the net income from farming. Farm income is assessed on the gross income that a participant may be expected to receive from available sources, minus necessary expenditure incurred. The period of assessment is based on the previous 12 months and account is also taken of any exceptional circumstances that may have occurred to ensure that the assessment is accurate.

In Budget 2017, improvements to the Farm Assist means assessment included a provision that only 70% of the farm income would be assessed as means, this was down from the previous figure of 100% and represents a 30% income disregard. Additional annual means disregards of €254 for each of the first two children, and €381 for the third and subsequent children were also introduced.

During 2017 and 2018 the number of places funded on RSS was increased by 750, bringing the total number of available places available to 3,350. RSS is a demand-led scheme, with provision from Budget 2021 of €52.2 million. There are currently 3,015 participants on RSS out of a maximum of 3,350 sanctioned places.

60. *The Committee recommends that time limits for those aged 55 years and over on Community Employment schemes be relaxed to allow people to remain on schemes where there is nobody to replace them;*

Note for information: *As part of the July 2020 Stimulus Package, the Government recently announced over 2,600 additional places on Employment Support Schemes, including CE and Tús. This will provide opportunities for existing CE schemes and Tús Implementing Bodies to expand participants numbers and the range of services provided.*

Community Employment (CE) placements are intended to be temporary and subject to time limits as it an employment activation measure intended to improve employment opportunities for long term unemployed. This is to ensure the continued availability of places on CE schemes for eligible long-term unemployed candidates.

There is flexibility with time limits for those on CE aged 55 and over. For example, those over 55 years of age can remain on CE for up to three years without any requirement to engage in QQI-accredited training if they do not wish to; CE participants who are aged over 55 and commenced on CE prior to the introduction of the changes in 2017 continue to be eligible to stay on CE for a total of six consecutive years.

CE participants over the age of 62 are allowed to participate on a continuous basis up to the State Pension age via the CE Service Support Stream. Department officials continue to encourage take-up of this CE stream. All CE eligibility criteria and rules are kept under review in order to ensure the best outcome for participants.

61. *The Committee recommends that participants on a Community Employment Scheme should be allowed to transfer to a Tús work placement if they do not receive employment from their Community Employment participation;*

Tús and Community Employment (CE) are active labour market programmes designed to provide eligible people with an opportunity to engage in useful work within their communities on a temporary, fixed term basis, while helping to break the cycle of unemployment and improving a person's chances of returning to the labour market.

Although the aims of Tús and CE are similar, there are some subtle differences between the two programmes.

Tús aims to provide additional assistance to those jobseekers that may otherwise be in danger of persistent long-term unemployment. The focus of CE is also on the cohort of long-term unemployed but also extends to other disadvantaged persons. CE also has an additional training and up-skilling support which enables CE participants to achieve a Quality and Qualifications Ireland major award.

Given the training element attached to CE, a move from CE to Tús is not considered progression for a CE participant. There is however an opportunity for Tús participants who have completed their 12 month placement on Tús, to apply for a placement on CE should they wish to pursue the training and development support provided on the CE programme.

62. *The Committee recommends that the Tús initiative is reformed to ensure that those who complete a work placement under the programme do not have to wait three years to participate again;*

The Tús scheme is a targeted activation measure for jobseekers who are unemployed for more than a year, providing short-term work opportunities, with the aim of breaking the cycle of unemployment and improving a person's chances of returning to the labour market. The focus of the Tús scheme for these customers is to effectively deliver necessary assistance and renewed motivation to those jobseekers who could otherwise be in danger of persistent long-term unemployment.

The 3-year restriction on re-applying to Tús affords the jobseeker adequate time to actively engage with the labour market or, if they continue to be unemployed in the year after completion of their Tús placement, access to further Department employment supports including back to education allowance, back to work enterprise allowance, and Community Employment. It also prevents the development of any dependency on the work-experience scheme.

Amendment to the three-year exclusion for re-participation on the Tús scheme could create increased dependencies on the support, reduce the number of available Tús scheme placements in the short-term, and reduce the effective progression path of a jobseekers return to the labour market.

63. *The Committee recommends that participants on a Tús scheme can remain on the scheme for more than one year where there is no other potential participant available to replace them.*

The duration of the Tús participant contract is set to ensure that the greatest number of placements can continue to be available and open to those jobseekers who are long-term unemployed. This approach ensures that jobseekers who are unemployed for over 12 months can benefit from a period of focused work-experience and be well-placed to re-enter the labour market at an early opportunity.

