

DÁIL ÉIREANN

AN COMHCHOISTE UM OIDEACHAS AGUS COIMIRCE SHÓISIALACH

JOINT COMMITTEE ON EDUCATION AND SOCIAL PROTECTION

Dé Céadaoin, 13 Bealtaine 2015

Wednesday, 13 May 2015

The Joint Committee met at 1 p.m.

MEMBERS PRESENT:

Deputy Jim Daly,	Senator Gerard P. Craughwell,
Deputy Noel Harrington,	Senator Marie Moloney,
Deputy Brendan Ryan,	Senator Marie-Louise O'Donnell.

In attendance: Deputy Andrew Doyle.

DEPUTY JOANNA TUFFY IN THE CHAIR.

The joint committee met in private session until 1.25 p.m.

Family Income Supplement: Department of Social Protection

Chairman: At this meeting we will deal with the issue of family income supplement. In July there will be the transition of a large number of people in receipt of the one-parent family payment to family income supplement. This is one of the issues we told the Department we would be raising today. There are a number of issues to do with family income supplement and, while we will look at the matter in its broader sense, we will also focus on these issues. This is important in the context of the forthcoming changes to the one-parent family payment. I am, therefore, pleased to welcome Mr. Niall Egan, Ms Catherine Kellaghan and Mr. Michael Cunningham from the Department of Social Protection.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the joint committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. The opening statement submitted to the committee will be published on its website after the meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

At the request of the broadcasting and recording services, I ask everyone to turn off his or her mobile phones completely or switch them to airplane, safe or flight mode, depending on the device used, as they interfere with the broadcasting equipment.

I invite Mr. Egan to make his opening statement on behalf of the Department.

Mr. Niall Egan: I thank the joint committee for giving us the opportunity to appear before it to discuss the issue of family income supplement in the context of the transition of single parents to it. I will also take the opportunity to discuss the new back to work family dividend which will assist parents who are moving from welfare payments to work.

I am joined by my colleagues, Ms Catherine Kellaghan, principal officer with operational responsibility for the Department's Longford headquarters and the schemes operated from there, including family income supplement, and Mr. Michael Cunningham, assistant principal officer in the child and family income policy section. I have responsibility for policy on both jobseekers and lone parents. I understand the clerk to the committee has circulated copies of the presentation and my colleagues and I will be pleased to address questions committee members may have at the conclusion of the statement.

Family income supplement is a weekly tax-free payment for employees on low earnings with children. The payment, effectively, preserves the incentive to take up or remain in employment in circumstances where the employee might only be marginally better off than if he

or she was claiming other social welfare payments. Family income supplement is an important policy instrument in reducing child poverty in working households, as well as improving incentives to work. It is estimated that the Department will spend approximately €349 million this year on family income supplement, an increase of more than €50 million when compared to last year.

To qualify for payment of family income supplement, a person must be engaged as an employee in full-time paid employment which is expected to last for at least three months and working a minimum of 38 hours per fortnight, or 19 hours per week. The applicant must also have at least one qualified child who normally resides with him or her or is part of a family supported by him or her. Furthermore, family income supplement is calculated on the basis of 60% of the difference between the income limit for the family size and the weekly family income of the persons raising the children.

An integral part of the family income supplement scheme is that once the level of payment is determined, that rate will continue to be payable for a period of 52 weeks, provided the person concerned remains in full-time employment. The rate of payment may be increased following the addition of a child to the family, either through birth, fostering, adoption or guardianship, in the course of these 52 weeks. On the other hand, the rate of payment will not change if there is an increase or decrease in the recipient's earnings or other family income. A key advantage of this approach which is unique to the family income supplement scheme is that claimants can be certain they will receive a guaranteed level of income support throughout the period. This certainty is important to the success of the scheme as it provides a real incentive for families to avail of employment opportunities and ensures a degree of income stability for recipients.

In line with this policy, current social welfare legislation generally precludes changing the family income supplement rate within the 52 week payment period. However, in the light of changes to the one-parent family payment scheme, regulations were introduced in July 2013 as an exceptional measure to enable entitlement to family income supplement to be changed during the 52 week period such that former one-parent family payment recipients in receipt of family income supplement will have the supplement payment automatically increased to compensate them for 60% of the loss of their one-parent family payment.

There has been a steady growth in recent years both in the number of families supported by family income supplement and associated expenditure, with the numbers in receipt of the supplement rising from 26,000 families with 56,000 children in 2009 to 50,000 families with 112,000 children by the end of last year. Increased awareness of family income supplement as a consequence of the Department's information strategy for the scheme and significant improvements in customer service and processing times for family income supplement customers have contributed to the increased numbers. Some of the increase in the numbers in receipt of family income supplement is also due to transfers from the one-parent family payment arising from the gradual reduction in the age of the youngest child to seven years. The final phase of the one-parent family payment scheme age change reforms will take place on 2 July this year. The maximum age of the youngest child at which a lone parent's payment will cease will be reduced to seven years for almost all recipients. It is expected that approximately 30,000 lone parents will move from the one-parent family payment on that date, of whom approximately 5,200 are already family income supplement recipients. These individuals will see their family income supplement automatically increase from 2 July and letters were issued to them last month explaining their transition from the one-parent family payment. This will ensure their family income supplement payment will increase to partially compensate them when they move

from the one-parent family payment.

