

DÁIL ÉIREANN

AN ROGHCHOISTE UM CHOIMIRCE SHÓISIALACH

SELECT COMMITTEE ON SOCIAL PROTECTION

Déardaoin, 17 Samhain 2016

Thursday, 17 November 2016

The Select Committee met at 10 a.m.

MEMBERS PRESENT:

Deputy Maria Bailey,	Deputy Gino Kenny,
Deputy John Brady,	Deputy Willie O’Dea,
Deputy Joe Carey,	Deputy Leo Varadkar (<i>Minister for Social Protection</i>).
Deputy Joan Collins,	

In attendance: Deputies Pat The Cope Gallagher, Denise Mitchell and Bríd Smith.

DEPUTY JOHN CURRAN IN THE CHAIR.

Business of Select Committee

Chairman: I welcome the Minister for Social Protection, Deputy Leo Varadkar, and his officials. The Social Welfare Bill 2016 was referred to the select committee by Dáil Éireann on 10 November. This session in the Dáil Chamber will conclude at 11.30 a.m. and the debate will resume in Committee Room 4 at 2 p.m. Is that agreed? Agreed.

To provide for the smooth running of the meeting, let me bring the following items to the attention of members. Any member acting in substitution for a member of the committee should formally notify the clerk now, if he or she has not already done so. Divisions will take place as they occur. Members attending the meeting in accordance with Standing Order 95(3) should be aware that, pursuant to Standing Orders, they may move their amendments but may not participate in the votes on them.

Social Welfare Bill 2016: Committee Stage

Sections 1 to 3, inclusive, agreed to.

SECTION 4

Question proposed: "That section 4 stand part of the Bill."

Deputy Willie O'Dea: I understand this section provides for the extension of eligibility for an invalidity pension to the self-employed. Will the Minister confirm that this measure will kick in in December next year? Is it confined to invalidity pensions? I take it that illness benefit, occupational injury benefit, etc. are not covered by it? Will the Minister give an indication of the full year cost of the extension of eligibility for invalidity pension? Does he have any costing for the extension of eligibility to the self-employed if the measure were to encompass illness benefit and occupational injury benefit?

Minister for Social Protection (Deputy Leo Varadkar): I apologise for the delay in starting. There was a crash involving a truck on the M50 and then it started to snow. Of course, these things never happened when I was Minister for Transport, Tourism and Sport, but they do on occasion.

The Deputy is correct. This section simply extends access to invalidity pension to self-employed persons and will not take effect until December 2017. I would prefer if it was to start earlier than that date. I was hoping it would take effect in March, June or even September, but it requires the Department to gear up to deal with something new administratively. Given that treatment benefits and other new measures are also being introduced, on this occasion it has to do more with administrative reasons than savings. It is not true, however, of the changes in weekly rates which it is estimated will cost between €4 million and €5 million in year one and €25 million in a full year. It is very difficult to know the exact number of self-employed persons who may be eligible for invalidity pension, but that is the estimated cost of the changes in weekly rates.

The section does not apply to illness benefit. This is something I will examine in the context of a future Social Welfare Bill or budget. It is a hard nut to crack because when an employee is out sick, he or she goes to the doctor, receives a certificate and is paid on an hourly, daily or

weekly basis. For a self-employed person, the process is much more complicated.

The Deputy is correct that the section also does not cover occupational injury benefit, but it is my intention to examine some aspects of the scheme, particularly disablement benefit with a view to including it either in a Bill in the spring or a future budget.

Deputy John Brady: I broadly welcome the changes the Minister is proposing in section 4. They are long overdue, particularly for councillors who will finally be brought under the scheme. As a former councillor, like many other members, I know the long hours that are put in and the work that goes into the job. The changes introduced a number of years ago for all local authorities resulted in increased demands on and an increased workload for councillors, with many meetings now taking place during the day. The changes, however, are welcome. Councillors had been paying PRSI for many years and getting nothing in return. This is a welcome first step and I hope the changes can be rolled out across the board and that in return we will see enhanced services.

There is a reference in the Bill to the bereavement grant which, as we all know, was abolished in 2014 by the then Fine Gael-Labour Party Government. There is still a form of grant available but not in the way it was awarded previously in the sense that it is awarded at the discretion of the community welfare officer. Is it the Minister's intention to reinstate the bereavement grant at its previous level? It was welcomed by and hugely beneficial to many people who found themselves in very difficult circumstances in arranging the burial of a loved one. There is a reference to it in the Bill. Is this an indication that it will be restored fully at some point in the future? I seek clarity on that issue.

Deputy Leo Varadkar: There were three bereavement grants available at one stage. There was the general bereavement grant that almost everyone received and which was abolished by the previous Government. There is a bereavement payment in cases involving the death of a person in the course of work. It is PRSI related. If a person dies in the course of his or her work or even on the way to work, the payment is made. It remains in place. There is also a payment that is based on the exceptional needs payment which one requests from the community welfare officer. It is my intention to extend the bereavement payment scheme to cover self-employed persons killed in the course of or on the way to work.

I agree that it would be nice to restore the general bereavement grant, but it would cost between €20 million and €30 million to do so and the money was not available in the budget to do so on this occasion.

In terms of my priority list of things I would like to do if I had a little more money, at the top of the list is the back to school clothing and footwear allowance. The bereavement grant would be further down the list, but if we continue to enjoy economic recovery and see recovery budgets, the measures I will be looking to have reinstated include the telephone allowance, the back to school clothing and footwear allowance and the bereavement grant, but it was just not possible to accommodate them in the envelope I had available to me on this occasion.

Deputy John Brady: The Minister is correct that there were three bereavement payments, but this section specifically refers to the bereavement grant. The bereavement payment is a benefit. The reference in the section is specific to a grant that was abolished in 2014. I accept that the Minister would like to reintroduce it, but if the terminology is retained in the Bill, I would like to see the grant restored fully. Is the specific reference to it in the Bill an indication that he will examine the matter in the context of the budget next year?

Deputy Leo Varadkar: I am advised by my officials that the Deputy is correct. References to the bereavement grant remain in the Bill, but it is not a live scheme. I guess one might say the Bill still makes legislative provision for it, but the payment is zero. We will retain the provision in law in order that the payment may be restored in the future.

Question put and agreed to.

Section 5 agreed to.

SECTION 6

Chairman: Amendment No. 1 has been ruled out of order.

Amendment No. 1 not moved.

Question proposed: "That section 6 stand part of the Bill."

Deputy John Brady: The amendment which has been ruled out of order was tabled by me and my colleague, Deputy Denise Mitchell. It relates to the timing of payments. A number of similar amendments have been tabled and all relate to the date on which payments are to be made. They seek to bring forward the date of payment of the relevant payments to 1 January. The rationale for changing budget day some years ago was to ensure all payments and taxation measures would run for the entire calendar year from 1 January to 31 December. It was to give departmental officials time to roll out the taxation measures and changes introduced in the budget from 1 January. I understand the amendment has been ruled out of order because it would impose an additional cost on the Exchequer, but that does not take from the principle that a commitment was given to run budgets from 1 January to 31 December, a commitment from which we have moved away. While many other taxation measures will take effect from 1 January, payments for pensioners and people with disabilities are being pushed back to March. I have now made the point and will not make the same argument on all of the amendments that have been ruled out of order. Ten amendments were tabled to seek to have all of the relevant payments made from 1 January. It is unfortunate that old age pensioners and people with disabilities will have to wait until March to receive their increased payments. It may be a little late in the day, but I urge the Minister to reconsider that decision.

Deputy Willie O'Dea: The amendments are ruled out because they would impose a charge on the Exchequer. I can understand the rationale but I believe it is time to look at this rule, especially in the context of the changed political situation. I put it to the Minister that, at a minimum, this regulation preventing Members of the Opposition from putting forward amendments that are a charge on the Exchequer is being very broadly interpreted by the relevant officials. We have put down amendments in the past which by no stretch of the imagination could be deemed to be a charge on the Exchequer, but they were ruled out of order on the one-in-a-million chance that they might be a charge on the Exchequer.

I recall a situation when I was the Minister. Certain amendments were put forward by the Opposition that were ruled out of order since they would impose a charge on the Exchequer. I agreed with those amendments and I did not think they would impose a charge on the Exchequer. The net result was that I had to bring an amendment on Report Stage because I agreed with the amendments being put forward. It is high time we looked at that.

There is a more general point about the amendments. Deputy Brady is right. Since we introduced the practice of October budgets it has been automatic that increases come into effect

from 1 January. Obviously, this is a departure from that situation. In my view, it is an unwelcome departure. If the budget is in October, even late October, pensioners and those reliant on social welfare are entitled to assume that an increase in their social welfare will be an increase for the year beginning 1 January. I call on the Minister to give an indication that it is his intention to revert to the logical system whereby changes in an October budget will come into effect from 1 January rather than six months later.

Deputy Leo Varadkar: The Deputies points are well made. In the course of the budget negotiations my efforts were initially aimed at ensuring that there would be a €5 increase in the basic maximum payments for all recipients and that this would be the case across the board. That was my first priority. My second priority was that the increase would be €5. My third priority was that it would be put in place as early as possible. I got my way on the first two points but I struggled to get my way on the third point.

There was talk of May and June. We managed to push it back. With the assistance of the party opposite, we managed to keep bringing it back to an earlier date. Early March was the date we agreed. Of course I would have preferred for the date to be 1 January, but I do not have €60 million to do that. The only way to create the €60 million necessary would be to exclude one group - potentially, jobseekers, and I had no wish to do that - or else pay less than €5, for example, €3.80 or €4, and I had no wish to do that either.

Certainly, I will make the submission for the budget next year on the basis that we will revert to 1 January as the normal day for such payments. Before that became the norm, it was not the norm. Throughout the 1990s when we had budgets in October, it was regular for increases not to come into effect until March, April or even May. These would have included McCreevy budgets, for example. It is not unprecedented. In this budget, as in previous budgets, certain measures come in at different times of the year. The first-time buyer incentive is being backdated to July for a particular reason. Other measures, such as the child care subsidy, are not coming into effect until September. It is not unprecedented historically nor is it entirely unusual in the context of this budget and social welfare package.

Question put and agreed to.

SECTION 7

Chairman: Amendment No. 2 is out of order.

Amendment No. 2 not moved.

Section 7 agreed to.

SECTION 8

Chairman: Amendment No. 3 is deemed out of order.

Amendment No. 3 not moved.

Section 8 agreed to.

SECTION 9

Chairman: There are no amendments to section 9.

Question proposed: "That section 9 stand part of the Bill."

Deputy Willie O’Dea: The Minister is extending the various benefits, including dental and optical benefits, to the self-employed. That is welcome. The Minister is also providing for an extension of the benefits as they apply across the board. Can the Minister indicate the date on which those changes will come into operation?

Deputy John Brady: I welcome the fact that the benefits are to be extended to self-employed people, including the dental and optical benefits. I urge the Minister to examine this area further, in particular, because there is a serious problem in regard to chiropodists. There is no scheme to cover people who might have difficulties, for example, people who might have diabetes. Some people might not have a medical card but having access to a chiropodist could help to identify problems early on. This would allow them to get the necessary treatment that would ultimately save the State considerable amounts of money in the long term because of the impact in respect of cost of care and hospital treatment, etc. The Minister should consider extending the scheme to cover chiropody. This would allow people under a scheme to have problems identified early on. I urge the Minister to consider this area, if not for this Bill, then perhaps for next year. Ultimately, it would save the State considerable amounts of money and I urge the Minister to examine the matter.

Deputy Leo Varadkar: This is provided for in the Estimates. The intention is that from March self-employed people will have access to the free dental check and eye test for the first time, just as employees do. Then, from October, everyone, including self-employed and employed, in other words all contributors to PRSI, will once again have access to scale and polish treatment for teeth as well as subsidised eye glasses and hearing aids. This will be a partial reversal of the cuts made under a previous Government.

I caution the House that this is all subject to an agreement with the people who provide these services. The dentists are private practitioners, as are opticians. Those discussions have started already. I will be meeting the dentists personally on Monday. I hope they will come along with us on this. It is always possible for the Government simply to issue a contract and allow those dentists and opticians who want to avail of it to do so, while those who do not want to need not. My initial effort will be to try to get the associations that represent those groups to agree to it. I hope they will since some of them have been calling for this for some time. I hope they will work with us in ensuring that this materialises.

Deputy Brady and I might be closer ideologically than we suspect. Given his comments-----

Deputy John Brady: I am not sure about that.

Deputy Willie O’Dea: Does that apply to pensions too?

Deputy John Brady: Only with artistic licence.

Deputy Leo Varadkar: I am a great believer in social insurance and the contributory principle. This is the idea that everyone pays into the system. Everyone should pay social insurance, even if it is only a small amount. In return, everyone should benefit. We run the risk in this society of dividing society into a group of people who pay a lot of taxes and get little in return, because they are excluded due to means tests and so on, and another group who contribute very little, who think they should not contribute anything, but who, at the same time, think they should be entitled to everything, even for free. That is not the kind of society I want. The society I want is one that is contributory, one in which everyone who can pay in, pays in, even if it is only a small amount. In return, people get guaranteed benefits that are not means tested

or do not involve waiting lists. The social insurance benefits we get, such as the contributory pension, maternity benefit, paternity benefit and so on are good examples. Treatment benefit is one of these.

While this may not be the position of my party, my personal view is that I foresee us in future using the social insurance system in the way that France does, for example, to pay for more things and, perhaps, more treatments. For example, in France a person can have his doctor fees partially refunded from social insurance. I am unsure about chiropodists but potentially it could work for them as well. That is a good system of social insurance and it works. First of all, it is contributory. People understand that they have to pay for it and that someone else is not going to pay for it. They know Apple or someone else will not pay for medical care. That system also allows us to use private providers effectively. There has never been a waiting list for any of these schemes. The fact they are provided by private providers makes it possible.

Deputy John Brady: The Minister speaks about our ideological positions-----

Chairman: The Deputy should stick to the Bill.

Deputy John Brady: I certainly will stick to the Bill because otherwise it would be a lengthy debate. The Minister made an alarming statement but perhaps I misheard him. Did the Minister state that he does not have the opticians or the dental fraternity on board? Has he had discussions with these sectors in the context of the roll-out? Perhaps I misheard him, but certainly that is what came across. If that is the case, it is alarming. What discussions have taken place if they are not on board? If the Minister does not have these two sectors on board, it raises very serious questions as to how this will be rolled out in the timeframe mentioned.

Deputy Leo Varadkar: It is a fair question and the Deputy did not mishear me. Discussions have taken place at official level and I will be involved further discussions in the next week or two. It is my strong view that before entering negotiations - technically, under competition legislation, they are probably not negotiations - or discussions with a professional body, we should first come to the House and obtains its assent to proceed. At present, I do not have the legislative power to do it, so how could I possibly agree anything until the Bill is passed? I do not have the power to agree anything or to even introduce a scheme. We also need money to do it and that will require the Estimates to be passed. It is appropriate that I come to the House of the people to ask it to give me the legislative power to do this and, through the Estimates, the money to pay for it. Then I will talk to the interest groups, professional bodies, unions and the people who represent them. This is what was done for free GP care for children aged under six and people over 70. First we provided for it in the Estimates, then we legislated for it and negotiated the contract with the GPs.

Deputy John Brady: We have seen this before, particularly with free GP care, where legislation was introduced and, to this day, it has not been rolled out. We are putting the cart before the horse again. We are introducing legislation before any discussion has taken place. No discussions have taken place, which is concerning. Is chiropody an area the Minister will commit to examining? Will he also commit to exploring the option of extending the scheme to ensure it is part of the benefits?

Deputy Leo Varadkar: We will certainly examine chiropody as part of the long-term programme to expand the social insurance system. The Deputy has my commitment on this. My priority is to restore what was taken away first and then look at new benefits. There have been discussions and an exchange of correspondence. What there has not been is a meeting involv-

ing me. The first such meeting will happen on Monday.

With regard to free GP care, on a point of clarity we have legislated for free GP care for children aged under six and people aged over 70, and this has been delivered. We have not yet legislated for anything beyond this.

Question put and agreed to.