Increasing the duration of the Tús placement would reduce both the focus of the short-term work placement and the number of available employment opportunities for eligible jobseekers from the live register. An increase in the Tús scheme placement duration could also create an increased dependency on the support of the scheme, for both the participant and the service provider.

Section 8 – Supplementary Welfare Allowance

64. *The Committee recommends that all recipients of Supplementary Welfare Allowance are advised to apply for a primary payment. If they have not been moved to a primary social welfare payment within a year, they should be assessed to determine what they should apply for.*

The basic supplementary welfare allowance (SWA) scheme provides assistance to eligible people in the State whose means are insufficient to meet their needs and those of their dependents. The main purpose of the scheme is to provide immediate and flexible assistance for those in need who are awaiting the outcome of a claim or an appeal for a primary social welfare payment or do not qualify for payment under other State schemes.

Similar to other schemes, SWA entitlements are reviewed on an ongoing basis and where it is appropriate that the claimant has an entitlement to another primary income support payment, s/he is advised to apply for same.

Section 10 – Mortgage Interest Supplement

65. The Committee recommends that Mortgage Interest Supplement is reintroduced as part of Budget 2022.

The original purpose of the mortgage interest supplement scheme was to provide short-term support to eligible people who were unable to meet their mortgage interest repayments in respect of a house which was their sole place of residence, due to temporary unemployment or loss of earnings.

The 2011 Inter-Departmental Mortgage Arrears Working Group Report, known as the Keane Report, identified Mortgage Interest Supplement as an inappropriate long-term support. The central tenet of the report's findings was that mortgage interest supplement did little to assist families in improving the long-term difficulty in addressing their mortgage problem.

The scheme was discontinued because it did not address the long-term challenges for people in serious mortgage arrears. While it covered the interest payments on the mortgage, it did not reduce the value of the outstanding mortgage and, in effect, acted as a subsidy to the lending institution while creating a potential welfare trap for the customer.

The mortgage interest supplement scheme was discontinued for new entrants from the 1st of January 2014. There are currently 457 households receiving mortgage interest supplement, down from 9,768 when the scheme closed in 2014.

The Central Bank's Code of Conduct for Mortgage Arrears provides for a more appropriate framework for customers, with the responsibility for forbearance for a customer's mortgage difficulties resting with the mortgage service provider. In accordance with the Code of Conduct for Mortgage Arrears, lending institutions are encouraging customers to contact them at the earliest opportunity regarding their concerns and any particular circumstances which may impact on the customer's financial well-being.

Abhaile is the national mortgage arrears resolution service. It is provided free of charge to insolvent borrowers who are at risk of losing their home due to mortgage arrears. Abhaile is focused on providing expert financial and legal advice and assistance to borrowers to identify and put in place solutions to their arrears and, wherever possible, enable the borrowers remain in their home.

The Money Advice and Budgeting Service or MABS, under the aegis of the Citizens Information Board, also continues to provide assistance to people, in particular those on low incomes or living on social welfare payments, who are over-indebted and need help and advice with debt problems. As part of its free services, MABS also provides help and advice to those in mortgage arrears.

Section 11 – Incontinence Payment

66. *The Committee recommends that that the Minister for Social Protection engages with the Minister for Environment, Climate and Communications to ensure that the fund provided for Incontinence Payment reaches those in need of it and offer to administer the scheme if appropriate.*

The Department is not currently aware of proposals from the Minister for Environment, Climate and Communications in relation to an Incontinence Payment but officials will liaise with the Department of the Environment, Climate and Communications on the matter.

Section 12 – Social Energy Tariff

67. *The Committee recommends that those in receipt of Fuel Allowance and the Household Benefits package should be exempt from the environmental taxes and levies on their electricity and/or gas bill.*

The Department does not have a role in determining environmental taxes and levies on electricity and gas bills. Any recommendations in relation to environmental taxes and levies is a matter for the Minister for Environment, Climate and Communications and the Minister for Finance.

Section 12 – Housing Assistance Payment

68. *The Committee recommends that the Department of Social Protection works with the Department of Housing, Local Government and Heritage to ensure that Housing Assistance Payment limits are reflective of market rents;*

The Housing Assistance Payment (HAP) which is administered by local authorities, continues to provide long term housing to those who have verifiable long term housing needs.

Historically, Rent Supplement played a major role in the rental market. As at December 2010, the scheme supported 97,000 tenancies representing 40% of the tenancies rented within the State at this time. Since the introduction of HAP, the number of people availing of Rent Supplement has substantially reduced with 9,700 customers (August 2021) currently identified as long-term rent supplement recipients.