Lone parents who will be affected by the final phase of the reforms to the one-parent family payment scheme have been invited to attend information seminars in their local Intreo office. To further encourage lone parents to take up employment or increase their hours of employment, departmental staff are actively promoting at these information seminars the family income supplement scheme as the best financial option available to them. Lone parents who can increase the number of hours they can work to 19 per week will be significantly better off than when in receipt of the one-parent family payment only.

To assist further, the Tánaiste and Minister for Social Protection, Deputy Joan Burton, has asked the Labour Market Council to specifically examine the issue of how employers nationwide can assist lone parents in increasing their hours of work to enable them to qualify for the family income supplement payment. The employer engagement sub-committee of the Labour Market Council considered the issue on 1 May. Officials of the Department sought employer support to increase the number of hours available to these clients to take them over the minimum 19 hour per week qualification threshold for family income supplement. Members of the committee were supportive and undertook to raise awareness of the issue and encourage employers to increase the number of hours available to this client group to take them over the threshold. It should also be noted that lone parents who will move from the one-parent family payment to family income supplement from 2 July will be entitled to receive the new back to work family dividend which was contained in the recent Social Welfare (Miscellaneous Provisions) Act 2015 which the President signed into law last week. This payment allows lone parents and jobseekers to retain the child proportion of their social welfare payment when they move into employment. They retain the full amount for the first year and half the amount in the second. For each child, subject to a maximum of four children, this equates to an additional payment of €1,550 in the first year and €775 in the second.

As the dividend has no impact on an individual's entitlement to family income supplement, it offers an additional and significant incentive to lone parents to take up employment on top of their existing family income supplement payment. Staff of the Department are actively promoting both the back to work family dividend and the family income supplement scheme, as, combined, they offer a substantial incentive to parents who make the transition to employment. Both in-work supports are captured by the Department's Better off in Work calculator which is available on its website.

I hope I have given the committee a brief insight into the family income supplement scheme and the steps the Department is taking to promote it and the back to work family dividend to both lone parents and jobseekers. We are very happy to take questions and provide any additional material the committee may require.

Deputy Brendan Ryan: In terms of the take-up of family income supplement, has the Department any estimate of the number who might be entitled to receive it but have not taken it up? What strategies is it using to inform them of their entitlement?

Senator Gerard P. Craughwell: I start to get very worried when I hear phrases such as, "To further encourage lone parents to take up employment or increase their hours of employment," and then see the statement, "Staff of the Department are actively promoting both the back to work family dividend and family income supplement." I would like to know how staff actively encourage a lone parent with a child aged seven or eight years to get back to work when those with nothing but free time find it difficult to find work. I am not getting at the officials, but the

policy being pursued by the Department seems, covertly, to be forcing single parents to feel they need to desert their children in the evening and find a job. It is next to impossible for some of the people concerned to find work. I sometimes wonder whether the planners know what it is like to live in poverty for one day. Have they ever had a day when they were stuck at home? When this issue was debated in the Seanad, I said this was an oppressive approach to dealing what had to be an horrendous situation for some lone parents.

Senator Marie Moloney: I am not going to answer Senator Gerard P. Craughwell's questions, as the experts can do so, but the Department is not forcing people to go out to work in the evening. That is the idea behind the transitional jobseeker's payment; they only need to be available for work during school hours. I will let the experts answer the Senator's questions.

Senator Gerard P. Craughwell: The Senator is doing a good job.

Senator Marie Moloney: There is a cohort who will lose money. When they are no longer in receipt of the one-parent family payment, they will not be able to avail of the disregard and their income will drop. Their family income supplement payment will increase by 60% of the amount they will lose. Will the officials confirm that those who are working, not those who find employment, and in receipt of the one-parent family payment will receive the back to work family dividend?

I know the answer to the next question, but I want the officials to give it. Will the back to work family dividend be disregarded for family income supplement purposes? If the people concerned are earning over €100 per week, they will probably not have received the free fuel allowance. I am worried that some of them might not have received it. I know that the officials are here to discuss the family income supplement scheme, but it all ties in with getting people back to work.

The family income supplement payment is set for a period of 12 months, but sometimes there are exceptional circumstances. Is there any appeals mechanism to argue on poverty grounds to have the payment reviewed within the 12 month period? I know that it can be done where one has a new baby or people are transferring to the transitional jobseeker's allowance. Where a couple has applied for and is receiving family income supplement and where the payment one partner was drawing down has run out, the household is at a loss and the position cannot be reviewed for perhaps another seven months. Is there any mechanism by which people can make an appeal on exceptional grounds to have it reviewed in the intervening period?

Deputy Noel Harrington: I thank the officials for their presentation. I welcome the changes announced to the one-parent family payment scheme, although they will not be welcomed by every household, as they will have negative effects for some. The reality is that we have jobless households in this country far in excess of practically any developed country in the world. A huge part of that, but not all of it, is the way we structure the one-parent family payment and the negative effect that structure has on some families. That has to be dealt with.