NEW SECTION

Deputy Leo Varadkar: I move amendment No. 4:

In page 7, between lines 13 and 14, to insert the following:

“Employment contributions – members of local authorities

10. Section 30A (inserted by section 14 of the Social Welfare and Pensions Act 2010) of the Principal Act is amended—

(a) in the definition of “public office holder”, by the deletion of paragraph (h), and

(b) in the definition of “public body”—

(i) in paragraph (a), by the substitution of “State, or” for “State,”, and

(ii) by the deletion of paragraph (b).”.

The purpose of the amendment is to exclude members of a local authority from the class K charge. At present, councillors pay PRSI at the class K rate of 4% on their income as public officeholders, provided that income exceeds €5,200 per annum. Payment of class K by councillors is not reckonable towards establishing entitlement to social insurance pensions and benefits.

Separately, I propose to amend regulations which will, in general, bring the income of members of a local authority into the class S PRSI charge as self-employed contributors. This will mean that members of a local authority will continue to pay a 4% charge on their income, but will be now be entitled to access the same social insurance benefits available to self-employed people, on the basis of paying class S.

I propose this amendment having listened carefully to the views of councillors, Senators and Deputies on the matter. The class K charge was introduced for good reason during the financial crisis. However, it is now appropriate that the position of local authority members in the years ahead be re-examined.

I am particularly cognisant of the changing role of councillors, which means that more and more of them are engaged on a full-time basis in their role as public representatives. Where this is the case, they have no access to social insurance benefits and no contributory pension when they retire.

Given that other public officeholders, such as members of the Oireachtas and the Judiciary, have access to very generous pension arrangements and severance payments, I am convinced that we need to do something to improve the position of councillors given their important role in the democratic process and uniquely unfair situation where they pay 4% PRSI and receive

no benefits.

The measure will allow councillors to gain access to the social insurance system and thereby build up entitlements to benefits, including entitlement to the contributory State pension, which is payable at retirement age. Payment of class S contributions will also give entitlement to a range of other benefits, subject to satisfying the contribution conditions for these schemes. In addition to State pension, councillors will be entitled to access widow's, widower's or surviving civil partner's pension should a councillor die while at working age, guardian's payment, maternity benefit, paternity benefit and adoptive benefit should they need to take time off to look after a child.

With effect from December 2017, as we discussed earlier, self-employed workers will have access to invalidity pension on the same basis as employees. Should a local authority member fall sick and have to resign from the council he or she could potentially avail of an invalidity pension. In addition, the self-employed will have access to the treatment benefit scheme which we mentioned previously.

Deputy Willie O'Dea: As somebody whose party has quite a number of councillors, I certainly will not oppose the amendment. Unlike other members of the committee, I do not have extensive experience of working as a councillor. My experience is confined to a brief inglorious period on Limerick Corporation, which, quite frankly, I do not miss. My understanding is that the K stamp is being converted into an S stamp so councillors will attract the same benefits as anybody else paying S contributions. Will the Minister tell us when this will commence? Perhaps he already said that and I missed it.

Deputy John Brady: I got a little ahead of myself earlier. This is my first time to deal with social welfare legislation and I am trying to deal with all of the amendments. I jumped in a little bit early on this issue. We welcome this and what I said already stands. I am a former councillor, and many councillors throughout the State work seven days a week doing an awful lot of work. The changes made in 2014 enhancing the powers of local authorities and councillors also increased their workload. Many are trying to hold down part-time jobs or permanent jobs as well as being a councillor and it is becoming more and more difficult to do this. More and more councillors are becoming full-time public representatives. To pay PRSI contributions and get nothing in return is a serious injustice in the context of the work they do. We welcome this as a first step and, as I stated previously, we hope it can be extended with more benefits extended to councillors who do enormous work in public office and work lengthy hours. We welcome this as a starting point.

Deputy Joan Collins: I support the amendment, although not particularly because councillors will see the benefit of it but because a person, if he or she makes a contribution, should receive some social benefit from it. I had Civil Service status when I joined the post office in 1979 and made a class of PRSI contribution that offered no benefits under the social insurance system either. If any amount is paid, something should be received in return. Therefore, I support the amendment.

Chairman: Does the Minister wish to reply to Deputy Willie O'Dea's question?

Deputy Leo Varadkar: There will be a commencement order. Subject to the Bill passing through the Houses, I intend to sign a commencement order for it to come into effect in January.

Amendment agreed to.

Section 10 agreed to.

NEW SECTIONS

Chairman: Amendments Nos. 5 to 7, inclusive, will be discussed together.

Deputy John Brady: I move amendment No. 5:

In page 7, between lines 26 and 27, to insert the following:

“Report on One-Parent Family Payment changes

11. The Minister shall prepare and lay a report before the Houses of the Oireachtas on the One-Parent Family Payment changes. The report shall be conducted on the financial and social effects of the changes to the One-Parent Family Payment since 2015, taking account *inter alia* of poverty rates among those in receipt of the payment and that the report shall be presented to the Oireachtas Joint Committee on Social Protection within six months of enactment of this Bill.”.

We are aware of the serious difficulties faced by lone parents. This section of society is far more susceptible to poverty. This is particularly true in the case of child poverty. Figures show that 22.1% of children in lone parent families are living in a permanent state of poverty. Before the Minister starts to give his definition of poverty, many organisations will stand over this statistic. These difficulties were compounded by the changes introduced by the Government. We are seeking a report on the social and financial impacts of the changes to the one-parent family payment to be completed within six months and presented to the committee. It is not a huge ask. We know the difficulties and have heard from organisations such as SPARK. The facts are there for anyone to see. Will the Minister recognise the difficulties experienced by lone parents and the poverty levels encountered by them? I urge him to support this amendment and report back to the committee within six months.

Chairman: The amendment has also been tabled in the name of Deputy Denise Mitchell. Does she wish to speak to it?

Deputy Denise Mitchell: No.

Deputy Willie O’Dea: The Minister will be aware of the rates of poverty among lone parents. The deprivation rate is touching on 60%, which is alarming. The Minister will also be aware that an independent report commissioned by his Department and written by Drs. Crosse and Millar was particularly scathing about the changes made to the current system which the previous Minister stated should not be introduced in the absence of a Scandinavian-type child care system. She committed to not introducing the changes without such a system being in place, but she went ahead and introduced them anyway. As I understand it, all the amendment is seeking is a report. Naturally, I am sympathetically disposed to it because I have tabled an amendment that pretty much seeks the same thing, except that it looks for the report to be presented within three months. That would allow us to have meaningful discussions on the way forward for lone parents. Whatever it may be - we received various recommendations on the day the committee met Drs. Crosse and Millar - it is not the way we are proceeding. The Bill allows for an increase of €20 in the income a lone parent can earn without being affected. I welcome this, but nevertheless the problem remains and will not go away. All the flaws, failings and inequities that have manifested themselves in the current system are still there. The committee will return to this issue and make recommendations to the Minister. It would, there-

fore, be good if the Department were to examine it, particularly in the light of the Crosse-Millar report, and report back to the committee to inform our discussions.

Deputy Joan Collins: I wanted to see something in the Bill to help lone parents and piggybacked on the amendment tabled by Deputy John Brady. It is an important amendment. I wish to bolster the argument made for it. Disregarding the Minister's position on poverty levels, organisations such as Barnardos, Social Justice Ireland and SPARK, as well as the Crosse-Millar report, all emphasise that there is a continuum of child poverty rates among children of lone parents. The figure stands at 22.1%. It is 7.9% for two-parent families with fewer than four children. That figure was referred to in another report in 2014. We are talking about lone parents and a certain number of two-parent families. The issue has to be dealt with and needs to be reviewed continuously. I, therefore, urge the Minister to support the amendment. As stated, the issue has been discussed in committee. Three groups have attended to date and they have all emphasised the fact that there is no doubt that there is child poverty in this country and that we have to deal with the issue. While they welcome the increase in the income disregard and the Christmas bonus, the fundamental issues have to be challenged. I support the amendment and ask the Minister to support it also.

Deputy Leo Varadkar: Lest anything I said in the past has been misconstrued, I do not deny for one second that there is child poverty. Of course, there is. I also acknowledge that the rate of poverty among children is higher than it is among adults. The rate of child poverty in Ireland is significantly higher than the rate among pensioners. I acknowledge that the rate of poverty among children in households where someone is parenting alone is higher than it is in households where there are two parents. While we might disagree on the percentage, I do not deny and totally accept that there is a problem. How I think we should deal with it may be different. We should deal with it by having more lone parents in work rather than in receipt of welfare payments and by focusing on services such as child care rather than transfers. Where there are transfers, the best way to deal with child poverty is through having a new system of transfers. I hope the working family payment will do this. It will be a targeted payment to reduce child poverty and which will not take much interest in whether a person is married or cohabiting or otherwise or even whether he or she is working. I would like to see it, if one likes, as a second tier of child benefit for lower income families. This is probably the best way to deal with child poverty.

On the amendments, the Deputies will be aware that my Department administers more than 65 separate schemes and services which serve a diverse group of clients, including families, employees and employers, jobseekers, people with disabilities, carers and older people. All of the schemes and services are kept under constant review, with a view to ensuring they continue to meet the needs of my Department's customers. In line with the programme for Government and the responsibilities of my Department more generally, a number of specific reviews are under way or will commence shortly. They include a review of the back to work family dividend which will be a focused policy assessment which is being undertaken. It is examining the rationale underpinning the scheme and its effectiveness in helping families to transition from welfare payments to work. A formal review of the jobseeker's transition payment will commence in 2017. It will take the form of a value for money review and examine the payment since its inception in 2013. With regard to the working family payment, in line with the programme for Government the effectiveness of the family income supplement scheme is currently being examined along with a range of other supports for jobseekers and those in employment in the context of developing a new working family payment. On the issue of reduced rates of jobseeker's allowance for young jobseekers, the National University of Ireland, Maynooth, is currently

undertaking research to examine the effectiveness of the reduced rates of jobseeker's allowance in encouraging young jobseekers to avail of education, training and employment programmes and opportunities. The findings of this research will inform my Department's review of the effectiveness of the reduced rates in encouraging young jobseekers into employment, education or training. A review of the community employment, CE, scheme has been completed and the findings of that review are now being considered. The proposed amendments call for the laying of reports before the House following a review of the impact of the increase in the national minimum wage on income thresholds for social welfare, the household benefits package, eligibility criteria for qualifying for jobseeker's benefit, eligibility criteria for the State contributory pension and changes introduced to the one-parent family payment in 2012, which I know is the matter of most concern to Deputies in the House, given their comments. As I have indicated when I attended this committee recently, my officials and I will continue to work closely with the Oireachtas joint committee and will continue to regularly appear before the committee to present and respond on matters of interest to the committee, including the reports that I have mentioned, as well as addressing issues such those that affect lone parents and the working family payment.

From listening to Deputies just now, the obvious major concern is around the changes that were made to the one-parent family welfare entitlements. The difficulty in doing any review now is that it is still early days and, as with any reform, it may take a number of years before the full impact of the measure is known. We know already that 3,000 lone parents have moved from a weekly payment to family income supplement and therefore, by definition, have moved out of poverty. That is positive. There are a number of measures in the budget to assist lone parents back to education, to allow them to keep more earned income if they are working, and to increase their weekly payments whether they are working or not. Again, we will not know the impact of those measures for some time.

Deputies are aware of the Millar and Crosse report on activation. We had hoped that good advice would come out of the report on what activation measures work. Unfortunately the report fell short in that regard. It was not, and does not claim to be, an analysis of the impact of the changes - made by the previous Government - on lone parents. The report was based on interviews with people from interest groups and with a number of lone parents. It was not an econometric analysis of how the changes impacted on people across the board, but perhaps that is merited. I would be open to asking my Department to commission a report from an independent body such as the ESRI, or another body, to actually carry out that assessment and have a look back on the impact of the changes. For some people the changes have been positive. For others they have been negative. Perhaps it is an appropriate time to ask such an independent body to carry out an analysis to be published within six months. I would prefer to not have that written into the legislation but if Deputies are willing to do that I would be happy to make a commitment that we would commission such an analysis and have it done within six months. This may help us to inform any decisions we make going in to the budget negotiations in September 2017.

Deputy John Brady: I welcome the last couple of lines spoken by the Minister, if he is going to support this amendment. It is critical that we have a report because we do not need to wait to see the impact on lone parents and their families of the measures introduced. The Minister is correct - and he acknowledged the fact - that the reality is children in lone-parent families are at a higher poverty level of 22.1%, as opposed to 11% for children in two-parent families. That is nearly double the State average of child poverty levels. We do not need to wait to see the impact. We need a report. I welcome the Minister's support for this amendment.

The Minister made reference to the report by Dr. Millar. It is interesting that there has been no formal response by the Minister to the Millar report. This does not surprise me because the Millar report lays on the table, in black and white, the impact of these changes on lone-parent families. It may not be the report the Minister wanted. It may not be the report he was hoping for or was expecting but it is a report that shows the impacts quite graphically and it makes a series of recommendations. The difficulties and the impacts of these changes on lone parents have been compounded in budget 2017. For some lone parents it is actually better for them to go back on to a jobseeker's payment, and I assure the Minister this is happening as we speak. Because of the changes in the budget, lone parents are looking at how much better off they are, either in employment or in receipt of the jobseeker's payment. Unfortunately the measures that have been introduced - and compounded in this budget - mean it is more financially rewarding for lone parents to stay on a jobseeker's payment. These are the realities. I welcome that the Minister is going to agree to the amendment, and I welcome the fact that he chose to throw into the mix a number of the other reports that the Department is going to look at such as the programme for Government commitment around the discriminatory payments for unemployed people who are under the age of 26. Last week I queried the Tánaiste on the whereabouts of that report, as it was committed to in the programme for Government. I welcome the fact that the report is coming, albeit a little bit late. I believe the report with regard to the discriminatory cuts in payments for the under-26s was committed to be delivered in the last quarter of this year. As the Minister brought these into the discussion here in the Chamber, and we probably will not have another opportunity, perhaps he could give members specific timeframes around the delivery of the reports, especially the report on the cuts in payments for those under 26. When exactly can we see that report? As with lone parents, people under 26 who are unemployed have not only been hit with cuts that are discriminatory, there are real hard-hitting consequences for young unemployed people as shown in figures provided by groups such as Focus Ireland which illustrate the increase in youth homelessness. Could the Minister provide clarity around those measures?

Deputy Joan Collins: I welcome the Minister's point but would like some clarity. He spoke about an independent report, rather than a slight change to the wording, within six months. I am concerned by this as the Minister has only recently had an independent report from Millar and Crosse. The Minister has said that the report was not evidence-based, was not broad enough, it gave too narrow a focus and that it only interviewed particular groups and a few lone parents. There was another report recently with regard to lone parents in education, which was supposed to have come before the budget to give some ideas around education. I would like to reiterate to the Minister that lone parents, along with other groups such as disability groups, were really hammered during the austerity years. In 2015 the one-parent family payment was taken away, the back to work family dividend was brought in at a much lower level and the family income supplement was introduced. Two years later, a lone parent who works 20 hours per week has an income that is 17% less than before, even though they are in work and trying to earn money. If they get sick, they cannot get any support either. As a society, it will be shameful if we do not examine the effect it is having on child poverty and how we can change payments to support lone parents, families and people aged under 25 years. As I said, the poverty rate is 7.9% for two-parent families with fewer than four children. If the Minister does this, I will welcome it.

Deputy Willie O'Dea: The Minister mentioned the number of reports the Department is doing, including one on jobseeker's transition, JST. Is JST exclusive to lone parents? Perhaps the report could cover a number of the issues we are discussing. The Minister said the best way out of poverty was to get a job. The difficulty is that the changes brought about have made it less attractive for many lone parents to go out to work. I have read the Millar report and it

accords exactly with my experience in dealing with my constituents every day. I could bring several constituency files to the Minister which clearly show how lone parents are losing out as a result of the changes. Therein lies the difficulty. The Minister said it was early days to review the system. However, it has been in operation for more than two years. Many people, not lone parents who stay at home and collect their social welfare but genuine people who want to better themselves and improve their family circumstances by going out to work, are worse off and continue to be worse off as a result of the changes. We cannot put it on the long finger or discuss the potential for different schemes in the future. It is having a real effect on real people as we speak.

I did not take in the Minister's last point. Does he propose that he will commission the ESRI or some outside body to produce an independent report which would be available to the committee? That is good and I welcome it. However, I must be a little sceptical about these things. I was here when the Minister's predecessor, Deputy Joan Burton, made a very firm commitment to the House that the changes would not be brought about until the Scandinavian child care system was in place in this country. All sides of the House can agree that the former Minister's commitment was not honoured.

