



ICSA Submission to the Joint Committee on Social Protection, Community and Rural Development and the Islands on the impact of means testing on Farm Assist and other Social Welfare schemes.

17 April 2024

Further Details:

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Thank you, Chairman and members of the committee.

As representatives of the Irish Cattle and Sheep Farmers Association, we appreciate the opportunity to address the Committee today regarding the profound impact of means testing on Farm Assist and other crucial Social Welfare schemes. Our submission seeks to shed light on the unique challenges faced by farmers in rural communities across Ireland, highlighting the necessity for fair and equitable access to support systems.

Farmers are the backbone of Ireland's agricultural sector, contributing tirelessly to their families and rural economies. Yet, they confront market fluctuations, weather uncertainties, and rising costs, threatening their livelihoods. In this context, social welfare initiatives like Farm Assist serve as lifelines, offering crucial financial aid to those in need.

However, current means testing mechanisms, though aimed at assisting the most vulnerable, often overlook the complexities of agricultural income and expenses. Consequently, many hardworking farmers are unjustly excluded or inadequately supported, despite genuine financial hardship.

Data from the Department of Social Protection reveals a puzzling decline in Farm Assist recipients, contrasting the profound financial challenges faced by all farming sectors, compounded by Brexit, COVID-19, and the Russian invasion of Ukraine. We contend that this decline may stem from the arduous and convoluted application process.

Means Testing Process:

To qualify for Farm Assist, farmers must undergo a rigorous means testing process conducted by the Department of Social Protection. This process involves an exhaustive examination of all sources of income, including farm income, off-farm self-employment, farm schemes payments, income from leasing of land, and income from employment. The assessment also considers capital assets, maintenance payments, and other financial factors. The complex nature of the process is creating barriers for farm families wishing to access Farm Assist and other Social Welfare Schemes. These barriers include:

- 1. Complexity of Means Testing:** The exhaustive examination of income sources poses daunting hurdles for all farmers, but especially for those with limited access to accounting or administrative support.
- 2. Variability in Farm Income:** Farmers often experience fluctuations in their income from year to year due to factors beyond their control, such as weather conditions, market prices, and policy changes. The reliance on previous year's earnings to assess future income may not accurately reflect their current financial situation, leading to potential underestimation of eligibility for Farm Assist.
- 3. Inclusion of Spouse/Civil Partner/Cohabitant Income in Assessment of Needs:** In farming households, the income earned by one spouse/civil partner or cohabitant may be used to support the entire family, including farm expenses. Therefore, including that income could inaccurately inflate the household's financial status, making it seem like the farm doesn't need assistance when, in reality, it does. Even if a spouse has a stable income from a non-farm job, it may not be sufficient to offset the unpredictability of farm income.
- 4. Impact on Pension Entitlements:** Farmers fear that accessing social protection payments may jeopardize future pension entitlements.

5. Lengthy Application Process: Farmers are put off by the length of time it takes to have their applications processed. When needs are immediate farmers need immediate assistance - not endless bureaucracy.

To address these challenges, we propose the following:

- 1.** Streamlining the means testing process for Farm Assist by reducing unnecessary complexities and paperwork to make it more accessible to farmers.
- 2.** Facilitating interim payments during the application process to offer immediate support and maintain farmers during the assessment process.
- 3.** The means test should adopt a more flexible approach that considers short-term fluctuations while ensuring long-term sustainability. Adjustments should be made to account for exceptional circumstances or unforeseen events impacting farmers' financial stability. To this end the option of a multi-year income test assessment should be considered.
- 4.** Consideration must be given to significantly reducing or eliminating the inclusion of Spouse, Civil Partner or Cohabitant when assessing eligibility for Farm Assist.
- 5.** The current Capital Assessment Disregard of €20,000 must be increased in line with other social protection schemes.
- 6.** Depreciation rates for Farm Assist should be increased to a standard rate of 10%
- 7.** Pension entitlements must be protected. Ensuring that means testing does not negatively impact future retirement benefits would alleviate concerns and encourage more farmers to avail of the support they need. ICSA recommends that recipients of Farm Assist should receive credited social insurance contributions for pension purposes.

Conclusion:

We urge the Committee to carefully consider these proposals and work towards implementing reforms that reflect the realities of agricultural life and promote sustainable development in rural Ireland.

Thank you for your attention to this important matter. We look forward to engaging in constructive dialogue with the Committee to achieve positive outcomes for Irish farmers and rural communities alike.

Thank you.