As at September 2021, HAP's current tenancy base is 62,300, and along with RAS (approximately 17,500) represents 25% of all current rental tenancies with the State.

Policy relating to the qualifying conditions for access to HAP is a matter for the Department of Housing, Local Government and Heritage. The Department of Social Protection will continue to work with their colleagues in Department of Housing and will provide any support required with respect to any revision to current rent limits.

69. *The Committee recommends that those in receipt of Housing Assistance Payment can avail of Supplementary Welfare Allowance to pay any additional amount over the appropriate differential rent for that property.*

The Housing Assistance Payment (HAP) scheme is administered by local authorities. Under HAP, the local authority will make a monthly payment to a landlord, subject to terms and conditions including rent limits, on a HAP tenant's behalf. In return, the HAP tenant pays a weekly contribution towards the rent to the local authority. This 'rent contribution' from the tenant is based on the household income. Policy relating to the qualifying conditions for access to HAP is a matter for the Department of Housing, Local Government and Heritage.

The supplementary welfare allowance (SWA) scheme is the safety net within the overall social welfare system in that it provides assistance to eligible people in the State whose means are insufficient to meet their needs and those of their dependants. Supports provided under the SWA scheme can consist of a basic weekly payment, a weekly or monthly supplement in respect of certain expenses, as well as single exceptional needs payments (ENPs) and urgent needs payments (UNPs).

Under the SWA scheme, a supplement can be awarded to assist with ongoing or recurring costs that cannot be met from a person's own resources and are deemed to be necessary. In addition, officers can make a single exceptional needs payment to help meet essential, once-off expenditure which a person could not reasonably be expected to meet out of their weekly income. Decisions on ENPs and SWA supplements are made at the discretion of the officers administering the scheme taking into account the requirements of the legislation and all the relevant circumstances of the case.

Section 13 – Disabled People in Nursing Homes

70. *The Committee recommends that a specific fund is ring-fenced as part of the exceptional needs payment to ensure that those under the age of 65 who reside in nursing homes are facilitated to spend more time out of their residential setting. The Department of Social Protection should liaise with all relevant Government Departments to act upon the Ombudsman's report.*

The 'Wasted Lives: Time for a better future for younger people in nursing homes' was published by the Ombudsman in May 2021. The recommendations contained in the report are currently being examined by the relevant department and the HSE.

The Ombudsman recommends that a ring fenced annual budget should be allocated to each CHO Area (within the HSE) in order to improve the quality of life of each of those individuals under the age of 65 and to assist them in leaving nursing homes, if that is their preference, and to support and enable them to enter into more appropriate living arrangements.

Section 14 – Offline Government Services

71. The Committee recommends that the Department of Social Protection administers as many offline service as possible through the Post Office network;

72. The Committee recommends that the Minister for Social Protection engages with the Minister for Environment, Climate and Communications to ensure the expansion of State services provided through An Post and the maintenance of the network.

While responsibility for An Post rests with the Department of Environment, Climate and Communications, the Department of Social Protection is the largest retail customer of An Post and is among its top ten customers for postal services.

For the period 1 January to 30 June 2021, the Department made approximately 50.2 million payments of which nearly 12.5 million were made by cash via the post office network. The estimated value of the agency fee payable to An Post for processing payments for all of 2021 will be approximately €49.5m.

Cash welfare payments are governed by the Department's Cash Services Contract with An Post which was signed in December 2019 and came into effect on 1 January 2020. This agreement allows for the extension of the term of the contract on an annual basis up to the end of 2025. The Department will then be required by both EU and national procurement rules to go to public tender for the provision of cash services from 1 January 2026.

There is currently an ongoing decline in the number of social welfare transactions at post offices. This is due primarily to a general societal shift away from cash to electronic payment methods.

As far as is possible, the Department remains committed to giving social welfare recipients a choice of payment method. Notwithstanding that electronic payment methods are significantly cheaper to administer than payments made through the post office network, the Department continues to advise customers that they have a choice of payment method.

The Department meets with An Post on a regular basis to discuss service provision and is also represented on the group exploring the potential of a One Stop Shop approach, based on the recommendations of the Offline Services Report.