Senator Moloney touched on some of the questions that arise in this context. Someone who loses the one-parent family payment and goes onto a jobseeker's transitional payment will still suffer an element of loss of household income, even if family income supplement is available to him or her. Perhaps the officials will argue that such a person could be incentivised after a while if he or she finds available work that suits his or her schedule. That is not always possible, as Senator Craughwell said. Have the officials assessed what that loss might be? What is the variable on the 60% increase in family income supplement with the jobseeker's transitional

payment? On the other side, what is the loss on the one-parent family payment?

I will give another example. I do not know whether this issue has been discussed at Department level. This approach will simply not work if some employers are trying to bring their employees, such as those who are caught on zero-hour contracts, over the 19-hour limit. Has the Department engaged with some of those employers that are noted for using zero-hour contracts? One would expect they would have the flexibility to attract lone parents into the workplace. That does not happen, however. Some employees might have an issue with reaching the limits of 19 hours per week or 38 hours per fortnight. There is no consistency in that. I think we need further engagement on that.

I will conclude by touching on what Deputy Ryan said. I have been made aware from anecdotal sources that a large number of families do not access family income supplement because they are not aware of it. I think there could be more proactive information-sharing between the Department of Social Protection and the Revenue Commissioners. Many of these people are not on the books of the Revenue Commissioners because their income limits are so low and are not on the books of the Department of Social Protection because they are at work. If an information exchange were conducted, I expect it would reveal that thousands of families that do not claim family income supplement are not earning enough income to be taxed. It would be easy to write to or otherwise contact those families to tell them they might be suitable applicants for family income supplement. Has that ever been done?

Senator Marie-Louise O'Donnell: I thank Senator Craughwell for using the word “desert”. I must have been an abandoned child because both of my parents worked every hour that God sent morning, noon and evening. It is an extraordinary use of the word to suggest that a child would be deserted if his or her parent went to work in the evening.

Deputy Brendan Ryan: Perhaps he was thinking of his dinner.

Senator Marie-Louise O'Donnell: I will ask two general questions. I bow to the ability of Senator Moloney in dealing with this on the ground. Mr. Egan said that the family income supplement payment “effectively preserves the incentive to take up or remain in employment in circumstances where the employee might only be marginally better off than if they were claiming other social welfare payments”. Could he talk to me about what he means by “marginally better off”? Is it not the kernel of the matter here that people are so badly paid in some work that social welfare payments run almost in parallel with their earnings? I am only asking the question. What exactly does Mr. Egan mean by “marginally better off”? What are the boundaries of that? I think that is the main problem here.

I would like to ask a question that goes back to the point Deputy Harrington made about communication. How many lone parents have attended seminars in local Intreo offices? It is not just a question of how people's entitlements are communicated to them; it is also a question of how people pick up on and lock into that communication. People need to know what they are entitled to and be in a position to go through the procedures to make this happen for them. I absolutely agree with Deputy Harrington's point that this does not happen. Can Mr. Egan talk to me about those two issues?

Chairman: I would like to ask a couple of questions. It has been suggested that some people who are already on family income supplement might lose out. I want to make the point that it is instructive to look at the detail of some of those cases. A lone parent who is earning €300 a week and is on family income supplement is entitled, between the family income supplement

and the back to work dividend, to a subsidy of approximately €300 on top of his or her wages of €300. He or she will come out with a net income of more than €600 a week, having started out with a salary of €300, by the time it is topped up by the State to the tune of another €300. A teacher who is at the tenth point on the salary range will come out with a very similar figure by the time taxes and the universal social charge have been applied. When people talk about these-----

Senator Marie Moloney: How many children does the person in question have?

Chairman: When taxes, the universal social charge and whatever else applies are deducted from the income of a teacher who is at the tenth point on the scale, the net figure is very close to the income of a lone parent or couple who are on €300 a week, and are receiving a top-up of another €300 in terms of the family income supplement if they get the back to work dividend. I think it is important for people to know how good a subsidy the family income supplement is. My question arises from what some of the other members have said. Having looked at this, I understand that some people who are currently on family income supplement will actually gain after they have lost their one-parent family payment. Now it might not be a huge gain. I will give an example because I want to see if I am right. If a person loses his or her one-parent family payment of €100 but is compensated for 60% of that, he or she will keep €60 and lose €40-----

Senator Marie Moloney: That is the dividend.

Chairman: -----if they get the back to work dividend.

Senator Marie Moloney: We will get an answer to my question.

Chairman: My understanding is that if such a person has two children, he or she will get a back to work dividend payment of €60 in respect of each of them and will therefore have a net gain of €20. I suppose I am asking whether some people in this situation will actually gain in certain cases. Did that happen last year, when 11,000 people transitioned? Mr. Egan has been asked many questions.

Mr. Niall Egan: I will try my best to answer as many of those questions as I can. I ask members to get back to me if I leave any of their questions out. My colleague, Ms Kellaghan, will respond to the questions that were asked about family income supplement.