Deputy Gino Kenny: While I welcome the idea of a report, there have been a litany of reports and we are probably trying to reinvent the wheel. The Millar report is damning of the policy on lone parents. If there is an independent report, who will commission it and will the Minister act on the findings? Had he acted on the Millar report, which would have cost a lot of money, the policy on lone parents would have been rolled back. It is important who commissions the report. We do not want to produce a report for the sake of it.

Chairman: The Minister said he would prefer not to state in legislation that he had to lay a report, and he offered to bring a report to the committee. It is up to the members to reflect on this as the Minister replies.

Deputy Maria Bailey: While I agree with the majority of the comments, nobody is referencing where we have come from and where we are. The recent economic crash devastated lone parents but also middle income earners, and there was mass emigration. The Minister is building year on year and trying to help the most vulnerable through various mechanisms, not only in child care but in back to education allowance, the new allowance for lone parents and the HAP scheme. People in receipt of rent supplement are prohibited from working more than a certain number of hours, which deters people from returning to work. Nowhere in the Millar report is it stated, nor did I hear at committee level until I asked the question, what the benefit will be to the families who will avail of the housing assistance payment, HAP, scheme that will allow them to work more hours than they are working, or the additional child care measures that have been put in place and that will come in for those families who need it the most. The Minister has focused in on those very heavily. I would very much welcome a more detailed economic report, not to put percentages over children's heads but to deal with the reality these families have to deal with. We are building on it, and although we are a long way off where we need to be, we are getting there.

Deputy Joe Carey: I support what the Minister has said and the offer he made. The main thrust of the amendment is that a report would be drafted. The Minister has said he would prefer not to put it into the legislation. It is a fair enough offer and I hope members will support it.

Deputy Leo Varadkar: The JST review is a value for money review which will be an extensive piece of work and will examine the JST payment and how it has been working since its

inception in 2013. The review will provide a detailed analysis of the activation of JST payment recipients. On completion of the review, officials will be available to discuss its findings with the Oireachtas joint committee. Given that the majority of JST payment recipients were previously in receipt of the one-parent family payment, OFP, the review will provide my Department with an analysis of former OFP recipients. It is a very discrete piece of work dealing with those who were in receipt of OFP and changed to JST.

The jobseeker's report is being done externally by NUI Maynooth. Although I do not know when the final draft will be delivered, I will find out and let the committee know later in the afternoon. Youth unemployment is falling very rapidly, and faster than unemployment among older adults. That has to count for something. There are specific measures regarding young people who are homeless, such as reducing their rent contributions, which I have included in the budget in response to requests from the homeless charities. While some have said the reduction in jobseeker's allowance for young jobseekers has contributed to the rise in homelessness, I have yet to see any evidence-based paper or analysis that supports this opinion. While people are entitled to their opinions, it is not a fact.

I do not think my Department commissioned the Millar report, although we funded it through the Irish Research Council. It was to be a report on activation, what works and how we can get lone parents into employment. Unfortunately, it was not that. It turned into something different. It was an interview-based analysis of the changes made over the years. Unfortunately, it was not very useful to us. We can do a formal response to it. However, it did not give us what we wanted, what we asked for or what it said in its title, namely, Lone Parents and Activation, What Works and Why. I had hoped what would come out of it would have been a study of, for example, ten different countries and a list of ten actions that succeed in activating lone parents and ten actions that do not. It did not do this. It fell down very badly on what it was supposed to give us. It is disappointing. However, the Millar report does show the need for us to commission a report into the impact of the changes and the reforms of lone parent payments during recent years. It must examine several issues, including the impact on incomes, employment and welfare dependency. Most of us in the House, maybe not all of us, believe reducing welfare dependency is a good thing. Some academics question this view and believe people are better off on welfare than in certain types of employment. I do not believe that. For reasons of confidence, mental health, self-respect and how they are considered in society, people are always better off working than on welfare, even if they might be a little better off on welfare. I appreciate that some politicians do not agree with that view. Many academics certainly do not hold that view, although they never seem to identify where the funds should come from to pay for a contrary view. With the Deputies' agreement, and if they are willing to withdraw these amendments, I propose to commission such a report and have it carried out by an external body. I am not sure whether we must tender it but I would have thought a body such as the ESRI or similar would be the kind of body that could carry out the report and consider the matter in the round, namely, the impact on employment, incomes and welfare dependency.

Deputy John Brady: I will not withdraw the amendment. The report needs to be carried out. We need the provision in the legislation, not for the sake of it, because, as Deputy Kenny said, we do not want a report or document to be prepared only to be put on a shelf alongside many other reports that have not been acted on. It needs to be a factual report that ultimately will be acted on. I could have tabled a series of other amendments to the Bill asking the Minister to take measures to reverse some of the measures that impact on lone parents but, as I outlined in my opening contribution, my hands are tied as to the type of amendment I can table. We have seen numerous amendments ruled out of order because of a financial impact on the Ex-

chequer. Having the measure provided for in this amendment contained in legislation, tying the Government to carrying out the report, is one part of the equation; acting on it is the second part.

I agree with the Minister's comments on welfare dependency. I and my party strive to end it and to get people back to work, but it is difficult when zero-hour contracts affect many of the people about whom we are talking and when the Government has failed even on the family income supplement. There has been no increase in the family income supplement to provide assistance to many of the people about whom we are speaking, such as lone parents, etc. The Minister can come into the Chamber and talk the talk, but problems occur when there is failure to increase the support provided under measures such as the family income supplement. That is what forces people on zero-hour contracts or in low-pay employment back onto jobseeker's allowance because the latter may be financially more advantageous to them because of the failure of the Minister's Government to provide an increase in the family income supplement. He outlined that some economists and politicians put forward proposals and suggest increases but fail to show where they will get the money from. If the Minister took the time to read through Sinn Féin's pre-budget submission, he would see that my party proposed an increase in the family income supplement and showed where the money for the increase would come from, in line with all the other increases and measures about which we speak.

Finally, regarding youth unemployment, the Minister said that the figures and statistics put out on youth homelessness are only that. He said there are no figures and no hard or concrete evidence to back up statements on youth homelessness. However, these are departmental figures that show that youth homelessness is on the increase. That can only be down to the measures that have been introduced. I welcome the marginal increase in the amount that young homeless people or young people in receipt of rent supplement must pay out of their pockets, but that will only affect in the region of 500 under-26s, so we are not dealing with huge numbers.

There are many issues in this regard. I am pressing the amendment. I will not withdraw it. The amendment seeking the report within six months is one part of the equation. We then need action based on the outcome of the report.

Chairman: We will deal with the amendment as on the agenda. I take the Deputy's point.

Deputy Leo Varadkar: Deputy O'Dea is trying to signal to contribute.

Deputy Willie O'Dea: I must confess I am a little confused because the Minister seemed to say at the start of his contribution that the report on the jobseeker's transitional payment, which is exclusive to lone parents, would cover the issues we are looking to be covered. He went on to say that he will undertake to commission a separate report along the lines suggested in the amendment. If the report on the jobseeker's transitional payment covers the issues, why does the Minister feel it necessary to commission a second report? I want some clarification on that.

Deputy Leo Varadkar: I want to avoid commissioning a huge number of reports because there is a cost to that, administrative problems in doing it and, potentially, the inability to respond to a huge number of reports that may make recommendations that cannot be funded. I agree with Deputy Kenny: what is the point in having a huge number of reports on which one cannot necessarily act? The sense I have from members from all the parties opposite is that they would particularly like a report on one-parent families and lone parents.

Picking up on something Deputy Brady mentioned, I read the Sinn Féin submission in detail and I acknowledge that the party proposes an increase in the amounts awarded under FIS. It

also proposes a three-year increase for the carer's allowance, which is less than I hope Sinn Féin Deputies will vote for when they vote on this Bill. The party proposed no increase to many weekly payments. Any budget is about choices.

Deputy John Brady: We propose targeted measures.

Deputy Leo Varadkar: Sinn Féin would have chosen family income supplement over the carer's allowance and would have given some people nothing. That is what its submission states. I would be happy to put our submission up against Sinn Féin's.

Deputy John Brady: We do not have an endless pot.

Chairman: Colleagues-----

Deputy Leo Varadkar: Nor do we.

Deputy John Brady: Our measures are targeted.

Deputy Leo Varadkar: Given the massive tax increases Sinn Féin proposed, its pot was much bigger. However, it still proposed to give carers less than we propose to give them, and it still proposed to give some people nothing when we propose to give people €5 extra per week. We can come back to the matter later if the Deputy so wishes.

I seek a solution. A load of amendments seeking reports on different matters have been tabled. Amendments are tabled on Report Stage so they can be discussed, and we can discuss them in this forum and then discuss them again. What I do not want to do is commit to doing seven or eight reports on seven or eight different issues. It is too much to do and too much to handle. However, if all parties were to agree, and if we were to decide to do one report, the one I would be willing to agree to commission, to do within six months and to do independently is the one on the one-parent family payment and the impacts and the changes in this regard since 2015. The JST payment is discrete to those in that situation. I would commit to a new report considering comprehensively the changes to the one-parent family, not just the JST payment.

Deputy Willie O'Dea: The Minister asks what the point is in having many different reports. The point in seeking these reports is that the Committee on Social Protection reviews policy on an ongoing basis. It is there to help the Minister, not to thwart him and trip him up. It is there to help him to get the best possible value for the huge amount of money this State spends, rightly, on social protection. We want to make sure that, as Deputy Brady says, the money is targeted and spent in the most efficient possible way. The Minister said that he has singled out one report, and I appreciate this. There is another issue in my amendment which warrants a separate report, but I will agree in this regard to accept the Minister's commitment to prepare a report on it rather than putting it into legislation. However, regarding lone parents, if the report will be done anyway - the Minister is making a commitment now - why not just write it into the legislation? That would not do any violence to the legislation. It does not involve a charge on the Exchequer. It does not affect anything else in the Bill. What great insurmountable difficulty is there with writing it in? My proposal is for a report to be presented within three months. The proposal currently before the House is for this to happen within six months. I do not care which proposal the Minister accepts. I am not proud. I do not care whether the Minister accepts my proposal, the Sinn Féin proposal or the proposal in the name of Deputy Joan Collins. However, I certainly think this should be written into the legislation. I am not reflecting on the Minister in any way, or questioning his bona fides for one second, when I say that a previous Minister gave us a firm commitment to do something that patently was not done. The failure to do it caused a

great deal of anguish to many people. As I have said, the acceptance of this amendment would not harm the legislation in any way. It would not be a bad precedent for the Government to write its commitments into legislation. Surely there is no great objection in principle to that.

Chairman: We are due to suspend very shortly. If we can conclude this piece very quickly, we will do so.

Deputy Pat The Cope Gallagher: It is fortunate that I came in at this particular time. I did not intend to come in until we considered section 23 later in the debate. The Minister suggested in his most recent intervention that he will select or recommend one of the reports. I come from a part of the country that has a very high rate of unemployment and where many people depend on part-time work in the fisheries, agriculture and hospitality sectors. As the Minister will be well aware, the legislation that is in place at present acts as a disincentive to those people to go to work. The Minister knows how I feel about the grossly unfair daily payment of €12.70 and the requirement to have 39 contributions. When I discussed this with my party spokesperson, we were aware that there could be a charge on the Exchequer. I would nearly offer to pay the cost of having this report carried out myself. There is no real charge on the Exchequer. We will seek to address this in subsection (7) of amendment No. 32. I hope to discuss this later. I put it to the Minister that he is pre-empting the debate on later sections of the Bill by saying he is recommending one amendment now. I ask the Minister and the other members of the committee not to decide now that a report should not be carried out in respect of this extremely serious issue. I do not think the cost of such a report would be very much, regardless of whether it were drawn up by his officials or by an independent body. It is well worth doing. I implore the Minister and the other members of the committee to support our later amendment in this regard when it is reached.

Deputy Leo Varadkar: I do not want to divide the House unnecessarily. I think Deputy O’Dea has made some good points. We will reach section 23 later in the day. I am not at this stage asking anyone to withdraw anything that is to be considered at a later stage. I am willing to accept amendment No. 5. I have not chosen that one for any particular reason; it just happens to be the first one.

Chairman: What about amendment No. 6?

Deputy Leo Varadkar: The amendments are quite similar.

Chairman: Yes.

Deputy Leo Varadkar: I would like to amend the new section being inserted by amendment No. 5 on Report Stage so that, in addition to providing that an independent “report shall be conducted on the financial and social effects” of these changes, we also require the report to look at the impact on welfare dependency. That is crucial.

Chairman: That is a matter for Report Stage.

Deputy Leo Varadkar: Yes, but in accepting this amendment, which I am happy to do, I am also signalling that I intend to make a further change on Report Stage.

Chairman: I will allow Deputy Brady to make a brief response before we suspend the meeting.

Deputy John Brady: As the proposer of amendment No. 5, I welcome the Minister’s deci-

sion to accept it. I look forward to seeing the amendment he intends to make in this regard on Report Stage. We will certainly have a look at that. This is one part of it.

Chairman: I ask the Deputy to stay with this part.

Deputy John Brady: It is disingenuous of the Minister to cherry-pick which reports he sees fit to have carried out. We are supposed to be in a democracy here. The Minister and his Fine Gael colleagues are constantly speaking about the need to live up to the democratic principles in this State. It is up to us as Deputies to decide on the amendments we want to agree and the reports we want to see carried out. I do not want to get into a big debate about this.

Chairman: I need to suspend the meeting.

Deputy John Brady: Sinn Féin makes no apologies for proposing in its pre-budget submission that money should be found to abolish prescription charges and reinstate the State transitional pension. We suggested a range of measures to assist lone parents, such as increasing the cut-off age to ten as an initial measure. All of these measures are fully costed.

Chairman: The Deputy can come back to some of those issues in a moment. The specific amendment before the House relates to lone parents. The other issues will be discussed during the course of the day. We are going to suspend now because we have to vacate the Chamber. Before we do so, we should dispose of amendments Nos. 5 and 6, which the Minister has indicated his willingness to accept.

Amendment agreed to.

Deputy Joan Collins: I move amendment No. 6:

In page 7, between lines 26 and 27, to insert the following:

“Report on one parent family payment changes

11. The Minister shall prepare and lay a report before the Houses of the Oireachtas on the financial and social effects of the changes to the One-Parent Family Payment since 2015, taking into account poverty rates among those in receipt of the payment and that the report shall be presented to the Oireachtas Joint Committee on Social Protection within 6 months of the enactment of this Bill.”.

Amendment agreed to.

Section 11 agreed to.

Chairman: The select committee will resume its consideration of the Bill at 2 p.m. in Committee Room 4.

Sitting suspended at 11.35 a.m. and resumed at 2 p.m.

SECTION 12

Question proposed: “That section 12 stand part of the Bill.”

Deputy Joan Collins: Before discussing the substantive issue, I wish put on the record with regard to amendments on pensions on Report Stage that Deputy Clare Daly wishes to state that the Social Welfare and Pensions (No. 2) Act 2013 introduced what were called single

insolvencies, which allow a profitable private company to wind down their pension scheme and to remove pension scheme members from existing pension arrangements. This effectively happened with the Irish aviation superannuation scheme, IASS. The OECD has recommended that no scheme should be permitted to wind down unless it is 90% funded. That type of funding level makes some allowance for decent benefits to be paid out to members. That must be examined along with abolishing single insolvencies. We will table amendments on it on Report Stage. I mention it now because there is nowhere else to mention it.

On section 12, FLAC, the free legal advice centres, contacted most of the members about a few amendments it wished to propose. It made the point that the explanatory memorandum states that in order to facilitate reviews of entitlement where child benefit is payable in accordance with EU regulations, section 12 provides for an amendment to require employers to provide information relating to child benefit claims. In effect, according to FLAC, section 12 proposes to provide wide powers to the Minister for Social Protection to enact regulations to compel all employers to provide information on employees for the purpose of determining entitlement to child benefit claims. Child benefit is classified as a family benefit for the purpose of EU regulations. Accordingly, EU nationals who come to Ireland to work but whose family resides in other EU member states have an entitlement to family benefits in Ireland under EU regulations. This means that EU migrants can access child benefit in Ireland even if their children live in another EU member state. FLAC and Community Law & Mediation, CLM, have a number of concerns about this proposed provision and how it will operate in practice. In particular, they are unclear as to the necessity for such a provision.