Section 15 – Departmental Performance

73. *The Committee recommends that the Department of Social Protection revises its performance indicators in consultation with the Committee;*
74. *The Committee recommends that all validly submitted applications to the Department of Social Protection are processed within four weeks and that the Department ensures it is properly resourced to achieve this target;*

The current performance targets for each scheme, which are set out in the Revised Estimates each year, are determined by the Department's Management Board.

In setting the individual scheme targets, consideration is taken of the complexity of the schemes and the processes that are necessary to determine eligibility.

As a result, the processing times vary across schemes, depending on the differing qualification criteria. Schemes that require a high level of documentary evidence from the customer, particularly in the case of illness-related schemes, can take longer to process.

Similarly, means-tested payments can also require more detailed investigations and interaction with the applicant, thereby lengthening the decision-making process.

Processing targets are classified into two main groups; the proportion awarded within a specified number of weeks, and the proportion awarded by the time the entitlement begins. The schemes in this latter category are the State Pension Contributory and Maternity/Paternity Benefit.

The targets are set out each year in the Department's Revised Estimate, and claims are assessed against these targets once data for the full year becomes available.

75. *The Committee recommends that all social welfare appeals are processed within a 12 week timeframe*

The Social Welfare Appeals Office is responsible for determining appeals against decisions in relation to social welfare entitlements.

The Department of Social Protection processes around 2 million new claims each year. About 85% of these are successful, that is the customer receives the relevant payment. By comparison, a total of 23,664 appeals were made to the Social Welfare Appeals Office in 2020 and 26,790 appeals were finalised. This was a 19% increase on the 2019 figure of 22,572 appeals finalised.

14,905 appeals were made to the Social Welfare Appeals Office to the end of July 2021 and 14,640 appeals were finalised.

The time taken to process an appeal reflects all aspects of the appeal process, including the time spent in the Department reviewing the decision in light of the appeal contentions and/or preparing the appeal submission. Some 20% of cases will be revised in favour of the appellant as a result of this review process. In some cases, further investigation may be required at this point (e.g. in relation to means or medical issues) and this can add to the time taken to process an appeal.

The quasi-judicial nature of the appeals process impacts on the processing times which are proportionate to the complexity of many of the issues under appeal and which often require a high level of judgement, in addition to the need to ensure due process and natural justice.

Appeals may be determined on a summary basis or by means of an oral hearing. Where an oral hearing is required the logistics involved in scheduling the hearing and giving the appellant and any other witnesses adequate notice adds to the timeframe involved.

The output target for 2020 to maintain the number of appeals on hand at the end of the year between 8,500 and 9,500 was achieved. The number of appeals waiting to be determined at the end of 2020 was 5,662. This represents a significant decrease of 36% in the number of appeals on hand when compared to 2019 when over 8,700 appeals were on hand at the end of the year.

The output target for 2021 is to maintain the number of appeals on hand at the end of the year between 7,500 and 8,500. The number of appeals on hand at the end of August 2021 was 6,504.

The average processing time for <u>all appeals</u> finalised during 2020 was 16.5 weeks. This compares with 24.7 weeks in 2019. The figure for the period January – August 2021 was 16.0 weeks.

The average processing time for an appeal dealt with by way of a summary decision in 2020 was 15.5 weeks (22.1 weeks in 2019). The figure for the period January – August 2021 was 13.5 weeks.

The average time taken to process an appeal which required an oral hearing in 2020 was 27.1 weeks (26.9 weeks in 2019). The figure for the period January – August 2021 was 26.3 weeks.

Supplementary Welfare Allowance appeals are prioritised at all stages of the appeal process. In 2020 it took an average of 13.4 weeks for those appeals to be determined summarily and 29.3 weeks to determine those appeals requiring oral hearing.

The efficient processing of appeals and keeping processing times to a minimum is a priority for the Chief Appeals Officer.

Due to Covid-19 restrictions in-person oral hearings were suspended in March 2020 and, with the exception of a short period in August/September 2020, remain suspended. The Appeals Office has been successfully holding online and phone hearings since October 2020.

76. The Committee recommends that the Department of Social Protection should increase the number of targeted reviews it carries out as this reduces the need for recovery of monies later on.

Over recent years, the Department has moved to increasing targeted reviews over a range of schemes and services, using business analytics. The focus is predominantly on means tested schemes where the risk of overpayments is greater. The use of business analytics helps to increase the detection rate of non-compliant claims and allows for the better targeting of investigative resources.

As part of its Compliance and Anti-fraud Strategy 2019-2023, the Department has set out plans to further expand its business analytics capabilities by refining and updating current models and developing new models and rules.