I will begin by answering the Chairman's question about the reform of the one-parent family payment. The change in income of each individual person who is working and is already in receipt of family income supplement will be based on family sizes and on the amount of earnings they will have. In the case mentioned by the Chairman, it is possible that a person with two children who was receiving a one-parent family payment of €100 will be better off. It is very hard for us to determine the extent of that. We know that most people who are in receipt of family income supplement and the one-parent family payment have fewer than two children. The average number of children among lone parents is approximately 1.8. That is what we are looking at. We know there will be small income losses for some people. Other people will have greater income losses. The smaller the family size, the smaller their earnings. It is a question of the way family income supplement compensates them for it. It is hard to give Senator Moloney and Deputy Harrington a definitive answer in terms of how much people will lose. Some people will gain. We can categorically state that people who are working already, are not claiming family income supplement and are in receipt of the one-parent family payment will be

better off if they can claim family income supplement when they lose their entitlement to the one-parent family payment. It does not matter as long as they work the 19 hours.

The Chairman referred to last year. This year is different. The situation is actually better this year compared to last year, when we did not have the back to work family dividend. In the case the Chairman highlighted, we did not have the €30 for each of the two children. We did not have that extra €60 to give to the lone parent who made the transition from the one-parent family payment. This July, more people will be financially better off than they would have been if they had made the transition last year. There will still be income losses.

I would like to pick up on Senator Craughwell's comment about lone parents needing "to desert their children". What I need to say in this context is that the original reform in the 2013 legislation was that, at age seven years, eligibility for one-parent family payment would stop and they would be subject to qualifying for another social welfare payment. At the time, we expected most people to make the transition onto jobseeker's payment. Committee members are aware of the key criteria for eligibility for jobseeker's allowance or jobseeker's benefit payments, which is that a person is available for, and genuinely seeking, full-time work. In that context, if the original reform had been implemented, lone parents would have been expected to be available for and genuinely seeking work with, in the particular case highlighted, children of seven or eight years at home. We changed that and the Minister introduced the jobseeker's transition arrangement. As Senator Moloney said, this exempts lone parents for a seven year period, until the youngest child turns 14 years, from the two criteria of the jobseeker's scheme. People are not required to be available for, and genuinely seeking, work. The reform is aimed at engaging with lone parents for the first time ever. We do not have a record of engaging with lone parents and, since the inception of the one-parent family payment in the mid-90s, it was just income support. We never offered them education, training or personalised support in any way other than basic income payment. The information sessions are telling people to come in and talk to us and we will tell them the best option for them based on their individual circumstances. The aim is not to force lone parents into employment but to provide them with the assistance over the seven-year period of getting them ready for employment. This may involve identifying that they need an education or training course, community employment or, if they are already employment ready and want to work, helping them to make the bridge. It is the first time we are doing it in the Department and it is a key change.

If a lone parent does not want to work and the youngest child is under 14 years, they will not be forced. We will not require them but we will ask them to come in and engage with us so they can meet a case officer and get a personalised development plan so that we can help them prepare for the time when the child turns 14 years of age. Then, they will be treated like any other jobseeker and the criteria of genuinely seeking and being available for work will apply.

Senator Moloney mentioned a point about the back to work family dividend. The back to work family dividend is on top of the family income supplement and has no impact on the family income supplement. It is an additional top-up incentive for a family in employment or making the transition into employment. This is a key element of it and provides an additional buffer in the first two years of moving from welfare to employment. Senator Moloney asked us to clarify whether anyone in receipt of the family income supplement will receive the back to work family dividend if, in the circumstances of reforms to the one-parent family payment, they are no longer entitled to the one-parent family payment. If they claim the family income supplement or are in receipt of it, they will be entitled to apply and they will receive the back to work family dividend.

While legislation was passed and enacted last week, we have taken applications for the dividend from 5 January. We received just short of 1,000 applications that we are ready to process. We will process them over the coming weeks. They may not all be eligible but we will have significant numbers in receipt of the back to work family dividend very quickly, which is positive. Also, 5,200 lone parents will be affected by the reforms I mentioned if they are already in receipt of the family income supplement. In the letters sent out last month, they were told that this is the back to work family dividend and that they would receive an application form to fill in. At information sessions, we are actively promoting family income supplement. Based on what happened over the past two July periods, we expect an increase in new claimants from lone parents for the family income supplement and all individuals will, if they make the transition from the one-parent family payment onto the family income supplement, receive the back to work family dividend.

Senator O'Donnell asked about what we mean by marginal. Perhaps the term is wrong. Some families, based on their size and levels of earnings, may be marginal but there are also cases where they can be substantially better off on the family income supplement. It is difficult to give set figures. In a recent television documentary involving the Chairman, an individual who was a lone parent was going to be better off by €200 after working an extra four hours. It is a combination of family size but there are cases where the gains are smaller. It depends on family size and it would be more marginal in the case of a one child family. They would not receive €30 for each of the three children. Family income supplement is designed to support low-income families and the thresholds are based on family size starting at €506 up to €1,298. It is a broad range; there can be marginal differences but also significant ones.