First, section 12 as currently drafted does not fulfil its stated aim of applying solely to child benefit claims payable in accordance with EU regulations. The proposed wording is extremely broad and goes beyond its stated intended scope to relate to any child benefit claims. Given that the employment status of an Irish parent is immaterial to a child benefit claim, it is likely that the Department will only contact employers for information regarding non-Irish nationals if the provision is maintained in its current form.

Second, FLAC says the need for such a measure is questionable in light of the responsibility on all social welfare applicants to prove to the Department that they qualify for the payment they are applying for, including child benefit payments payable in accordance with EU regulations. It is not clear why the Department is seeking to place legal obligations on employers to provide information regarding child benefit claims for EU migrant workers when the onus is already on those workers to establish their eligibility for the payment.

Third, information confirming the employment status of an EU migrant worker in Ireland will often be available to the Department of Social Protection through social insurance contribution records. To be considered an EU migrant worker, a person must have been in genuine employment since coming to Ireland. Casual work does not count. Where an EU migrant worker is engaged in genuine employment in Ireland, they and their employer will be making social insurance contributions to the Department of Social Protection, thus the need for this measure is unclear. Finally, there are also privacy concerns about this proposal. Employers will be required to provide information in respect of child benefit and may become privy to personal information regarding the family situation of their employees which is of no relevance to the employment relationship.

Is this really the right place to include an amendment of this sort? I would like to hear the view of the Department on these issues and to tease them out further with the Minister.

Chairman: Before I go to the Minister, are there any other Deputies who wish to contribute on section 12?

Deputy John Brady: Yes. I am concerned with the definition of a “qualified child” and seek some clarity from the Minister with regard to this section of the Bill. In terms of child benefit, a child is deemed to be no longer a child once he or she reaches 18. In terms of a qualified child payment to a parent in receipt of social welfare, an 18 year old is deemed to be an adult. There seems to be a serious anomaly there that the Minister must address. We cannot have two different definitions of a child, one relating to child benefit and the other relating to the qualified child payment. I ask the Minister to clarify that.

I refer to the proposed removal of the words, “who is ordinarily resident in the State”. Does that mean that a person living in this State is entitled to receive child benefit for a child or children who do not live within the State?

Deputy Joan Collins made reference to direct provision earlier, about which I have serious concerns. I wish to focus on child benefit in particular. Does the aforementioned change include the payment of child benefit to the parents of children who were born in direct provision?

Would the Minister consider increasing the qualified child payment as opposed to applying a universal increase to child benefit, as a more targeted approach in the effort to eradicate child poverty? In the context of the earlier debate about Sinn Féin’s proposals for more targeted measures, we believe that the qualified child payment is a means of directing financial support to specific groups in order to lift children out of poverty.

I ask the Minister to provide clarity on these issues.

Chairman: As nobody else wishes to contribute on section 12, I invite the Minister to respond.

Deputy Leo Varadkar: I think Deputy Brady is actually speaking to section 11 of the Bill.

Deputy John Brady: I am sorry. My apologies.

Deputy Leo Varadkar: I can answer the Deputy’s questions, even though we have dealt with the section. On section 11 as opposed to section 12, the provision does not relate to child benefit but to the supplementary welfare allowance. The proposed amendment will amend the definition of a qualified child under the supplementary allowance scheme to ensure that the qualified child allowance payment is only paid in respect of children who are ordinarily resident in the State. This measure will bring the conditionality of the supplementary welfare allowance scheme into line with other Department of Social Protection schemes. The supplementary welfare allowance scheme is a safety net within the overall social welfare system and provides assistance to eligible people who are in the State whose means are insufficient to meet their needs and those of their dependants. The basic supplementary welfare allowance is a weekly allowance paid to eligible people who do not have enough income to meet their needs and those of their families and may be payable while such people are awaiting the outcome of a claim or an appeal for a primary social welfare payment. It does not affect child benefit. It is simply a restating of the fact that people cannot receive the qualified child allowance for a child who is not living in the country.

On section 12, I have a lengthy reply for the committee because the Free Legal Aid Centres, FLAC has also been in touch with my Department about this section. This reply gives me the

opportunity to put on the record the answers to some of the questions posed by Deputy Joan Collins.

The purpose of section 12 of the Bill is to underpin the process whereby my Department contacts employers to verify continuing employment specifically for child benefit purposes. The provision is modelled on existing provisions for other social welfare schemes such as the family income supplement, FIS, and the back-to-work family dividend, BTWFD. My Department is empowered by these provisions to contact employers to verify employment details in order to establish entitlement, new or ongoing, to benefits. European Union, EU, European Economic Area, EEA, citizens and Swiss nationals working in Ireland qualify for child benefit under EU regulations. Their children may be resident either here or in their home countries. The child does not have to be resident in the country but the parent does. Where the children are resident abroad, customers are required to confirm their continued entitlement to child benefit every six months. The confirmation includes a statement from the customer's employer or their spouse or partner's employer confirming that the employment is expected to continue.

While it is absolutely correct to say that the employment status of an Irish parent is immaterial to a child benefit claim, all child benefit customers claiming under domestic legislation must satisfy the habitual residence condition. One factor to be taken into consideration in determining habitual residence is the nature and pattern of a person's employment. Persons are exempt from satisfying the habitual residence condition if they or their spouse or partner are currently employed. So, by establishing that they are employed, they do not have to go through the process of verifying habitual residence because, by definition if they are employed here they are habitually resident. For these reasons, it is sometimes necessary for my Department to have access to information on the employment of the customer or his or her spouse or partner.

In general, the onus is on customers themselves to prove to my Department that they qualify for any social welfare payment they are applying for, including child benefit payments. However, situations can arise where it is less problematic for the customer if my Department contacts employers directly in order to confirm employment. For example, difficulties can arise in the case of child benefit when information on employment is required and where the information does not refer to the customer but to the spouse or partner of the customer. This is particularly difficult in separation or divorce cases where the customer may not have the co-operation of the spouse, partner or former partner in terms of supplying the required information. This can lead to a situation where there is an entitlement to child benefit but where the processing of the claim can be impeded. Contacting employers directly removes this difficulty for customers in that situation.

My Department has access to social insurance contribution records. However, these records only become available at the end of the tax year and are not available to the Department in real time. This means that they can only be updated in arrears but while my Department routinely requires employment information for benefit purposes in real time, to await updated social insurance records would delay payment to customers. The practical thing to do, and the most customer-focused solution, is to contact employers directly where the customer is not in a position to easily provide the necessary information him or herself. These inquiries with employers are not made on a routine basis and there are no plans to change that. Having this provision in place will ensure that my Department has a robust legislative basis to make these inquiries where the need arises.

I will sign the necessary regulations if this section of the Bill is enacted. These regulations will set out the elements of the information which will be sought from employers for child

benefit purposes.

I will now turn to the specific questions raised by FLAC. On the first question, it is correct to say that the employment status of an Irish parent is immaterial to a child benefit claim. However, all child benefit customers must satisfy the habitual residence condition and one of the qualifying factors for that condition is the nature and pattern of their employment. For that reason, it is necessary for the child benefit section in Letterkenny to have access to information on the employment status of one or both parents or partners.

On the second question, while it is correct to say that the onus is on customers themselves to prove to the Department that they qualify, difficulties do arise in the case of child benefit, as I have already outlined. I have also already addressed the third question posed by FLAC. The fourth question relates to casual work. FLAC has expressed the opinion that such work does not count but this is not entirely correct. EU Regulation No. 883/2004, Article 1, subsection (a) reads as follows:

“activity as an employed person” means any activity or equivalent situation treated as such for the purposes of the social security legislation of the Member State in which such activity or equivalent situation exists.

Confirmation of such employment is required to establish an entitlement to child benefit.

Regarding privacy, the Department is aware of the obligations of the data controller and makes every effort to avoid breaching these obligations. The provisions contained in the proposed legislation already exist in terms of most schemes operated by the Department and have been successfully implemented over the years.

I hope that clarifies the matter. To cut a long story short, it is not a provision designed in any way to take child benefit from people who are legally here and habitually resident. Rather, it allows us the legislative basis to contact employers. Once we know that people are here and in employment in Ireland, we do not need to go through the rigmarole of working out whether they are habitually resident.

Deputy Joan Collins: I listened to the Minister. FLAC will be in contact with him and I will contact it as well. The Minister is saying that, under the EU regulation, customers who are non-nationals must verify their eligibility for child benefit every six months. If that happens anyway, why is he introducing legislation allowing their employers to be contacted as well? In how many cases has the Department had difficulty dealing with an issue because it has been legislatively unable to contact an employer? Does the Minister understand what I am asking? How large of an issue is this for the Department?

Deputy Willie O’Dea: For clarification, Deputy Collins referred to a communication from FLAC. I did not receive it, or if I did, I do not recall. If I understand the Minister, he is saying that this procedure happens regularly anyway under various schemes, including this one, and that he is introducing legislation to underpin that. There seems to be a discrepancy between the explanatory memorandum and the legislation. According to the memorandum, the Minister is providing an amendment to require employers to provide information whereas the legislation only gives to the Minister the power to make regulations. I take it that the regulations will deal with such matters if the employer is not being co-operative, is not replying within a reasonable time to the request or so on. Am I correct in that?

Deputy Leo Varadkar: That is correct. It is done anyway, but not frequently. Some

408,000 reviews are undertaken every year, but this is done infrequently. I do not have the exact figures, though. It is being put into law so that we have a legislative basis to underpin what is done already, namely, to require employers to give us certain information. This makes it more convenient than potentially having to do a large number of reviews to establish whether someone is still habitually resident.

As provided in this legislation, I will have to set out in detail in the regulations exactly what information will be sought from employers for child benefit purposes. If the Dáil or Seanad is not happy with those regulations, they can be revoked.

Deputy Joan Collins: I am happy to accept that if the Minister will forward us the information in question.

Deputy Leo Varadkar: I will. To be of use to members, we can distribute the brief and specific answers to the FLAC questions.

Chairman: I thank the Minister.

Question put and agreed to.

NEW SECTION

Deputy John Brady: I move amendment No. 7:

In page 8, between lines 2 and 3, to insert the following:

“Child Poverty annual report

13. The Minister shall prepare and lay a report before the Houses of the Oireachtas on the State’s child poverty rates which will be carried out annually and that this report shall be issued to the Joint Oireachtas Committee on Social Protection.”.

We are seeking a report because we do not believe that the payment is working, which is indicated by the evidence on the ground. Since a report is required, I ask the Minister to accept the amendment.

The Government has committed to taking 90,000 children out of poverty by 2020, but we must be able to ensure that is the case and analyse the situation annually.

Deputy Leo Varadkar: I am at a bit loss. Are we discussing-----

Chairman: Amendment No. 7 on a new section 13 to require an annual child poverty report. It was discussed with-----

Deputy Leo Varadkar: An annual report is done anyway.

Chairman: Is the Minister happy to accept the amendment?

Deputy Leo Varadkar: Not really. An annual report is already conducted that shows poverty rates. We effectively get these reports two years late. We only have the 2014 poverty rates as matters stand.

Deputy Willie O’Dea: Would I be right in saying there are two reports, one on poverty and one on the back-to-work family dividend?

Deputy Leo Varadkar: I am looking at the amendment requesting an annual report on child poverty rates.

Chairman: That is amendment No. 7, which has been discussed previously, but we have reached the point at which the amendment must be dealt with. Before I put the amendment, the Minister-----

Deputy Leo Varadkar: My apologies. The proposed amendment calls for an annual analysis of child poverty rates and an independent report thereon to be issued to the Minister and the Oireachtas Joint Committee on Social Protection. There is already independent annual reporting of child poverty rates through the Central Statistics Office survey on income and living conditions, SILC, which is carried out as part of an EU-wide survey overseen by EUROSTAT. SILC forms the basis for further extensive official reporting on child poverty rates through the publication of the Department's annual social inclusion monitor, SIM. The purpose of this monitor is to report officially on progress towards the national social targets for poverty reduction, including the child-specific poverty rate.

The SIM 2014 is the latest monitor and was published in April 2016. It includes a specific section that reports on the child social target and related indicators for children and young people. The findings from the monitor are used to report on progress towards the national social targets for poverty reduction in the national reform programme. Better Outcomes, Brighter Futures contains the child-specific poverty target and commitments on improving economic security and opportunity outcomes for children and young people.

The Department of Children and Youth Affairs has published two annual reports on progress with implementing commitments to date. These reports are published in May of each year as part of the monitoring and reporting mechanisms set up for the framework. There is also independent annual commentary on child poverty from the Children's Rights Alliance and other social monitoring by groups, such as TASC.

Given the extensive reporting on child poverty that already exists through a number of different channels, one of which is independent of my Department, namely, the CSO, there does not appear to be a need for additional reporting of the same data by my Department.

Chairman: In light of the number of reports outlined by the Minister, in particular the SIM, does Deputy Brady intend to press the amendment?

Deputy John Brady: A specific report on this-----

Chairman: There are several. They have been specifically named. That is all that I will say.

Deputy John Brady: I intend to pursue the amendment.

Deputy Maria Bailey: For the sake of clarification, is this not conducting a report for the sake of conducting a report? The Minister has listed the numerous reports that have been done by his Department and the Department of Children and Youth Affairs since 2014. We are going to overlap. I do not see the point in pressing this amendment.

Chairman: It is not Deputy Bailey's to press.

Deputy Maria Bailey: I know. I am just asking for clarification. Is this just another report? We are duplicating.

Chairman: The Minister has outlined a significant number of reports, both independent and internal to the Department, that are published annually. The amendment has been validly moved. I referred to Deputy Brady to ask whether he intended to press it, which is his entitlement.

Deputy Leo Varadkar: In the Dáil Chamber, Deputy Gino Kenny mentioned the futility of having too many reports. The report on child poverty that gives us the child poverty stats is done by the CSO, which is independent of my Department. That is SILC. We are waiting on the 2015 report, which should be out in the next couple of weeks, and the SIM. All we are going to do is take the cover off it and put our cover on. It really would be a futile exercise.

Deputy John Brady: The specific target of the Minister's Department is to remove 90,000 children from a consistent state of poverty. There needs to be a specific focus on that and an annual report specifically dedicated to it and the whole issue of child poverty. The Minister outlined a number of reports from the CSO. I am asking for a report on the specific targeted measures to lift 90,000 children out of poverty and on how the Minister will achieve it in the run up to 2020, which is the timeframe he has signed up to. The Minister has committed to lifting 90,000 children out of poverty. Having a specific report on an annual basis outlining the measures, statistics and all of that would be very useful.

Chairman: The amendment is specific in the sense that it does not ask for the measures; it asks for a report on child poverty rates. It does not ask for any of the measures Deputy Brady refers to. It is quite specific. I want to be fair to everyone. The Deputy is asking for a report to be published annually and laid before the Houses of the Oireachtas on the State's child poverty rates. It is a statistical report on child poverty rates. That is the amendment the Deputy has tabled. The Minister is indicating that these figures are already being published. The question comes back to the Deputy. Does he wish to press the amendment?

Deputy John Brady: Yes.

Chairman: Amendment No. 7, which we have just discussed, and which we have discussed previously, is on the child poverty rates issue.

Amendment put and declared lost.

Section 13 agreed to.

NEW SECTION

Chairman: Amendment No. 8 is in the names of Deputies John Brady and Denise Mitchell.

Deputy John Brady: I move amendment No. 8:

In page 8, between lines 14 and 15, to insert the following:

“Report on operation of Back to Work Family Dividend

14. The Minister shall prepare and lay a report before the Houses of the Oireachtas on the effects of the Back to Work Family Dividend and to include *inter alia* the poverty rates among those in receipt of this payment and that this report shall be issued to the Joint Oireachtas Committee on Social Protection.”.

We ask for this amendment to be supported. It proposes a report on the back to work family

dividend. I will not go through the rationale for it or the target of 90,000 children. We are asking for a report into this payment because we do not believe it is working and there are serious issues with it.

Chairman: I thank the Deputy. Does anybody else want to contribute on this issue before I go to the Minister?

Deputy Willie O’Dea: In so far as this change was made to encourage lone parents to go back to work, I agree it does not appear to be working. Is the Minister doing something specific on this? Will the general report he is doing on lone parents encompass and deal with the matters surrounding this and the difficulties therein?

