

**Joint Committee on Social Protection, Community and  
Rural Development, and the Islands**

**25 November 2020**

**Pandemic Unemployment Payment Scheme**

**Opening Statement by Rónán Hession**

**Assistant Secretary General, Department of Social Protection**

**Introduction**

Chairman, and members of the committee, I would like to thank you for the invitation to attend here today to discuss the Pandemic Unemployment Payment Scheme, or PUP as it is known.

My name is Rónán Hession, and I am the Assistant Secretary General of the Department of Social Protection with responsibility for working age policy. I am joined by my colleague, Teresa Leonard, who is Assistant Secretary General with responsibility for operational matters.

**Background**

The PUP was introduced in March this year as an emergency response to the huge and sudden increase in the loss of employment arising from the imposition of necessary public health restrictions to address the Covid-19 pandemic.

It was introduced first at a rate of €203 per week as a means to fast-track payment of an unprecedented volume of claims. The intention was that claims from people with qualified adults or dependents would then be prioritised and re-rated at an appropriate higher rate of payment. When, given the claim-load, it became evident that this would not be possible the rate of payment was increased to €350 and aligned with the rate for a two person household on a standard jobseeker claim. This payment rate was also broadly equivalent to the net weekly earnings in the two most affected sectors – retail and hospitality.

Within two weeks of PUP being announced, we received and processed 389,000 applications – this was equivalent to a 19 month claim-load in one fortnight. By the peak on 5 May, we were issuing payments to 602,000 people at a cost of some €209 million per week. By that time, over 1.1 million people were in receipt of State supports, either via the live register, PUP or under the Temporary Wage Subsidy Scheme.

Changes were subsequently introduced in June to link the payment rate to prior earnings and since the move to level 5 restrictions, PUP is paid at four rates as follows:

- For those with prior weekly earnings of less than €200 per week, the rate of the PUP is €203 per week – on average this is 190% of prior earnings;

- For those with prior weekly earnings between €200 and €299.99 per week the rate of PUP is €250 per week – on average this is 106% of prior earnings;
- Those with prior weekly earnings between €300 and €399.99 per week the rate of PUP is €300 per week – on average this is 90% of prior earnings;
- Where a person previously earned €400 or more per week they receive a PUP payment of €350 per week – on average this is 58% of prior earnings.

In addition to the changes to payment rates, and as outlined in briefing material provided last week, the Department has, since PUP was introduced, enhanced the processes and systems used to verify prior employment status and earnings. All claims are now checked against Revenue Commissioner records of employment and earnings to validate prior employment status and to set the correct rate of payment. Where a person's employment status or earnings cannot be validated they are contacted and invited to submit supplementary information to enable us to check their status and to process the claim to completion.

### **Current level of payments**

On 16 November, we issued payments valued at €103.8 million to 350,072 people in receipt of the PUP. To date, numbers in receipt of the PUP have therefore increased by just under 150,000 as since restrictions were re-introduced at the start of October and by just under 106,000 since the introduction of Level 5 restrictions on 7 October.

These figures are in addition to the 203,172 people who were reported on the Live Register as of the end of October.

### **Sectors**

From a sectoral perspective, those most impacted sectors – measured in terms of PUP recipients during the initial onset of the pandemic – included accommodation and food, wholesale and retail, and construction. All three recovered to varying degrees during the lifting of restrictions over the summer. With the re-introduction of restrictions, accommodation and food is impacted to the most significant extent, with wholesale and retail impacted to a lesser extent than may have been anticipated.

### **Regions**

From a regional perspective, while the introduction of Level 5 restrictions has seen increases across all regions, PUP numbers remain below peak levels in all areas.

## **Age**

In terms of age, under 25s make up a proportionately higher share of current recipients than was the case at the peak. Given the high concentration of young workers in hospitality and retail, this is unsurprising.

## **Gender**

With respect to gender, at the peak just over 40% of recipients were female. The most recent data, which captures the initial impact of level 5 restrictions, indicates that the proportion of males and females on the PUP are now almost equal. This is likely a consequence of the different sectoral composition of those on PUP compared with the initial peak. For example, construction which is largely male dominated industry employing over 148,000 across the country, was closed during the initial phases but remains open under level 5.

## **Recent changes**

A number of changes have also been made to the PUP scheme in recent weeks.

Following the announcement in the Budget, it is now possible for a self-employed person to earn up to €480 in a four-week period without it affecting their PUP claim. This addresses concerns raised in particular by taxi drivers and those in the arts and culture sector.

We have also revised the reference period for the calculation of prior earnings, so that those with employment records since February can receive the appropriate PUP payment.

## **Christmas Bonus**

We have a number of important projects underway, including payment of the Christmas bonus. The bonus will be paid at 100% of the relevant PUP rate of payment. The PUP bonus week is the entitlement week ending 3 December 2020. A person who has been in continuous receipt of PUP since Friday 7 August will satisfy that condition.

In addition, any person in receipt of PUP for the week ended 3 December, has returned to work and who has an aggregate of at least 17 weeks on PUP will also qualify for the bonus on the pay date of the 8<sup>th</sup> of December i.e. the 17 weeks does not have to be continuous.

## **Conclusion**

Before I conclude, I would like to pay tribute to the staff within the Department who have worked tirelessly since March to ensure that those affected by the Covid restrictions receive the financial support they need. This has been demanding at a time when, as a department, we have had to adapt our work practices in order to prioritise the safety and wellbeing of our staff and customers.

We have provided briefing to the Committee setting out further detail on the scheme, which I hope is useful in informing the Committee's deliberations.

We are happy to take any questions. Thank you.