The Senator asked how many lone parents are engaged in the information seminars. We have asked lone parents to come out and engage with us. Most of the sessions have concluded because we ran them since the end of January or February. We have a high completion rate of application forms processed for the jobseeker's transition rate. This is about 75% of what we deem the eligible cohort. The Intreo offices have invited every lone parent by letter and if they do not attend these information sessions they are guaranteed to get a second letter. If the Intreo office has capacity and if the person does not attend, the office will phone the person and make every effort, depending on resources, to encourage the lone parent to come in. It is in the interests of the lone parents to come in to ensure there is another payment after 2 July. We are in the process of following up on as many of those lone parents as we can but we already have a substantial number of them processed and ready to go.

The 5,200 family income supplement recipients are virtually all done and that will be seamless based on the past two years. The difference will occur when they apply for the back to work family dividend and this is done through the Intreo office. My colleague, Ms Catherine Kellaghan, will answer questions on the family income supplement.

Ms Catherine Kellaghan: The first question concerned the increase in take-up. We outlined the huge increase in take-up since 2012, some of whom were lone parents exiting the lone parent scheme. There was a more general increase in take-up. The specific question from Deputy Ryan was whether there are people eligible who are not taking up the payment. We have no clear administrative data to identify specific people who we are sure are entitled to the family income supplement. That hampers us in contacting them directly and saying they qualify for it. The latest research commissioned by the Department was done in 2008 and it included questions on take-up. There was a sample of 3,000 people and, among them, some were already in receipt of the family income supplement but a large cohort comprised 2,000

cases of the Department and we thought, based on the information, they would possibly qualify. However, the outcome of the research was that when the Department explored the information it was decided that only about 23% of the people who in our data seemed they may qualify would actually qualify. It may be that perhaps the previous research done by the ESRI which had identified quite high levels of potentially eligible families who were not applying might have been overstated. It is difficult to prove either way but those are the indications.

As Mr. Egan has pointed out, the Department has been actively promoting FIS, in particular, over the past two or three years, through its Intreo service, for all jobseekers and for lone parents. A poster campaign was launched last year and this was confined to the mid-Leinster region and the north Dublin region. As a result of that poster campaign, we have seen increases in applications from that region so the campaign has been effective. As a result of the effectiveness of the campaign it has been rolled out throughout the country. It is a poster and leaflet campaign on view in all the Department's offices and in the Citizens Information offices. Anyone interested can pick up a leaflet which will give individuals a good idea of what they might be entitled to if they are working and have families.

In the Department's most recent intervention we have written to Mandate and Siptu and to the public service unions to provide them with details and leaflets about FIS and about who might qualify in order for them to make the information available to their members. This has potentially given the Department access to 260,000 people who may be entitled to FIS.

At the moment the Department has approximately 50,000 families who are in receipt of FIS but since 2012 at any one time we have over 110,000 families in receipt of FIS. We have reached many families. Some families have been in receipt of FIS and have progressed within their employment to the stage where they are no longer reliant on FIS as their income increases or they are promoted or work extra hours. We have covered a large number of families over the past three years.

Senator Moloney raised a question about the 52 weeks. This period of time is part of the legislation governing FIS. Except in the stated specific circumstances, FIS will not be reviewed in the 52-week period. In certain circumstances it might seem harsh but the over-riding policy objective of the scheme is to provide stability for people. In order to provide that stability, the 52-week period is there so that they can rely on that extra income and make plans based on that income for the next 52 week period. The answer to the Senator's question is that there is no discretion in applying the rule as it is a statutory requirement for the scheme.

Senator Marie Moloney: I thank Ms Kellaghan for that response. On the flip side the advantage is that if a person's wages increase the FIS payment does not decrease. I refer to the cohort of people who get caught every year; people such as lollipop ladies, school canteen staff and postal workers in some cases. I know a postwoman who gives up work for the summer because her children are on holidays from school. She has to surrender her FIS payment and apply to have it re-instated at the end of the holidays.

I put this point to the Minister of State in the course of a debate in the Seanad. He said the Department would investigate. The JobsPlus scheme pays employers to take on employees. I suggested that a similar payment could be an incentive - not the same amount - for employers to provide flexible working hours for lone parents so that they could work around school hours and be available to care for their children, thereby avoiding the need for child care which is a significant issue for parents. This suggestion might warrant a discussion by the committee at a later date.

I have concern for people who work as home helps. They could have one hour a day for five days. They cannot draw the transitional payment because they are working every day. They will be very badly hit. I ask the Department to consider if these people can be helped. For example, they could work four hours a day next week for five days a week depending on whom they are helping or where they are needed. This is not confined to the transitional payment-----

Chairman: That may not be the case, Senator. I think one can work five days a week and be given the jobseeker's payment.

Senator Marie Moloney: The departmental officials may be able to clarify the situation. However, besides the transitional payment, it affects people on jobseeker's allowance in general. Will this be addressed for lone parents?

Chairman: Deputy Harrington has a question outstanding which was not answered but I will allow the Department officials to reply to Senator Moloney's question.