Deputy Leo Varadkar: Earlier in the Dáil Chamber, I accepted an amendment that committed us to carrying out an independent and detailed analysis within six months of the whole suite of reforms related to lone parents. Separate from that, the Department is carrying out a focused policy assessment of the back to work family dividend scheme. This assessment is focusing on the rationale underpinning the scheme and examining its effectiveness in helping families transition from welfare to work. The back to work family dividend was designed with the explicit aim of improving the financial work incentives of families in Ireland. It is designed as an in-work income support to assist families when exiting welfare. The scheme provides a targeted additional incentive for families to move from welfare to work as employees or self-employed by allowing families to retain payments for children to ensure they are better off in work. The back to work family dividend scheme allows jobseeker’s allowance and jobseeker’s benefit recipients who have been jobseekers for 12 months or more or recipients of the one parent family payment to retain their full increase for qualified children for the first year in employment, tapering to 50% in the second year. The dividend is payable at a maximum rate of €29.80 per relevant child up to a maximum of €119.20 for four children. The number of recipients of the back to work family dividend at the end of September 2016 was just over 12,000 with more than 21,200 beneficiaries. This includes almost 7,200 former one parent family payment recipients. The dividend is payable in addition to the family income supplement and has no impact on a family’s FIS entitlement. Combined with the main in-work support, which is FIS, the dividend provides families with a significant financial incentive to make the transition from welfare to employment. The ESRI also reached the same conclusion after undertaking detailed analysis of it. Its findings were published in their budget perspectives 2016 paper, Making Work Pay More.

Deputy Willie O’Dea: Did I understand the Minister to say the Department is already carrying out a study on this? When does the Minister expect that study to be completed? Will it be referred to the committee for discussion? Where does that leave the family income supplement? Is it intended that this particular back to work dividend will exist side by side with the family income supplement or is the reformed back to work dividend going to subsume the FIS payment?

Deputy Leo Varadkar: The focused policy assessment is being done already and it should be ready by the end of quarter one or quarter two of 2017. At that stage, it can be referred to the committee for its deliberations. To answer the Deputy’s bigger question, we will need to have a good session at the committee sometime next year on where we are going with the working family payment. The working family payment can be anything from an additional top-up on top of everything else that exists or it could become a whole new thing that replaces FIS and the back to work family dividend and which is there to lift the incomes of low income families and

does not bother itself too much with the recipient’s marital status, who they live with or the rest of it. When I have an options paper ready on it, we will need to have a proper, detailed discussion about it in this committee because it could potentially be a big feature of budget 2018 and also a potentially expensive one. I am keen to do that.

Deputy John Brady: I hear what the Minister is saying. There is a report already being compiled but this proposed amendment is concerned with where that report is going, on what basis it is being compiled and what is being looked at in the report that is being undertaken. This amendment is quite specific. It proposes a report on the effects of the back to work family dividend to include the poverty rates among those in receipt of it. While the Minister’s report might look at specific areas, the report I am looking for is not a million miles away from what is being undertaken but it hones in on those specific areas. I do not see why the Minister could not agree to this amendment. Having it in the Bill will ensure the report is carried out and produced in a timely manner with these areas specifically being focused on.

Chairman: Does the work that is going on at the moment fit with the proposal in this amendment?

Deputy Leo Varadkar: It does in part. Looking at it, the one that hits me is the reference to poverty rates. It is nearly 2017 and we are working off data for poverty rates from 2014. If one wants a contemporaneous report that tells us something about 2016, it will not be published until 2018 or 2019. That is not particularly useful.

Chairman: In light of the report the Minister has indicated he is undertaking and the fact he will be bringing it to this committee and the timeframe, which we heard in answer to Deputy O’Dea’s question, does Deputy Brady intend pushing this amendment?

Deputy John Brady: Yes.

Amendment put and declared lost.

Sections 14 and 15 agreed to.

NEW SECTION

Deputy Leo Varadkar: I move amendment No. 9:

In page 8, between lines 20 and 21, to insert the following:

“Provisions with respect to habitual residence

16. Section 246 of the Principal Act is amended—

(a) in subsection (6)—

(i) by the substitution of the following paragraph for paragraph (b):

“(b) a person who has the right under the European Communities (Free Movement of Persons) Regulations 2015 (S.I. No. 548 of 2015) to enter and reside in the State or is deemed under those Regulations to be lawfully resident in the State;”,

(ii) by the substitution of the following paragraph for paragraph (c):

“(c) a person in relation to whom a refugee declaration within the meaning of the Act of 2015 is in force, or is deemed under that Act to be

in force;”

(iii) by the insertion of the following paragraph after paragraph (c):

“(ca) a person in relation to whom a subsidiary protection declaration within the meaning of the Act of 2015 is in force, or is deemed under that Act to be in force;”

(iv) by the substitution of the following paragraph for paragraph (d):

“(d) a person who has been given, or is deemed under the Act of 2015 to have been given, a permission to enter and reside in the State under section 56 of that Act, where the permission concerned is in force;”

(v) by the insertion of the following paragraph after paragraph (d):

“(da) a person who has been given, or is deemed under the Act of 2015 to have been given, a permission to reside in the State under section 57 of that Act, where the permission concerned is in force;”

(vi) by the substitution of the following paragraph for paragraph (e):

“(e) a person who is a programme refugee within the meaning of section 59 of the Act of 2015 or is deemed to be a programme refugee under subsection (4) of that section;”

(vii) by the substitution of the following paragraph for paragraph (f):

“(f) a person who has been given, or is deemed under the Act of 2015 to have been given, a permission to reside in the State under section 54 of that Act, where the permission concerned is in force;”

(viii) in paragraph (h), by the substitution of “the Immigration Act 2004;” for “the Immigration Act 2004.”, and

(ix) by the insertion of the following paragraph after paragraph (h):

“(i) a person who has been given a permission to reside in the State under section 60(6) of the Act of 2015, where the permission concerned is in force.”

(b) in subsection (7)—

(i) by the insertion of the following paragraph after paragraph (a):

“(aa) an applicant within the meaning of section 16 of the Act of 2015, or a person deemed to have made an application under that Act;”

(ii) by the insertion of the following paragraph after paragraph (d):

“(da) a person who has made, or is deemed under the Act of 2015 to have made, an application under section 15 of that Act which has been refused by the Minister for Justice and Equality;”

and

(iii) by the substitution of the following paragraph for paragraph (f):

“(f) a person in relation to whom a deportation order has been made, or has been deemed under section 51 of the Act of 2015 to have been made, under section 3(1) of the Immigration Act 1999.”,

(c) in subsection (8)—

(i) by the substitution of the following paragraph for paragraph (a):

“(a) is given, or deemed under the Act of 2015 to be given, a refugee declaration under that Act,”,

(ii) by the substitution of the following paragraph for paragraph (b):

“(b) is given, or deemed under the Act of 2015 to be given, a permission to enter and reside in the State under section 56 of that Act,”,

(iii) by the insertion of the following paragraph after paragraph (b):

“(ba) is given, or deemed under the Act of 2015 to be given, a permission to reside in the State under section 57 of that Act,”,

(iv) by the substitution of the following paragraph for paragraph (c):

“(c) is given, or deemed under the Act of 2015 to be given, a subsidiary protection declaration under that Act, or”,

(v) by the deletion of paragraph (d), and

(vi) by the substitution of “declaration or permission concerned was given or granted as the case may be and, in the case of a declaration or permission deemed to be given, for any period before the date on which the declaration or permission concerned was originally given.” for “declaration referred to in paragraph (a) was given or the permission referred to in paragraph (b), (c), (d) or (e), was granted.”,

and

(d) in subsection (10), by the insertion of the following definition:

“ ‘Act of 2015’ means the International Protection Act 2015;”.

The legislation governing the application of the habitual residence provisions is contained in section 246 of the Social Welfare Consolidation Act 2005. The amendments now being introduced arise from a recent change in secondary legislation and the pending commencement of certain sections of primary legislation enacted by the Department of Justice and Equality, both of which require that the habitual residence provisions of social welfare law be updated. I emphasise that there is no change to the habitual residence policy resulting from these amendments. They relate to the European Communities (Free Movement of Persons) Regulations 2015 and the International Protection Act 2015, both of which were introduced by the Tánaiste and Minister for Justice and Equality.

The European Communities (Free Movement of Persons) Regulations 2015 give further effect to the EU directive on the rights of EU citizens and their family members to move and

reside freely within member states. The regulations came into force on 1 February 2016. They replaced the European Communities (Free Movement of Persons) (No. 2) Regulations 2006 which are currently referenced in the habitual residence provisions of the Social Welfare Consolidation Act. The amendment is necessary to continue to provide that a person who is in the State in accordance with EU law is among those regarded as having a right to reside in the State for the habitual residence provisions.

The International Protection Act 2015 restates and modifies certain aspects of the law relating to the entry into and presence in the State of persons in need of international protection. Under the Act, certain legislation, including the Refugee Act 1996, the European Communities (Eligibility for Protection) Regulations 2006 and the European (Subsidiary Protection) Regulations 2013 are revoked. They are currently referenced in the habitual residence provisions of the Social Welfare Consolidation Act. The proposed amendments will replace these provisions with the relevant provisions of the new International Protection Act.

I emphasise that the amendments will continue to ensure that, once protection such as refugee status, is granted to a person, that person has a right to access social welfare supports in Ireland on the same basis as an Irish citizen. Such persons are entitled to apply for any social welfare payment appropriate to their circumstances, subject to satisfying the eligibility criteria of the particular scheme. The amendments provide that any person who has a refugee declaration or a subsidiary protection declaration under the International Protection Act will have a right to reside for social welfare purposes. They also include similar provisions for family members of such persons who have permission to reside in the State and persons who are in the State as programme refugees in accordance with the International Protection Act.

While the amendments in respect of the International Protection Act primarily update the current habitual residence provisions, they also provide that persons who have been granted temporary protection as part of a group of displaced persons under that Act, are regarded as having a right to reside under the habitual residence provisions. The amendments continue to provide that persons granted protection cannot be regarded as habitually resident in the State for any period before the date protection was granted to them. They maintain the policy that certain persons such as applicants for or those refused protection, or in respect of whom a deportation order has been made, cannot be considered to be habitually resident in the State for social welfare purposes. However, while applicants for international protection, mainly asylum seekers, cannot access the schemes to which the habitual residence provisions apply, the Department of Social Protection provides certain supports for them while they are awaiting a decision on their international protection applications. Such supports include the payment of the direct provision allowance and, as appropriate, exceptional needs payments. Such persons may also qualify for the back-to-school clothing and footwear allowance.

It is intended that the provisions relating to the European Communities (Free Movement of Persons) Regulations 2015 will take effect on the enactment of the Bill. The amendments arising from the International Protection Act 2015 will come into force on the commencement of the relevant provisions of that Act. This is expected to occur before the end of the year. To cut a long story short, the International Protection Act which has been passed by the Oireachtas, is replacing a number of pieces of legislation, including the old Refugee Act 1996, the European Communities (Free Movement of Persons) (No. 2) Regulations 2006 and the European (Subsidiary Protection) Regulations 2013. We need to update social welfare law by taking them out and inserting the provisions of the new legislation in order that everything will be aligned.

Deputy Willie O’Dea: This is a long and complex amendment. I understand the regula-

tions of 2016 are replacing the regulations of 2005. Is the Minister satisfied that the changes being made do not in any way diminish the right of the people concerned to claim social welfare payments? Section 246 of the Act, to which the Minister refers, makes it a condition of receiving social welfare payments that a person must be present in the State or another part of the common travel area which includes Great Britain, Northern Ireland, the Channel Islands and the Isle of Man, for a continuous period of at least two years. It is my experience that this condition is being interpreted very rigidly by social welfare officers. Many of the people concerned come here in circumstances where, even after two years, they are not able to provide telephone or other bills to prove that they are living here. I have come across cases of injustice arising directly from the fact that the condition is being interpreted very strictly.

The Minister is incorporating a new category. The permission applies to a person entering the State as part of a group of displaced persons following a decision of the European Council. Will the people in question be regarded as continuously resident from the time they arrive here or will they have to wait for a formal decision?

Deputy John Brady: While I acknowledge that the amendment will bring us into line with EU legislation, I wish to point to a serious problem for returning emigrants. I am not talking about welfare tourists or anything like that; I am referring to someone who is coming back having spent a number of years in Australia, America or wherever else on foot of a job offer. Perhaps after six months or one year that job will come to an end and the person concerned will then try to sign on. There are difficulties with the requirement for such persons to have lived in the State for two years. While I am not asking for it to be covered in the Bill, I am flagging it as an issue. I have come across Irish citizens who emigrated, came back, were in a job for a year and then sought entitlements. It is difficult to prove they have been here for two years to qualify. I ask the Minister to look at this issue at some point and perhaps we might have a broader discussion on it.

Chairman: Some of the points made stray a little beyond the relevant amendment and section.

Deputy Leo Varadkar: In fairness, they are relevant because the amendment deals with the issue of habitual residency.

In response to Deputy Willie O’Dea, I am satisfied that there is no policy change with the amendment. What used to be the two-year rule is no more. I only discovered this in my studies in the past couple of months. The two-year rule was overturned by the European Court of Justice in favour of a new provision, whereby a person’s habitual residence is established according to consideration of five tests or factors to work out his or her centre of economic interest. It concerns where he or she works and where his or her family and savings are. That is, of course, much trickier to interpret than having something very straightforward such as a two-year rule. That is what my officials have to look at in determining whether somebody is habitually resident. It probably is interpreted strictly, which is not necessarily bad. We do not want people to arrive in Ireland and claim under our welfare system if they are not habitually resident and do not have a centre of interest here. I am sure most people do not want that to be the case.

Deputy John Brady made a very valid point about the downside of all of this in referring to returning emigrants who are Irish citizens. I have come across this in the case of missionaries returning from missions having not been habitually resident in Ireland for a very long time. We are looking to find some solutions to that dilemma. However, obviously under European law we have to treat all European citizens the same. There are many Irish citizens who have never

lived in Ireland. If we were to say they or somebody who has been out of the country for 40 years could avail of the welfare system straightaway, we would have to give the same right to 500 million EU citizens. That is one of the consequences of the freedom of movement and the four freedoms that people are so attached to for various reasons.

With regard to returning emigrants specifically, arrangements are in place with Safe Home, a registered charity, to assist with the difficulties experienced by some returning Irish emigrants in demonstrating their intentions to live here permanently for the purpose of satisfying the habitual residence condition. To assist such persons, Safe Home has arranged a checklist of a range of documents that will help show that a person has returned to Ireland permanently. Safe Home has also designed a declaration which will confirm that a person is engaging with it as part of the person's repatriation. The declaration is associated with any social assistance claim the person might make. These measures help to expedite the decision-making process in these cases as it can be accepted as proof that the person has returned to reside in the State on a permanent basis. This is very much for the case of the Irish person who retires back to Ireland after being gone for a very long time.

With regard to displaced persons, while the amendments in this subsection primarily update the current provisions to ensure all those categories of persons who were previously recognised in the habitual residence provision as having a right to reside retain that position. It is also intended that an additional permission to reside in the State is included in the section. This is for people who have been granted temporary protection in accordance with the International Protection Act 2015. The Act provides for EU laws for immediate and temporary protection in the event of a mass influx of displaced persons who are unable to return to their country of origin. If this is invoked, this measure would provide a balance of efforts between member states in receiving such displaced third country nationals. The section provides for a displaced person to be given permission by the Minister for Justice and Equality to enter and remain in the State, for temporary protection, as part of this group of persons. If there was a mass influx, it would allow us to do that.

Deputy Gino Kenny: Consider a case I came across a few weeks ago. A friend of mine has worked in the State all her life and she went to Australia for two years. When she returned to Ireland she went to social welfare and she had problems in signing on. Will the Minister clarify if this amendment would affect people like my friend?

Deputy Leo Varadkar: No. This amendment relates solely to people who fall under the International Protection Act 2015 such as refugees and asylum seekers, namely, those people who are looking for asylum, refugee status or leave to remain. It would not apply in the case of the Deputy's friend because she is an Irish citizen.

Chairman: I thank the Minister.

Amendment agreed to.

Sections 16 and 17 agreed to.

