

Spending on Social Welfare grows by almost €2.6billion to over €19.5billion in 2009

Government targets over €515million in increases to support pensioners, families and jobseeker's

The Minister for Social and Family Affairs, Mary Hanafin TD, today outlined €515million worth of improvements in social welfare rates for the coming year. Minister Hanafin said the Government is determined to **"protect those in our society who most need our support – pensioners, families dependent on social welfare payments and those who are seeking employment. We have targeted increases to deliver a package of supports for those who are mainly on a fixed income and are some of the most vulnerable across society.**

We are experiencing difficult economic times compared to previous Budgets and the Government has made some difficult decisions in order to secure our economic future. Increases in rates of payment are broadly in line with inflation and so will maintain the real value of social welfare payments. Overall spending on social welfare schemes is greatly increased with over €19.5billion planned to be spent supporting more than 1.7 million men, women and children."

Minister Hanafin said this coming year will see an **increase of €7.00 per week for all state pensioners** - Contributory and Non-Contributory Pensioners along with Carers aged 66 and over. **Increases for Qualified Adults** ranges from €4.30 to €6.30 per week for those over 66 years of age. **"This means that a pensioner couple will have a weekly increase of €13.30 per week"** said Minister Hanafin

Over €260million extra is targeted to support people of working age, claiming **Jobseeker's Benefit or Allowance, which increases by €6.50 per week** to €204.30 per week from January 2009. Overall, some **733,000 people are in receipt of working age payments – Jobseeker's, One Parent Families, those claiming Illness Benefit and Disability Allowance as well as Carers** - will all benefit from increases in weekly personal rates in the coming year.

The Fuel Allowance is increasing by €2 per week to €20, from January 2009, an 11% increase, while the number of weeks covered by the fuel allowance is to be extended by **2 weeks to 32 weeks** from April next year. The cost of increasing the fuel allowance and extending the fuel season will be almost €30million extra in 2009 with some 300,000 households benefiting from the fuel allowance scheme.

Minister Hanafin said that there were **"targeted increases for families with children who are in receipt of social welfare payments or low income earners through the Family Income Supplement."** Family Income Supplement is to increase the earnings threshold by €10 per child, which gives an increase of up to €6 per week per child. For those in receipt of social welfare payments with children the **Qualified Child Increase rises from €24 to €26 per week from January**. There is also an extension in the numbers eligible to claim the **Back to School Clothing and Footwear Allowance**.

In relation to reforms of the Child Benefit system, Minister Hanafin said that the Government has decided that **Child Benefit will no longer be paid in respect of children who are 18 years of age**. In phasing in this change those who are 18 in 2009 will receive half rate benefit, while payment of Child Benefit for 18 year olds will cease

from 2010. For those in receipt of social welfare payments or low income families there will be special alleviating measures through an increased Qualified Child Allowance as well as increases in the Back to School Clothing and Footwear Allowance and Family Income Supplements where families have children of 18 years of age. These measures will be in place until January 2011.

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The Minister also announced a number of **changes in qualifying criteria for Jobseeker's Benefit** entitlement which is being reduced from 15 to 12 months for recipients with 260 or more contributions and duration of less than 6 months. Where a person has less than 260 paid contributions, Jobseekers Benefit will now only be available for 9 months instead of 12 months.

There is also an **increase in the number of paid contributions required** to qualify for Jobseekers Benefit, Illness Benefit and Health and Safety Benefit, from 52 to 104. New claimants of Jobseeker's Benefit and Health and Safety Benefit also will need 13 paid contributions in the relevant tax year to qualify.

Entitlement to Illness Benefit will be limited to two years duration for claims arising after 5th January 2009. Those that cannot still work or undergo training due to illness after this two year period may be eligible for Invalidity Pension or Disability Allowance schemes.

The minimum age for eligibility to Disability Allowance is being increased to 18 years for new claimants from January next, up from 16 years. Minister Hanafin said **"it is considered that the payment of Disability Allowance at age 16 carries with it the risk of creating a dependency on social welfare at a very young age and can generate disincentives to taking up education, training or employment opportunities. This change will not affect existing 16 and 17 year olds on DA. As an alleviating measure the age for entitlement to the Domiciliary Care Allowance is being increased from 16 to 18 years."**

The minimum contribution for people on **Rent Supplement** or in receipt of **Mortgage Interest Supplement** is being increased from €13 to €18 per week in order to start bringing the personal contribution more into line with the level of rents paid by tenants in Local Authority accommodation on similar income levels.

Minister Hanafin also announced €500,000 is being provided to the Family Support Agency to develop a programme to promote positive parenting skills.

"The increased rates of payment for pensioners and people of working age are broadly in line with expected inflation for 2009 and also reflect the percentage increase in pay that was agreed for workers under the recent Social Partnership agreement. Given the massive spend that is required to keep pace with all of the schemes administered by the Department, it is clear for all to see that the Government has sought to prioritise and protect those who depend on our support " said Minister Hanafin.

ENDS

Editors Note

Please see full factsheet available on www.welfare.ie

Copy of Minister Hanafin's detailed briefing on the new measures is also available on www.welfare.ie