Mr. Niall Egan: The Chairman is correct in that the jobseeker's allowance transition payment does not have the restriction of working more than three days a week as it applies normally to jobseeker's allowance and jobseeker's benefit. What lone parents on the transitional payment are allowed to do is that they can work as long as they want, as many days as they want in the week and they will get a payment provided they satisfy the means test. This is done as an additional support. If the child is young and is in primary school, in many cases the parent will not be able to work a full-time week and it is better to have some employment at that stage than no employment. That is the reason the flexibility was introduced along with the transitional payment.

On the issue of what happens when the child turns 14 years, the parent becomes a jobseeker. That is an old chestnut that the Department constantly faces. The jobseeker scheme is very set in terms of the four-in-seven rule which means a person can only work three days in any seven consecutive days. An hour a day is considered a full day of employment. Most jobseekers actually work a full day of employment per day. We will only support someone with a jobseeker's payment if he or she is working a maximum of three days a week.

Many people ask about switching that time into hours. I can understand their position and in particular cases, such as the home help, I can understand that position entirely. However, from the Department's perspective we have to be very much aware of the consequences of doing a reform of that nature because of the magnitude of that reform. We believe it would involve a significant inflow into the jobseeker's schemes based on the number of people who are working part-time and are not currently claiming jobseeker's payment. It would be substantially in excess of what we are paying already in casual payments. There would be a significant cost to the Exchequer to do that. There is no easy answer.

Our jobseeker's schemes are set in law so we have to treat everyone equally. Unfortunately, as described by Senator Moloney, if a home help is working one hour a day and is a jobseeker but not on the transitional payment if he or she is a lone parent, that person will not be eligible. However, that person could be eligible for a supplementary welfare payment or a payment of that nature.

Senator Moloney also mentioned an incentive for employers to offer flexible hours in order to help the employment of lone parents. We would need to think about the implications of that suggestion. We are currently in discussion with the Labour Market Council to see if it will le-

verage support about trying to encourage employers to help lone parents and to provide those flexible hours.

Senator Marie Moloney: Marks & Spencer is an employer which does so. It is very good to employees who are lone parents.

Mr. Niall Egan: I understand that is the case. I met the employer engagement subgroup, the chair of which, who is also the chairperson of Tesco Ireland, was very supportive of the initiative. As the process has only recently started, we will see where it leads.

I apologise to Deputy Harrington for not responding on the issue of zero-hour contracts, which is a matter for the Department of Jobs, Enterprise and Innovation because it relates to labour law. The role of the Department of Social Protection in this area is confined to people on the jobseeker's transition and family income supplement schemes who are on low-hour contracts. The Department's schemes can support such persons depending on their individual circumstances. While I am subject to correction, I understand that, as part of the Commission on Low Pay, the Department of Jobs, Enterprise and Innovation will examine the issue of zero-hour contracts. The Department of Social Protection has met researchers from the University of Limerick to discuss this issue and this discussion has fed into our experience and views on the issue. We are not especially familiar with zero-contract employees *per se* as we do more work with people on low-hour contracts. I am afraid that is all I can say in that regard.

Deputy Noel Harrington: To qualify for the one-parent family payment, a person must work a minimum of 38 hours in a fortnight and a minimum of 19 hours per week. Does any flexibility apply in respect of this requirement? Clients of the one-parent family scheme who are returning to work need such flexibility. Could someone be excluded from the scheme on the basis that he or she works 21 hours in one week and 17 hours the following week?

Ms Catherine Kellaghan: I meant to state earlier that the family income support scheme underwent a major process of improvement in 2012, the primary purpose of which was to speed up our response to people and ensure their applications were processed quickly. It also involved changes in the way we operate and we have adopted a much more client-centred approach. While applicants must still fulfil the qualifying condition that they work at least 38 hours per fortnight, the Department takes a much more flexible approach to this requirement. We take the minimum amount of time to establish whether a person is working the required hours. For example, we would not ask for six weeks' payslips before doing so. Having said that, applicants must reach this bar because it is set in legislation and the law does not provide for discretion to pay family income supplement to people who are not employed 38 hours per fortnight.

Deputy Noel Harrington: I also asked about the possibility of providing for the exchange of information with the Revenue Commissioners. The Department has done very well in trying to identify to the best of its ability those who are entitled to family income supplement. To use an awful term, one-parent family clients are already in the system and could, therefore, be easily identified by the Department. Ms Kellaghan referred to writing to the trade unions in the hope that they will pass on the information provided by the Department. Many of those on low incomes are not members of trade unions and will not be in the system. The only system they could be in is that of the Revenue Commissioners. Those who are not in that system or the Department's system are typically the family units and individuals who could qualify for family income supplement.