SECTION 18

Chairman: Amendments Nos. 10 to 20, inclusive, in the names of Deputies Brady and Mitchell and amendment No. 21 in the name of Deputy Bríd Smith have been ruled out of order. Therefore, there are no amendments to section 18.

Amendments Nos. 10 to 21, inclusive, not moved.

Question proposed: "That section 18 stand part of the Bill."

Deputy John Brady: I am not going to go over all the points I made earlier with regard to the timeline but I want to speak about Free Legal Advice Centres, FLAC, and Community Law and Mediation. They have raised serious concerns around the allowance rates for asylum seekers in direct provision. The Bill does not mention any increase whatever in this area. An adult is expected to live on €19.10 and a child on €15.60 per week. There has been an awful lot of talk about fivers being thrown all over the place but there is no talk around the issue of direct provision. I know that the McMahon report on direct provision in Ireland put forward a series of recommendations and there has been no action at all in this regard. The UN has also asked that the Government address this. I know we are dealing with increases and we are dealing with timelines, but I want it on the record that there are serious concerns about this. Contrary to the mantra that all payments are going up by €5, there is a serious problem with this particular allowance. I also raised the issue with regard to child benefit in that many of the children in the direct provision system are born within the State and theoretically they are Irish citizens. We have had the discussion around the timeframe for the payments and I will not go through all that again, but it is a complex issue and I want it on the record.

Deputy Gino Kenny: Will somebody explain why amendment No. 21 is being ruled out of order? Deputy Bríd Smith will be here shortly.

Chairman: With regard to amendment No. 21, under the current conditions of the homemaker's scheme, any years that a person spent as a homemaker since 6 April 1994 are ignored or disregarded when calculating the yearly average contributions for a contributory State pension. Deputy Smith's amendment proposes to have an open-ended provision of up to a maximum of 20 years disregarded instead of the current provision which only allows for the years 1994 to date to be disregarded. The amendment therefore could impose a charge on the Exchequer and must be ruled out of order, in accordance with Standing Order 179(3).

Deputy Gino Kenny: Deputy Smith is on her way here. Will the Chairman afford the Deputy a couple of minutes?

Chairman: If she gets here while we are dealing with the matter.

Deputy Gino Kenny: She will be here.

Chairman: I will be as flexible possible but we do have to deal with the Bill first. Perhaps the Minister will respond to Deputy Brady.

Deputy Leo Varadkar: With regard to the Deputy's comments, being born in the State no longer automatically qualifies a person to Irish citizenship. We held a referendum on that and people voted overwhelmingly to remove that provision. I have noted the Deputy's comments on direct provision and he is correct to say there is no increase provided in the Bill for people in receipt of a direct provision payment. My Department administers the direct provision allowance on behalf of the Department of Justice and Equality, so it is not provided for at all in social welfare legislation. It would be a matter for the Department of Justice and Equality to decide on whether it wants to make an increase in any of those allowances. My Department provides the back to school clothing and footwear allowance and the exceptional needs payments for such items as adult clothing, children's clothing, a pram, buggy or double buggy and various other things for which people can get a grant from the Department.

Chairman: All the amendments have been ruled out of order. The committee has been discussing section 18 and Deputy Smith had tabled amendment No. 21 which, as she is aware, has been ruled out of order. Deputy Kenny informed me that she was on her way so she has an opportunity to speak, but the amendment has been ruled out of order.

Deputy Bríd Smith: How does this work? Do I speak to the amendment even though it is ruled out of order?

Chairman: The Deputy can speak to the section but the amendment will not be put as it is out of order.

Deputy Bríd Smith: I will speak on the overall issue, if that is fair.

Chairman: Yes, but the amendment will not be put.

Deputy Bríd Smith: I understand, but I also have another amendment that says it will be the subject of a report three months after the Bill has passed. Is that-----

Chairman: The Deputy can deal with that separately.

Deputy Bríd Smith: The substantive issue here concerns a major glitch in the system of pay and pensions that particularly affects women. In the perceived attempt to normalise the contributions in the State pension for women, a measure was introduced in 2012 that would take the average contributions over a woman's working life. I should not just say woman, I should say a person's working life because some men are homemakers, and this is more frequently the case now than in the 1960s and 1970s, but there is a cohort of homemakers who are not being advantaged but are being penalised by the measure brought in during 2012. When the average number of contributions is calculated over a person's working life, it means that even if they worked 30, 31 or 32 years from the mid-1980s up to 2015-16 when they retired, they will have got a much reduced State pension benefit. I met some women this morning, and the cohort of people - there is one man involved - in contact with us on this issue is growing. If these people started their working lives in the late 1960s or early 1970s, left the workplace to rear their children and be homemakers and then returned to work in the mid-1980s when their families were able to stand on their own two feet, the calculation based on the average contributions figure is pulling their State benefit qualification down to the lowest level. The State contributory pension payment is €230 per week based on the maximum contributions. If the women I met this morning had their pension benefit qualification measured on the contributions they made over the large chunk of their working life, which was the period after they had reared their families from the mid-1980s until recently, they would have gained a contributory pension payment of €230 a week. Instead their average contributions were measured over a prolonged period going back to the 1960s or 1970s where, to use the term those women used, they sold their contribution benefits back to the State; they both remember going down to Victoria Street and getting a fiver for the benefits they had paid in. The whole stretch of benefits is averaged over that period, which means that these people are getting a contributory pension payment of €209 per week instead of €230 per week. That shortfall amounts to a considerable amount of money in a year for any family. Many people are affected by this and they have been contacting us.

Chairman: In a bid to be helpful, the proposed amendment cannot be moved. I appreciate the issue involved and that is why I allowed the Deputy to outline it. Strictly, the detail of such an amendment is not supposed to be raised but I want to be helpful. The Committee on Social Protection has taken the issue of pensions seriously and it is one of the items of work we will

be doing. Outside groups will be brought before the committee to address the anomaly around pensions.

Deputy Bríd Smith: Then this should be included the Bill, even by way of an amendment.

Chairman: This cannot be brought forward by way of an amendment. I gave the explanation for that but the Deputy was not here at the time. This amendment would pose a charge on the Exchequer which is not permitted under Standing Order 179(3), and the amendment cannot be moved at this time. I now need to proceed to deal with the section.

Deputy Bríd Smith: What is proposed in the amendment may pose an extra charge on the Exchequer and therefore it is impermissible, but it is impermissible to discriminate against people on the basis of their age-----

Chairman: It is impermissible for us to-----

Deputy Bríd Smith: That is discrimination.

Chairman: It is not possible for us to deal with the amendment because it has been ruled out of order under Standing Orders. However, the issue is not out of order. I accept the issue and it is one the committee is taking seriously. With respect to the Bill, as presented, we cannot deal with the amendment as it has been ruled out of order.

Deputy Bríd Smith: If later in the year when the committee has dealt with this issue and discovered there is an anomaly that must be addressed, can a provision to address the issue then be included in the Bill?

Chairman: That would be a different day's work. Under Standing Order 179, we are not in a position to deal with this amendment because it would pose a charge on the Exchequer, as would other amendments that were presented which have also been ruled out of order. These are the Standing Orders within which we have to do our work. I must proceed. All of those amendments were ruled out of order. Is the section agreed? Agreed.

Question put and agreed to.

Section 19 agreed to.

SECTION 20

Chairman: Amendment No. 22 in the names of Deputies Brady and Mitchell has been ruled out of order.

Amendment No. 22 not moved.

Section 20 agreed to.

Section 21 agreed to.

SECTION 22

Chairman: Amendments Nos. 23 to 31, inclusive, in the names of Deputies Brady and Mitchell have been ruled out of order.

Amendments Nos. 23 to 31, inclusive, not moved.

Section 22 agreed to.

NEW SECTIONS

Deputy Willie O’Dea: I move amendment No. 32:

In page 12, between lines 2 and 3, to insert the following:

“23. (1) The Minister shall review the impact of the increase in the national minimum wage on the income thresholds set for social welfare payments and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(2) The Minister shall review the eligibility criteria for qualifying for the Household Benefits Package in the context of the current housing crisis and adult children having to return to live at home and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(3) The Minister shall review the eligibility criteria for qualifying for Jobseekers Benefit, in particular the rule that you have to be unemployed for at least 4 days out of 7 to qualify for the payment and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(4) The Minister shall review the eligibility criteria for the State Contributory Pension and the averaging system used to determine eligibility and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(5) The Minister shall review the changes introduced to the One-Parent Family Payment in 2012 particularly in light of the report by Dr Millar and Dr Crosse on lone parents and activation and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(6) The Minister shall review the operation of the Family Income Supplement to see how it could be improved to encourage and facilitate people to re(enter) the workforce and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.

(7) The Minister shall review the treatment of seasonal and part-time workers in terms of their eligibility for Jobseekers Benefit; the contributions required to access the payment and the €12.70 rate per day set for subsidiary employment earnings and shall bring forward a report to the Committee on Social Protection on same within 3 months of this Bill being enacted.”.

This amendment contains a number of requests, which will not pose a charge on the Exchequer, requiring the Minister to bring forward a number of reports to the committee on various issues with which the committee will be dealing. I want to know the ongoing position of the Department on these matters. That would help us to conduct our discussions in the full knowledge of all the particular circumstances. I understand that subsection (5) of my proposed amendment dealing with the one-parent family payment has already been dealt with. Did I understand the Minister to say that he or the Department is carrying out a review or study of the jobseeker’s benefit scheme regarding the different rates?

Deputy Leo Varadkar: Yes, on the jobseeker's transitional payment.

Deputy Willie O'Dea: On the jobseeker's transitional payment, the three-day rule is a disincentive to people to take up employment. A person can earn X amount over three days and get social welfare benefit for the remainder of the week. A person who earns exactly the same amount but does so over four or five days is not entitled to any social welfare payment. That is an anomaly. It constitutes a disincentive to a person who is working three days a week to take up more hours unless they can take them up within the three days. It can create a disincentive to take up a job for four days a week because the person will lose their social welfare payment. There are technical difficulties in moving from that system, which is a relatively simple system, to an hours worked system. I am seeking a report on that to see if it would be possible to advance something along those lines.

I am also seeking a report on the matter referred to by Deputy Bríd Smith in her amendment concerning the change in the rules brought in by the previous Minister for Social Protection regarding qualification for the State contributory pension. Under the current system, a person who pays 520 contributions can, in some circumstances, be entitled to the full pension while a person who pays double that number of contributions might be entitled to a smaller pension. Obviously, that is unjust. That cannot be right. We have received many complaints on this issue. People are contacting me on a weekly basis asking what is happening about this. It is a grave injustice. People believe that their payments have not been properly awarded on the basis that they know people who have paid fewer contributions who are in receipt of a higher pension. I understood the Minister to say, and he can correct me if I am wrong, that some work is being done on that within the Department. Is that correct? I take it we will discuss the family income payment in conjunction with the report on the working family dividend when it comes before this committee.

Subsection (7) of my amendment deals with part-time and seasonal workers. As my colleague, Deputy Pat the Cope Gallagher, said this morning in the Dáil, this has particular relevance in Donegal and certain coastal counties. The method of, and regulations for, paying social welfare to seasonal and part-time workers has changed in recent years. In order to qualify for benefit, a person is now required to have 117 contributions over a three-year period. That equates to 39 contributions per annum. It is pretty difficult for people in seasonal and part-time work to make that number of contributions in that space of time. In addition to that, the subsidiary income threshold is €12.70 per day. That seems grossly unfair. That is €63 a week. If a seasonal worker earns that from farming, he or she is not entitled to unemployment benefit. People are told that they can depend on an income of €3,302 per annum, which in these times seems somewhat unreal.

There is also a new requirement that when a social welfare claim ceases, a person has to make 13 contributions in order to transfer on to the next claim. That does not make any allowance for the unique nature of seasonal work. Some Deputies from coastal counties have told me that they have been dealing with these people for up to 20 years and it is only in the past two or three years that they have had difficulty accessing the social welfare system. I am also advised that the current regulations are giving rise to skill shortages in seasonal and part-time work in businesses and that they urgently need to be addressed. If I were to propose an amendment to change the system, it would be ruled out of order on the basis that it would pose a charge on the Exchequer. I am trying to put some focus on this problem because it affects a number of people, especially in coastal counties. On the face of it, it seems to be rather unfair. The system

appears to me to warrant close examination. This is why I have proposed that we write into the Bill that the Department should carry out a report and then report back to the committee. I am interested to hear what the Minister has to say about it.

Deputy Leo Varadkar: The Deputy has raised several different issues. I will try and go through them sequentially, if I can, with the exception of the lone-parent issue. That is something we already discussed in detail.

Reference was made to the review of the impact on the national minimum wage income thresholds. We figure we can do a report on that quickly. It is quite straightforward and we could easily have it to the committee in less than three months.

The Deputy also referred to the household benefits package. Essentially, I think the Deputy is referring to cases where someone moves back to the house. That person might be a grandson or daughter who has moved back to the house. The household benefits package is worth approximately €11.50 per week. If a young person is not working, the household benefits package would not be lost. If the person has come back and is working, he must be earning €400 per week. For that person to make a contribution of €11.50 to the cost of running the house is not a great deal to ask. I would expect a person who moves back to live with his parents to cough up €70, €80, €100 or €200 to help to cover the costs. I do not see why it would make sense for us to continue to pay the household benefits package to a household that has someone in it who is working and earning. It would be extraordinarily expensive and I do not think it would be right. It is entirely reasonable that a younger person who moves back to live with his parents to save for a house or whatever should contribute €12 per week to the running of the house. In fact, that person should contribute more, in my view. I did when I was living with my parents. The figure was far more than €11.50. I see no role for the welfare system in that scenario.

Certainly, we can undertake some work on the eligibility criteria for jobseeker's benefit. The three-day rule is tricky and it is difficult to find a solution to it. Like many things, when I first got this job I thought this would be a no-brainer. However, it gets tricky because if we change the criteria from three days to a certain number of hours, we would then open up jobseeker's to a large number of people who do not currently claim it. That would represent a significant cost. The way of avoiding that is to reduce the level to a smaller number of hours. This would mean many people who now work three days would lose out. It is like many of these things in that it is often only when we realise why the rules are what they are that we realise why it might not be so wise to change them. That said, I have no difficulty in giving the committee some figures and numbers as part of a report.

The question of the averaging system in the State contributory pension was raised by Deputy Smith and Deputy O'Dea. Again, this area is far more complicated than people may think. The State contributory pension based on contributions. People put money into the fund and at the end, when they retire, money comes out of the fund. The fundamental difficulty in recognising anything that is not a financial contribution to the fund is that it devalues the pensions of those who have made a financial contribution to the fund. Effectively, it would represent a tax on the financial contribution made by others. It is done, in part, already with the homemaker's credit, but it is not cost free. It imposes a cost on the taxpayer and it also devalues the contributions of those who have paid in. The whole point of the contributory principle and the Social Insurance Fund is that people pay in and then the cash comes out when people retire. If people start to put in credits and non-financial contributions, it is not going to work because people do not want to be paid their pensions in credits.

Deputy Bríd Smith: That is not the case. Let us suppose a person has worked from 1984 to 2015 and that person made a home and left a job in 1969 or 1970 to rear children. Finally, let us suppose the person went back to the workforce and worked for 32 or 33 years until 2015. That person would have paid more than a sufficient number of contributions to get a full pension. However, the figure is not calculated based on the past 33 or 34 years of full employment. In the cases of the people I have met, wages were decent and so their contributions would have been decent. However, when it came to measuring what they were entitled to, the reckoning went right back to 1969 and produced an average figure. That put these people on a lower grade of pension, at €209 instead of €230 per week. There are thousands of people in that predicament, and they are mostly women.

Deputy Leo Varadkar: I was coming to that. I was also coming to the issue around most of them being women. Deputy Smith is referring to a system we call averaging. Under averaging, it is not the number of contributions a person has made during the course of her working life that counts, but when she has made them. That is a negative for people who have a gap in employment. This is often, but not always, for caring and it usually, but not always, involves women. If a woman works for some years, leaves employment for any reason and goes back to work again, she loses out because the calculation is averaged over a long period, including the gap in the middle. The people who benefit from that system are those who are here and who perhaps never worked for a long time or who started work for the first time later in life. Even though these people have paid fewer contributions overall, they get the full pension. That is unfair. We can equalise that, but by equalising it, this group is going to lose out. This means there may be one group of tens of thousands of people who benefit, but we will also have tens of thousands of people who lose.

The way we intend to go - it is in the pensions framework already and we have committed to doing it by 2020 - is to move towards a total contributions approach. This will get rid of averaging altogether. This would amount to moving to a point whereby the total number of contributions a person makes is what counts. However, that figure would have to be set at a higher level of contributions than a person currently has to make for things to work out. It is not what it may seem, and there will be significant winners and losers. At the moment we are trying to go through all the pension records and look at all the different types of cases and scenarios that might arise to get some clue of what the total number of winners and losers might be in each scenario. I hope my officials will come to me at some point with an options paper. I will share it with the committee members when I have it. Every time we change the rules, there are winners and losers unless we are willing to drop hundreds of millions of euro to ensure there are no losers. Before I make any decision or ask the committee to agree to any decision I want to have before me the options and the numbers of winners and losers in each case, as well as the cost.

Deputy Smith is absolutely right to say that when it comes to this particular aspect of State contributory pensions, most of the people who have a gap in their employment are women. Therefore, when we meet these groups, they are mostly female. That is true. However, committee members should bear some points in mind when considering the Social Insurance Fund overall. Women gain more from it. They live longer and get paid their pensions for longer. They gain far more from the maternity benefit system, for example, than men do from the paternity benefit system, and they pay less in for fewer years. This is not my opinion. An actuarial review was undertaken of the fund and it showed that women benefit more from the social insurance system than men. Therefore, if we are going to go down a gender equalisation route, it would require a shift in benefits from women to men.

Deputy Bríd Smith: The Minister has not referred to the fact that the average is disregarded for homemakers after 1994, but it is not for homemakers prior to 1994. The amendment asks precisely that question. The idea is that the average would apply to everyone, not only homemakers after 1994. I do not understand why previous Governments brought this measure in after 1994. It seems there is a disregard for the average after 1994 but not for the years beforehand. Women my age and older women who are coming up to retirement are going to be penalised heavily for something that is utterly wrong. I am not suggesting that we should take it from Paul to pay Peter. I am saying active discrimination is taking place here and that is clear.

Deputy Joan Collins: I wish to comment.

Chairman: I have not come to the Deputy's amendment yet. We are on amendment No. 32 specifically.

Deputy Joan Collins: Is that Deputy Smith's amendment?

Chairman: No, it was tabled by Deputy O'Dea.

Deputy Joan Collins: Sorry, I was speaking in the Dáil on the Education (Admission to Schools) Bill.

Chairman: That is what I am saying. I am conscious that the Deputy's amendment is coming up, but we are still on amendment No. 32 for the moment.

Deputy John Brady: I share all the concerns around what I would class as gender discrimination. I take issue with what the Minister has said, although he was quoting someone else.

Deputy Leo Varadkar: It is not my opinion, it is an actuarial review that the Deputy can look at for himself.

Deputy John Brady: Well, the reality on the ground is that many women would hit back at that and contradict the points made.

Deputy Leo Varadkar: That is true but that does not mean they are right.

Deputy John Brady: I share all of those concerns and ask that a report would be forthcoming on the matter. Subsection (3) of the amendment deals with the jobseeker's allowance and the three-day rule. That rule is causing enormous difficulties as the Minister will be aware. It is very problematic in the context of zero-hour and low-hour contracts in the workplace. There have been some very high-profile examples of this in recent times, including at Dunnes Stores. The staff of that company went to court over the issue. Many employees were working very low numbers of hours over the course of a week and because they were only working a three-day week, they were not entitled to jobseeker's payments. I support this amendment and ask the Minister to ensure that a comprehensive report on the issue be provided. This is a matter to which we must return in the future. The way to deal with it is to enact legislation on zero-hour contracts but, unfortunately, the Sinn Féin Bill on the matter that was put before the House was opposed by a number of the parties. That Bill would have gone a long way towards addressing the issue. That said, I support the amendment and ask that a report is provided on qualifying criteria.

Chairman: Does the Minister wish to comment further?

Deputy Leo Varadkar: Yes. On the pensions issue, I want and intend to make a change

in this area to bring in a system that is fair. However, I am not entirely sure that the solution is only about recognising gaps where somebody was a home-maker. There may be other legitimate reasons for people having gaps in their contributions records. For example, they may have been profoundly ill for a period and not in a position to make contributions. I have often heard it argued by family carers that the time they spend as carers should be recognised too. There are seven or eight different issues involved here.

Deputy Bríd Smith: I was a family carer and that time is recognised.

Deputy Leo Varadkar: Only for children under 12.

Deputy Bríd Smith: No, family carers are recognised for the purposes of calculating pension entitlements. I know this because I used to have to sign on for credits. That time is recognised and taken into account

Deputy Leo Varadkar: One can only sign on for credits if one has an insurance record to protect.

Deputy Bríd Smith: Yes, exactly, and the women to whom I am referring had insurance records to protect because they worked in the 1960s or 1970s. Then they reared their families and went back to work in the 1980s. They are being penalised for that now.

Deputy Leo Varadkar: Yes, but the point I have tried to make is that there are a number of these issues. Deputy Bríd Smith is referring to one particular group of people who are raising an anomaly but there are lots of other similar issues and anomalies when it comes to calculating the contributory State pension. We could create more anomalies by closing one anomaly in isolation.

Deputy Bríd Smith: There is a big issue coming down the tracks at the Minister because of the age profile of the people involved. The women who fall into this category are beginning to retire.

Deputy Leo Varadkar: Yes, but they are not the only group. What I am trying to point out is that they are not the only people who have an issue-----

Deputy Bríd Smith: They are a big group.

Deputy Leo Varadkar: -----with the way entitlement to the State contributory pension is calculated. What we are trying to do is to move towards a total contributions approach, which means that what matters most is how many contributions a person has made and not when he or she made them. That would make a big difference in favour of the group to which Deputy Bríd Smith is referring. We also want to have a decent period where we recognise absence from work for caring purposes. We need to do a huge job on this in order to figure out the options, who the winners or losers would be, what the profile of those winners and losers would be - not just in terms of gender but also other factors including region, background and so forth - as well as the cost of each potential change. We just do not have all of the necessary information yet. We literally need to go through contribution records from the 1940s and 1950s and-----

Deputy Bríd Smith: No, it is the records from the late 1960s and 1970s-----

Deputy Leo Varadkar: The Deputy is correct, sorry. We must go through the records from the 1960s and 1970s and that is a big job of work. We will do it but it is not a straightforward change.

The seasonal work issue is coming up more than it did in the past, particularly in Donegal. I do not know why that is the case but the Department would be willing to compile a report on it. I am just not sure, in terms of the timeframe, whether we can do all of this work in three months. I do not know if the Deputy would be willing to accept that we will report on all of these issues next year but that this would not be written into the legislation to give us some flexibility around it.

Chairman: It is Deputy O’Dea’s amendment. In light of the Minister’s comments, what is the Deputy’s position on it?

Deputy Willie O’Dea: I will withdraw my amendment for the moment. We will both give it further consideration between now and Report Stage.

Amendment, by leave, withdrawn.

Deputy John Brady: I move amendment No. 33:

In page 12, between lines 2 and 3, to insert the following:

“Unfair Dismissals employer reimbursement

23. Any employer who has had a finding made against them of unfair dismissal under the Unfair Dismissals Acts 1977 to 2007, shall reimburse the State the cost of the unfairly dismissed former employee’s social welfare payments for the period of time between the date of the former employee’s dismissal and the date on which the finding is made against the employer under the aforementioned Acts.”.

This amendment is self-explanatory. It deals with cases of unfair dismissal and proposes that the employer, if found to have unfairly dismissed an employee, would pay back any social welfare payments issued to the employee from the date of his or her unfair dismissal. This would realise a saving for the State. The amendment is reasonable and I urge the Minister to accept it.

Deputy Leo Varadkar: The unfair dismissals legislation provides that any social welfare payments which the employee may have received after the date of dismissal are not taken into account in calculating the financial loss that the person suffered as a result of the dismissal. This ensures that the person is not penalised for having been in receipt of a social welfare payment following his or her dismissal. Recouping the cost of welfare benefits arising from unfair dismissals would require a change in this position on the principle of no double compensation. That is, a person cannot be compensated twice, both by his or her employer and by the Department of Social Protection. This could reduce or even eliminate the award for the person who was unfairly dismissed where he or she is also in receipt of a social welfare payment because that payment would have to be taken into account in calculating the financial loss to the individual.

The reference to social welfare payments is a catch-all term which could include benefits directly linked to unemployment and those relating to other contingencies such as illness, lone parenthood, old age or caring responsibilities. The linking of a broad range of welfare contingencies to unfair dismissals would be difficult to justify.

The time period envisaged in the amendment, that is, between the date of dismissal and the date on which the finding is made, is potentially open-ended and disproportionate. What is

proposed would also give rise to significant additional costs to employers and businesses. For example, one year of jobseeker's benefit for a person with an adult dependent and two children would be €20,000. In turn, these losses could result in other losses of employment at the business.

There are several other reasons why I cannot accept the amendment which I will not go into now. To be straight with the Deputy, when I first looked at this amendment, I thought it seemed like a good idea. Why should the Department not recoup the money if an employer has dismissed an employee unfairly? Indeed, that money should not have had to be paid out because the employee should not have been dismissed in the first instance. However, what made me change my mind is the principle of double compensation, namely, that somebody cannot be compensated twice. Essentially, what would happen is that any money paid to the employee from the Department of Social Protection would have to be deducted from his or her compensation award from the Workplace Relations Commission, WRC. The WRC would then have to pay the difference to the Department. Therefore, the individual employee would be no better off and the State would be no better off because we would just be making a circular payment.

Chairman: On the amendment, Deputy Bríd Smith.

Deputy Bríd Smith: I am fascinated by this. Is the Minister saying that under the Unfair Dismissals Act, social welfare payments are not taken into account when determining the award for the individual who is found to have been unfairly dismissed?

Deputy Leo Varadkar: Such payments are not taken into account.

Deputy Bríd Smith: They used to be taken into account. I do not know when that was changed. If a person who was unfairly dismissed received social welfare payments while awaiting a hearing and that must be taken into account in the context of the level of compensation to be awarded, then he or she is being unfairly treated twice. In many cases while they are waiting for the hearing, which could be for two or three years, they must stay on social welfare benefits because it can be difficult to get another job if there is a question mark over why they were sacked from their previous job. However, when it is proved an employer breached legislation and unfairly dismissed a person, because an employer must breach legislation to be guilty of unfair dismissal, it is the person who was unfairly dismissed who bears the brunt rather than the employer who committed the breach of legislation in the first place. I do not get it. It is unfair.

Deputy John Brady: That is exactly the point. Unfortunately, there is a double whammy for a person who has been treated appallingly by an employer found guilty of unfairly dismissing the person. Such people are penalised a second time. The Minister is speaking about a severe financial responsibility on the employer, perhaps up to €20,000, and so be it. The employer will have been found to have acted illegally in unfairly dismissing an individual. Deputy Bríd Smith is right. It is very difficult for people who have been unfairly dismissed, or have that cloud hanging over their heads, to find alternative employment. It can go on for a lengthy period of time. I do not take on board what the Minister is saying.

Chairman: We will come back to the Minister in a moment.

Deputy Joan Collins: I will speak briefly on this because I have raised something similar. In an unfair dismissal case, the employer must be made to pay the State and then pay the person who has been unfairly dismissed, but surely the person who was unfairly dismissed and left in limbo for a period of time should not bear the brunt of any unintended consequences. I

support the amendment, but if the Minister is stating he cannot do it this way something should be included whereby if an employer is deemed to have unfairly dismissed somebody he or she must pay back the State the social welfare payments and then pay the individual the award due.

Chairman: Does the Minister wish to comment further?

Deputy Leo Varadkar: Perhaps I need to give a bit more thought to this but the advice I have been given is the unfair dismissals legislation provides that any social welfare payments which the employee may have received after the date of dismissal are not taken into account in calculating the financial loss. If we were to change this, presumably the person would have to get a lower award from the Workplace Relations Commission, WRC, and we would have to go after the employer for the difference. We would then probably be challenged. Employers would certainly challenge this and they would state the person may well have been unfairly dismissed but this is not to state the person could not have taken up other employment. I accept it makes it more difficult to take up other employment if someone is unfairly dismissed, but it is certainly not an impossibility. If challenged, how would we prove the person could not get another job because he or she had been unfairly dismissed and not because of another reason?

Deputy Bríd Smith: The amendment is trying to address how the State recoups the social welfare payments it made to the individual. It is perfectly legitimate for the amendment to state the money should be taken from the employer who breached the legislation, because he or she has been found guilty in an unfair dismissals tribunal, or the WRC as it is now. This is all the amendment states. It is quite sensible.

Deputy Leo Varadkar: There are two fundamental problems with this. One is double compensation. If somebody were to get an award of €100,000, that person could only receive €80,000. The person cannot be compensated twice by receiving €20,000 in welfare and €100,000 from the WRC. The person would have to receive a lower reward, as I understand it. We would also have to go after the employer and we may have difficulty recouping the money on the basis that employers will challenge it. Employers will state the person was not necessarily-----

Deputy John Brady: The Minister is surmising. He does not know this. This is trying to save the State money. We are trying to recoup money for the State from employers who have been proven through the WRC to have acted unlawfully in dismissing an employee.

Chairman: I wish to make an observation. There seems to be much consensus that an effort should be made to recoup the funds from the employer. The unintended consequence might be a loss to the person unfairly dismissed, and I do not think anybody wants that. Would it be possible for the Minister to review this with a view to having a look at it on Report and Final Stages? I do not think anybody wants the unintended consequence of somebody being worse off. I am listening to the debate and everybody, the Minister included, agrees if the money could be got from the employer for unfair dismissal it is one element, but there is consideration of the other side, which is the unintended consequence, and I am mindful of this.

Deputy Willie O’Dea: I do not understand it. Where is the double compensation? As far as I can see, what is being proposed is that if people are unfairly dismissed they go to the tribunal and get appropriate compensation, but while they are waiting to get that compensation they will not have a job and they will get paid social welfare. The amendment requires the employers who unfairly dismissed them to repay the social welfare payments to the Department and the taxpayers of the country, who paid out the money because the employers acted unfairly in

the first place. I do not understand the double compensation. At present, social welfare is not taken into account in calculating an award and why would the Minister want to change this?

Deputy Leo Varadkar: This is something I would like to take a proper look at. I am not sure we can do it by Report Stage. It might need to be something we consider for the second social welfare Bill we will have in the spring. One issue, for example, is that very often these cases can take a long time to conclude. They can take two years to conclude on some occasions and some even go on to court. The employer could justifiably argue the reason the delay went on so long in making a decision was not the employer’s fault. We cannot reclaim money from people who could reasonably argue a decision made after two years could have been sorted and made in six weeks or six months, and ask why they are paying 18 months’ compensation for an administrative delay by State bodies. Another issue is that some of the awards are very small. They can be as little as four weeks’ salary. How could we reclaim tens of thousands of euro in social welfare payments based on an award that was very small?

I do not think it is a crazy idea, I just think we need to think about it properly.

Deputy John Brady: There is an awful lot of merit in this, otherwise I would not have tabled the amendment. It needs lot more focus from the Minister. I am happy to proceed to the next Stage with this.

Deputy Leo Varadkar: I would genuinely like a chance to talk to the Minister for Jobs, Enterprise and Innovation, who sponsored the unfair dismissals legislation, and think this out properly. I do not think I will be able to do this by next week.

Amendment put.

The Committee divided: Tá, 3; Níl, 5.	
Tá;	Níl;
Brady, John.	Bailey, Maria.
Collins, Joan.	Carey, Joe.
Kenny, Gino.	Curran, John.
	O’Dea, Willie.
	Varadkar, Leo.

Amendment declared lost.

Deputy Leo Varadkar: We will genuinely have a look at this. It will not be done by next week, but by the spring Bill. We can recoup money. We recouped €20 million from insurance companies last year. If we can recoup money from employers legitimately, I am totally up for doing it.

Chairman: There may be unintended consequences. Amendments Nos. 34 and 35, although they have largely been discussed already, are related and may be discussed together, by agreement.