Ms Catherine Kellaghan: As I outlined, we have been as creative as possible in recent years

in terms of engaging in cost-effective promotion of the family income supplement scheme. The Millward Brown survey which measured awareness of the family income supplement scheme found that two in three respondents had heard of the scheme but within this cohort the level of understanding of the qualification conditions was lower. Given the different criteria that must be met for somebody to access family income supplement, it is not possible to identify those who are eligible for the scheme, even through Revenue data. While the Revenue Commissioners have income data, they do not have data on hours, which makes the issue difficult. However, we will certainly examine if there is any-----

Deputy Noel Harrington: I am not suggesting that Revenue identify people who would qualify for family income supplement but that it provide data on people who may qualify for the payment, at which point the Department would-----

Ms Catherine Kellaghan: Yes.

Senator Marie Moloney: Revenue would have information on children.

Ms Catherine Kellaghan: The difficulty lies in pulling together all the different aspects that would pinpoint people who are eligible for the payment.

Chairman: If information were shared, people would be recorded as being in receipt of child benefit.

Ms Catherine Kellaghan: We will examine whether there is anything to be gained in that regard and subsequently piggy-back on any mailshots Revenue may do. As I stated, we have been creative in doing what we can in a cost-effective manner.

Senator Gerard P. Craughwell: On the personal development plan, I sometimes wonder whether these types of things are box-ticking exercises. Will the Department employ qualified persons to meet those moving into a transition to provide proper career analysis and carve out a career pathway for them?

As the witnesses are probably aware, I left the further education sector to become a Senator relatively recently. In my previous role, I was often greatly upset by the number of people with children who started further education courses in September before finding by late October, November or December that it was no longer possible to continue the course. The reason was that their courses will have had a start time of 9 a.m. and while they may have had a special arrangement under which they did not have to be present until 10 a.m. to allow them to drop children at school or whatever, they suddenly found they had fallen behind in subjects. The Department supported some excellent schemes in Finglas 15 or 20 years ago where the same programme ran three times per day to allow mothers or unemployed people to come together and agree to do either a morning, afternoon or evening session. I do not blame the Department for this problem because legislators must engage in joined up thinking to bring education and welfare closer together and provide the options required.

On the transition payment, if the purpose of the process is to upskill and train people, why is it not called a training allowance, which is a more user-friendly term for those who need education and training?

While I may have come across as a little abrasive in my earlier contribution, I should point out that departmental officials do a tremendous job in difficult circumstances dealing with difficult people who also face difficult circumstances. I am not knocking what the Department

does but expressing a view based on the perspective of consumers who may feel somewhat threatened by the changes that are taking place. The point I was making earlier was, how does one alleviate the threatening aspects of this change for consumers.

Chairman: Perhaps “citizens” would be a better word.

Senator Gerard P. Craughwell: I think the Department likes to view them as consumers. Am I right or wrong?

Ms Catherine Kellaghan: They are clients.

Senator Gerard P. Craughwell: In that case, let us refer to them as clients.

Senator Marie Moloney: What has been the feedback from people who have gone through the system in recent years? Has it been positive or negative?

Chairman: Are those in receipt of the jobseeker’s transitional payment not required to be available for work?

Mr. Niall Egan: Senator Moloney indicated they must be available during school hours. That is not the case; they have a blanket exemption. We had to introduce this exemption to remove any concerns or fears lone parents may have had.

Senator Marie Moloney: I understood recipients of the payment were required to be available for work while children were at school, though not on a full-time basis.

Chairman: It is good to have that matter clarified.

When I made inquiries on someone’s behalf recently, I was informed that those on the jobseeker’s transition payment could take part in courses provided by education and training boards and other public bodies free of charge. Moreover, they can avail of a grant of up to €500 where a course is not available in the public system and is provided by a private provider. Is this figure flexible? If a course costs €1,000, it will be difficult for a lone parent on the jobseeker’s transition payment who receives a grant of €500 to find the balance of €500. I am aware that similar measures apply in the case of jobseekers. However, I was specifically told that lone parents transitioning could get up to €500 for a private provider on the basis that it was not available as a public course. It was according to their needs or whatever.

Senator Gerard P. Craughwell: Some of the training courses are available through ETB further education colleges. The course I ran was approximately €1,000 per client to fund their textbooks and examinations, which were professional examinations. In the case of beauty therapy courses, for example, while the tuition is free one could spend €1,000 or €1,100 on the equipment required. While there are excellent career opportunities at the end of those courses, at the point of entry the barriers are just a little too high. The back to education initiative, BTEI, allowances do not cover those types of costs.

Chairman: Is there that type of additional support for the individual? The local Intreo office is aware that the person would like to go back to do a course, so what flexibility is there regarding money that could be given to them to do that?

Mr. Niall Egan: Regarding the personal development plan and the issue about qualified people and the case officers, there are approximately 530 case officers. The majority of those are former FÁS employment service officers and many of them would have already had a quali-

fication from NUI Maynooth in a guidance field, so some have experience. We significantly increased the number of case officers over the last two years by 300. They all received additional training and the Department is in the process of continuously developing training programmes for our staff. There is a particular focus on case officers in that regard. They might not have the qualifications that their other colleagues have from NUI Maynooth, but they have access to training.