Deputy Bríd Smith: I move amendment No. 34:

In page 12, between lines 2 and 3, to insert the following:

“23. Three months from the passing of this Act, the Minister shall lay a report before

the Dáil on the matter of extending the Homemaker Scheme contribution years that can be disregarded for the purposes of determining the yearly average of claimants who raised families in the years prior to April 1994.”.

I want to add to everything that was said earlier. This is a grey area because it affects those like me who have lots of grey hair, not to put too fine a pun on it. It should be re-examined. As the Minister said himself, we may need to look at mechanisms to balance this out. I emphasise that at no point do I or any other Deputy intend, by putting down amendments, to come out with a scheme that penalises one group of workers over another or that the load of this should be passed to another group of pension recipients. In other words, extra money will have to be forked out but that is not extra money the State had not received in contributions from these people. This is provably a cohort of people who went back to work in the mid-1980s, worked until now and paid a lot of pension contributions but who are now being penalised because of the time they left. It is worth reminding ourselves that a lot of people in their 60s and 70s left school quite young and started working at age 14 or 15. It would be unusual to do that nowadays but in those days it was normal to go into a factory or shop work having left school early due to the absence of free secondary education. There were a lot of social and economic reasons for it but they are being severely penalised and that is wrong. If it does not get sorted out at departmental level, it will go elsewhere and probably end up being more of a rigmarole and expense to the State. As the amendment will not be accepted, I ask that a report be laid out very soon.

Deputy Joan Collins: I apologise for my absence, I was speaking on the Education (Admission to Schools) Bill in the Dáil. I support Deputy Smith’s position. This was raised before with the last Minister and at the time we were told it would be too costly to bring in the homemaker’s scheme. There is a huge cohort of women in particular who are affected by this and it must be dealt with. I would appreciate the Minister bringing the report to us so that we can have a detailed examination of the whole process. To be a woman in the pre-1994 scenario and told one is not going to get a full pension is not on.

Chairman: Before I go to the Minister, I reiterate the point that this is one of the three areas the committee has agreed to look at in substantial detail in its work programme. That will involve the Minister and the Department. The work will be done as a committee and the Minister and the officials have committed to supporting and working with us. We acknowledge the issue as the Deputy presents it, in particular as the percentage of women who qualify for the full rate contributory pension is significantly lower. We understand the issue.

Deputy Leo Varadkar: Without repeating anything I have said in the past, it is an issue in which I am interested. I want to look at all the anomalies, not just the homemaker’s scheme and the whole issue of averaging. My key official in charge of this area says we will have the work done and a report prepared in the first quarter. I cannot swear to that but it is intended that we will have the report in the first quarter. It is part of the committee’s work programme already and I would like to come here in the first or second quarter of next year with that report and all of the issues, options, costs, numbers, winners, losers and consequences laid out. We can then come to a decision as to whether we do something about it in the 2018 budget. Let us be honest, however, that this relates to the Social Insurance Fund and that PRSI contributions come in and payments go out. If we are going to do something that costs hundreds of millions of euro, it will impact either on those who already get benefits from the Social Insurance Fund or those who pay PRSI and are ordinary workers and employers. Let us not pretend that a problem which could be very expensive to resolve will be paid for by some faceless bondholder somewhere.

It will be paid for by those who contribute PRSI. We need to know how much it is going to be and how much it is going to cost and whether we want to impose that on people.

Deputy Bríd Smith: I understand but is there a commitment to report back in three months?

Deputy Leo Varadkar: It will be at the end of the first quarter.

Chairman: In light of the commitment of the Minister to report in the first quarter and to work with the committee, is the amendment being pressed?

Deputy Joan Collins: No.

Chairman: The Deputies are happy with the report. Does Deputy Collins wish to discuss amendment No. 35 before we move on?

Deputy Joan Collins: The back-to-work family dividend has been dealt with, but I was seeking another report on the mortgage interest scheme. Again, it is an issue FLAC and Community Law and Mediation raised. I presume they have contacted the Minister in that regard.

Deputy Leo Varadkar: They have not contacted me. MABS and some other bodies have.

Deputy Joan Collins: Section 11 of the Social Welfare and Pensions Act 2013 amended section 198 of the Social Welfare Consolidation Act 2005 to provide for the closure of the mortgage interest supplement scheme to new entrants in January 2014 and the cessation of the scheme by the end of 2017. The scheme was introduced in the context of the recession, particularly for people who may fall very ill for short periods, and it was taken away. This has had an impact on people who are being put into difficult situations and has prompted concern among FLAC and Community Law and Mediation, which are seeking the restoration of the scheme for short-term mortgage arrears problems. Single Parents Acting for the Rights of Kids, SPARK, also raised the issue with us at a committee meeting. SPARK also raised its particular concern about the risk of homelessness caused by the cessation of the mortgage interest supplement scheme for one-parent families. If a lone parent is absent from work for a long period due to illness and cannot access other mortgage relief, mortgage interest supplement plays a very important role. Obviously, the supplement does not apply to the capital. These are the reasons I tabled the amendment and sought that report from the Minister.

Deputy Leo Varadkar: 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. The most appropriate pathway for customers experiencing mortgage difficulties is through ongoing engagement with their lender, exploring sustainable solutions detailed within the mortgage arrears resolution process under the Central Bank of Ireland's code of mortgage arrears. Section 11 of the Social Welfare and Pensions Act 2013 amended section 198 of the Social Welfare Consolidation Act 2005 to provide for the closure of the mortgage interest supplement scheme to new entrants from January 2014 and the cessation of the scheme by the end of January 2017. Customers availing of this support prior to 1 January 2014 have been able to retain entitlement to the scheme up to 1 January 2018. Approximately 2,200 people are still in receipt of mortgage interest supplement, with an estimated expenditure of €6 million for the scheme in 2016. It is expected that over the remaining period, existing recipients will continue to exit the scheme through sustainable solutions being put in place with their lenders, securing employment or exit strategies sponsored by the Department of Housing, Planning, Community and Local Government, such as the mortgage-to-rent scheme.

A review of all current mortgage interest rate supplement cases is currently being finalised by the Department, which is gathering information on property types and lending institutions involved. As part of the process, the cases will be profiled in order to consider appropriate exit strategies for these customers, with a particular emphasis on activation, where appropriate. Engagement with the dedicated mortgage arrears Money Advice & Budgeting Service, MABS, will also be considered. MABS assists people who are over-indebted and need help and advice in coping with debt problems, in particular those on low incomes and people living on social welfare payments. In addition to its traditional core business, MABS has been developed to provide more targeted services to support mortgage holders in arrears. Since 2015, a dedicated mortgage arrears MABS service has been established across the MABS network of services. The service is focusing on post-mortgage arrears resolution process, MARP, cases and empowers mortgage holders to assess the extent to which the option on offer from the lender is the best and most sustainable one for them and helps them in negotiating an alternative payment arrangement with their lender. There are 30 specialist advisers in place in 25 locations across the country, and almost 2,500 people have benefitted from the service. MABS also has a network of court mentors. More recently, with the Tánaiste, I launched Abhaile, which is a scheme of aids and advice to borrowers in home mortgage arrears. It provides people with vouchers for independent financial and legal advice if they need it. The scheme has only recently got under way.

The difficulty I have with any proposal to reintroduce mortgage interest supplement is that it never really worked. The Department of Social Protection, that is, the taxpayer, paid people's mortgage interest for months and years, which suited the banks down to the ground because they were getting the interest paid on the asset. It would suit them even more now, by the way, because the asset, namely, property, is accumulating in value. The Government pays the interest forever, the banks still own the asset and it creates a trap for the borrower because he or she has no incentive to deal with the problem, namely, the fact that he or she cannot afford the mortgage any more. Other than for the reason of saving money, that is why the scheme was closed down. What we should do, instead of "extend and pretend" at the expense of the taxpayer for ever, is deal with people who will never be able to pay their mortgage again through such measures as mortgage-to-rent, which I know is not working, but it needs to start working, the housing assistance payment, HAP, and other housing solutions.

Deputy Joan Collins: The mortgage interest supplement scheme probably went on longer than initially anticipated. However, I knew people who were absent from work due to sickness or injury - maybe they had broken an ankle or whatever - for six, nine or ten months and who availed of the mortgage interest supplement scheme to get them over that hump. When they got back to work, they were able to go back to paying the full amount of the mortgage interest. In some cases it went on for a very long period - say, since 2000. Even in the case of lone parents on short-term sick leave, if they break an ankle or are temporarily out of work for six or ten months after an operation, are they expected to go into the mortgage process at that stage? They do not normally do so, apart from in the first quarter, if they have problems, they go into the bank or approach MABS or something and may then have to fill out a form with the bank and so on. However, I am speaking of a form of mortgage interest supplement for a short period to cover people who would only be out sick from work and could not afford mortgage payments over that period. Mortgage interest supplement helped get over the interest payments.

Deputy Maria Bailey: I think many people are not very familiar with the Abhaile scheme. I know there is currently an awareness campaign about it. I reiterate that the level of advice and experience available to people in short-term or long-term mortgage distress includes free

legal aid and personal insolvency practitioners. The biggest problem is people not engaging with their lender for various reasons. They may be scared or embarrassed - there are numerous reasons - but the Abhaile scheme that has been put in place is a very positive one. The Minister alluded to the number of people facilitated and helped by the scheme throughout the country. It replaces the supports about which Deputy Collins spoke in a more sustainable and productive manner. For that reason, the Abhaile scheme is the better way to go.

Deputy Leo Varadkar: What Deputy Collins says is right on one level. Somebody who is in short-term arrears would not go through the mortgage arrears resolution process, MARP, because that is for people who are in long-term arrears and need to resolve the elephant in the room, that is-----

Deputy Joan Collins: The mortgage problem.

Deputy Leo Varadkar: -----the fact they cannot get out of debt.

Even still, I do not favour restoring the mortgage interest supplement scheme on a short-term basis. One has a mortgage for 20 or 30 years, maybe 40 years. Say one cannot make repayments for six months or a year for whatever reason, whether because one is sick, loses one's job or has gone back to college or overseas for a year or two. Other taxpayers should not have to pick up the bill. Why not add six months to the end of the mortgage? The first port of call should be the bank to either increase the repayments when the borrower is back repaying or add an extra year at the end. I do not see why the taxpayer should have to pick up the bill for a borrower's temporary inability to pay a mortgage for a short period.

Chairman: Does Deputy Collins intend to move amendment No. 35?

Deputy Joan Collins: I will not move the amendment. I will go back to FLAC and ask it to explain-----

Chairman: Is she moving the amendment?

Deputy Joan Collins: No. I will ask FLAC to explain the reasons it raised the issue, particularly in the case of short-term arrears.

Amendment, by leave withdrawn.

Amendment No. 35 not moved.

SECTION 23

Chairman: Amendment No. 36 in the names of Deputies Brady and Mitchell is out of order.

Amendment No. 36 not moved.

Deputy Leo Varadkar: I move amendment No. 37:

In page 12, line 6, to delete “*Sections 4 and 9*” and substitute “*Sections 4, 9, 10* and 16** (other than paragraph (a)(i))*”.

The Bill, as published, provides that provisions in section 4 of the Bill which deal with the invalidity pension and those in section 9 which deal with the treatment benefit will be subject to commencement orders.

The amendment provides that the provisions on councillors' PRSI contributions in amendment No. 4 and habitual residence in amendment No. 9 will also be subject to commencement orders, with the exception of paragraph (a)(i) of the habitual residence provision which will come into effect on enactment of the Bill.

Deputy John Brady: The amendment Deputy Denise Mitchell and I tabled has obviously been ruled out of order. It would have seen all of these benefits and measures come into effect on 1 January. I do not wish to repeat the points I have made about our hands being tied, but, unfortunately, the Minister is not giving any timeframe for implementation of these benefits and measures. It comes back to a point that came up earlier that there has been no engagement by the Minister with either dentists or opticians on the rolling-out of these measures. That raises serious concerns. I alluded to some of these points earlier. The Minister spoke about the rolling out of free GP care services for children under the age of six years, but we know about the serious difficulties and the backlash from doctors in the roll-out of that scheme, with which there are still issues. I am not sure whether it was Deputy Leo Varadkar as Minister for Health or his predecessor as Minister for Social Protection who rolled it out, but the same *modus operandi* is being used in this instance in that the Government is looking to put the legislation in place before beginning negotiations. It failed with the doctors from whom there was a serious backlash. We are now being told that we are going down the same track with the dentists and opticians. That is why the Minister has drafted the amendment so as to put it on the long finger and start the negotiations after the introduction of the legislation. This is a dangerous practice and it failed previously. I have alluded to my concerns. This certainly makes it clear why the Minister is bringing forward the amendment, as opposed to giving us a timeframe and a specific date for when the benefits will be rolled out. It is alarming and concerning, to say the least. Will the Minister expand on the matter? Are these the reasons, or have I called it wrong?

Deputy Maria Bailey: Will the Minister clarify, as he clearly did earlier in the Dáil Chamber, that he cannot enter into talks until this legislation has been approved? He outlined the reasons for providing free GP care for children under six years and adults over 70. I ask him to reiterate what he said in case anybody did not hear why he legitimately cannot proceed until this legislation is passed.

Deputy Leo Varadkar: To answer Deputy John Brady's first question, it was me who provided for the introduction of free GP care for children under six and adults over 70. Alongside my Minister of State at the time, former Deputy Kathleen Lynch, I was very proud to be able to provide GP care without fees for 350,000 children under six years and adults over 70. I anticipate that the Government will go further and extend free GP care to other age groups. However, it was not without difficulty and resistance from my own profession, although none of them it seems wants to roll it back at this stage. In terms of dates, the extension of benefits to the self-employed will begin in March, while the extension of other dental benefits for everyone else will take place from October. That is what we have been funded to do and it is included in the Estimates.

The reason I want to do it by commencement order is I want to have talks and negotiations with the relevant bodies. There have been meetings with officials and an exchange of correspondence. However, as Deputy Maria Bailey pointed out, there is no way I can conclude them until the Bill is passed. That will give me the legislative authority to come to an agreement. Until the Estimates are passed, I will not have the money to pay for it. Neither of these things has happened. That is what it all boils down to. March is not that far away and it is an ambitious enough timeline, assuming the Bill is passed by Christmas and not delayed in the Seanad.

If it is, there is no way it can be done by March because that House can delay legislation for 90 days. That is why a commencement order is needed, not a date that it might not be possible to meet.

Deputy Joan Collins: I do not think the Minister should worry about the Seanad as it normally does not delay Bills for that length of time. Even when the lone parent's allowance was cut, that did not happen. I know that Seanad Members are now a different mix, but I do not think they would delay the Bill.

Deputy Leo Varadkar: I would not like to take it for granted either. The bottom line is that I intend to begin the extension of benefits to the self-employed in March and to others in October. I am meeting representatives of the dentists on Monday. I believe I can get this done, but I am not going to insert something into legislation that might go awry. That is the reality in dealing with legislation.

Deputy John Brady: I do not agree with the Minister on that point. On the extension of benefits to the self-employed, he is not tying himself to a date, rather he is saying it will be done by way of a commencement order. Why not commit to a date? I know that he is saying he wants it to take effect in March, but that is not contained in the legislation. Why not give a specific date for the commencement of the measures included in the Bill?

Deputy Leo Varadkar: Because we could end up in a situation where something goes wrong and there would be a legal right to reimbursement.

Deputy John Brady: Is the Minister conscious of something in particular? Is the Department concerned about some measure or the possibility that something could go wrong?

Deputy Leo Varadkar: I have absolutely no doubt that there will be a haggle over money. Of course, there will be. Anytime one discusses anything with any professional body or interest group, it is going to try to maximise the fees its members receive from the taxpayer. Having a definite commencement date in law would strengthen its hand. It would be able to state there was a date laid down in law by which it would have to be done. The fact that I will have a commencement order means that I will be able to say to it that I am being funded to introduce the measure in March and that if it is unreasonable, I can wait until it comes up with a fee that will be more affordable to the taxpayer.

Amendment put and declared carried.

Section 23, as amended, agreed to.

Schedules 1 and 2 agreed to.

Title agreed to.

Bill reported with amendments.

Message to Dáil

Chairman: In accordance with Standing Order 90, the following message will be sent to the Dáil:

17 October 2016

The Select Committee on Social Protection has completed its consideration of the Social Welfare Bill 2016 and has made amendments thereto.

The select committee adjourned at 4.10 p.m. *sine die*.