It is important to be up-front about it as well. The focus of the Department is not guidance in terms of education. Obviously, Senator Craughwell was connected with an ETB and the ETB adult education guidance officers are excellent in that respect. We have a slightly different focus. It is not education *per se* of a holistic nature, but education and training with the aim of trying to progress somebody into employment. That is our focus. We want to give them the supports so they can go off and become financially independent. The transitional payment is giving them that period of time to help themselves if they are in a position to do so.

The flexibility of provision is obviously a long standing issue. SOLAS and the ETBs already run a great deal of flexible provision. I am aware that SOLAS, in particular, runs many online courses and part-time evening courses. I am regularly in consultation with lone parent groups and they make the points that have been made here. It is a difficult nut to crack. Some of our former training centres, now ETBs, had a nine-to-five attitude to a large extent. Part of that was for very good reasons. It was trying to get the trainee ready for work and to get them disciplined, but that does not always suit lone parents. It is an issue we will be discussing further into the future. However, there is some online and part-time provision that might be suitable for many lone parents. We also provide child care supports that are tied in with ETB provision, so if it was nine-to-five they would be able to have a child care place. Again, however, that depends on whether a place is available and whether it matches if the child is of school going age or younger.

I will not disagree about the name of the jobseeker's transitional arrangement. Training allowance is an interesting suggestion. The name came from the Department, probably because it was so close. We are bringing people from the one-parent family payment and putting them on a jobseeker's payment, but we want to make it not seem like the jobseeker's payment so there was not too much imagination given to it. It is an interesting idea that we can think about. It is a somewhat clunky creation, to be honest.

Senator Moloney asked about feedback from people who have already gone through the process. In each of the last two months of July there has been an increase in new FIS recipients, which is very positive from our perspective. It is what we are trying to achieve. We have engaged with virtually all of those people through the case officer. Unfortunately, we are in the process of developing a new active case management system that will not be up and running until later this year. The way we have done it up to this point is not perfect for getting output information. They have all been accessed and we have started to collate that. I have data on it. Approximately 2,000 people have gone through an engagement process and they are engaged, but the information we have at present is not as good as it will be in the future. This new system will be up and running in time for the July cohort and we will start engaging with those parents from September. By the end of the year we will engage with all of them. That is the Department's plan.

The Chairman asked about the €500 grant we provide. It is not my area but I know it is called the technical employment support grant. I do not think there is flexibility with it but I will check that with colleagues in the Department and refer back to the clerk with data and in-

formation on it.

Chairman: That would be very helpful.

Senator Gerard P. Craughwell: I have a final question. Referring back to the point made by my colleague about zero hours, somebody could be in a contract and have the 19 hours a week most of the time, but every now and then the hours drift away. Such a situation must be extremely frustrating for the witnesses. I realise they are working with employers and until such time as we ban zero-hour contracts that will always be the case. However, for the families which have 19 hours work plus family income supplement who suddenly find their hours drop to 12 hours a week with no notice, and they stay at 12 hours a week, do they immediately slip through the loop?

Ms Catherine Kellaghan: No. We made the point earlier about the stability of the FIS payment. Once we are satisfied that they qualify, when they make the claim for FIS, that they are working at least 38 hours per fortnight and as long as they remain employed their FIS will remain in payment for 52 weeks. When the renewal comes up we will see if they continue to qualify. However, if they are working 38 hours a week on average, they will generally qualify. We offer a client-centred way of seeing if they qualify.

Senator Gerard P. Craughwell: Is there any abuse of that where people will deliberately work 19 hours in order to get the FIS payment over the line, drop their hours immediately afterwards and then build them back up again the following year?

Ms Catherine Kellaghan: Not that we are aware of. The safety net is the fact that FIS is unique among the social welfare schemes in that it is routinely reviewed every year. If there are any shenanigans of any kind it will be picked up at the renewal. However, we have not seen that as any type of pattern.

In addition, I wish to reassure the committee. As we have been aware of the one-parent family transitions, the work to get their payments increased in July for the families that are already on FIS has already been done, so they will not see any delays. We are also anticipating a spike in new claims that will arise from that, probably in July and again in September when children go back to school. We are making plans for that as well.

Chairman: Are there extra staff?

Ms Catherine Kellaghan: There are various ways. It is just moving people around, which is the story of my life. I am just confirming that we are aware of it, preparing for it and not anticipating any undue delays for one-parent families which are transitioning.

Chairman: That is good.

Senator Marie Moloney: I have a question about the back to work family dividend for those who are already in employment. Will they get it even though it is not a new employment?

Mr. Niall Egan: Yes, but provided that they are leaving their core social welfare payment. If they are leaving the one-parent family payment, they are still in employment and it is an existing employment, they will get the back to work family dividend. In addition, if they are getting FIS, they will also get it.

Chairman: It has been a very good meeting that clarified many issues. If any questions arise later we can refer back to you.

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Chairman: test.

Senator Marie Moloney: Perhaps we can get replies to the last questions as well.

Chairman: Yes. I thank the members and the officials from the Department of Social Protection, Mr. Egan, Mr. Cunningham and Ms Kellaghan. That concludes our discussion for today.

The joint committee adjourned at 2.30 p.m. until 1 p.m. on Wednesday, 10 June 2015.