

## Main Social Welfare Changes and Rates of Payments Budget 2012

**Joan Burton T.D., Minister for Social Protection**

- **Over €20.5 billion to be spent on Social Protection in 2012**

- **No rate cuts to primary weekly social welfare payments**

### **Child Benefit rates for each of the first two children unchanged**

- ♦ Child Benefit will be maintained at €140 per month for each of the first two children.
- ♦ The rates applying to the third and subsequent children will be standardised at €140 per child per month over the next two years.
- ♦ The rate for the third child will be €148 and for the fourth and each subsequent child will be €160 from January 2012.
- ♦ While the additional monthly payment for twins and triplets will be maintained, the grant of €635 paid at birth, at 4 years of age and at 12 years of age for these multiple births will cease from January 2012.
- ♦ Changes to the Family Income Supplement, Back to School Clothing and Footwear Allowance and Domiciliary Care Allowance are outlined overleaf.

### **Payments to carers will be maintained**

- ♦ The half rate Carer's Allowance will continue to be paid to people who are full-time carers and who are getting another welfare payment.
- ♦ Extra payment for caring for more than one person is retained.
- ♦ Carers will continue to get the annual Respite Care Grant of €1,700 for each care recipient.
- ♦ Carer's Allowance weekly rates of payment will not change.

### **Older people protected**

- ♦ Older people will continue to get their State Pension at current levels.
- ♦ The Free Travel scheme, Free TV Licence, the Living Alone Allowance, Over 80 Age Allowance and Islander Allowance will not change.

### **Savings of €475 million will be achieved**

- ♦ The Fuel Allowance season will be reduced by 6 weeks from 32 weeks to 26 weeks for all recipients.
- ♦ Moving to a 'one person, one payment' position, new participants on Community Employment Schemes will not be able to claim another social welfare payment at the same time.
- ♦ Changes to the One Parent Family Payment include reducing the upper age limit of the youngest child for new claimants to 12 years in 2012 with further reductions in following years.

For more information telephone the **Department of Social Protection** on

1890 66 22 44 (LoCall) 9am – 5pm Monday to Friday and the

**Citizens Information Phone Service** on 1890 777 121 (LoCall) 9am - 9pm Monday to Friday

Contact your nearest Social Welfare Local Office or Citizens Information Centre

Information is also available on [www.welfare.ie](http://www.welfare.ie) and [www.citizensinformation.ie](http://www.citizensinformation.ie)

**Note: The rates charged for the use of 1890 (LoCall) numbers may vary among different service providers.**

**This Fact Sheet is intended as a guide only and does not purport to be a legal interpretation.**

## DETAILS

### CHILDREN AND FAMILIES

- Child Benefit will be maintained at €140 per month for each of the first two children. The rates applying to the third and each subsequent child will be standardised at €140 per child per month over the next two years. In 2012 the monthly rate for the third child will be €148 and for the fourth and each subsequent child will be €160. **(January 2012)**
- The grant of €635 paid at birth on all multiple births and further grants of €635 paid when the children are 4 years of age and 12 years of age will be discontinued. **(January 2012)**
- The age at which a child is eligible for the Back to School Clothing and Footwear Allowance will be raised from 2 to 4 years of age. **(2012)**
- The Back to School Clothing and Footwear Allowance will reduce from €305 to €250 for children aged 12 years or more and from €200 to €150 for children aged 4-11 years. **(2012)**
- The upper age limit of the youngest child for new claimants of the One-Parent Family Payment will be reduced to 7 years on a phased basis. It will be reduced to 12 years with effect from 2012.
- Where a person claiming Invalidity Pension, Carer's Benefit, State Pension (Contributory or Transition) or Incapacity Supplement has a spouse or partner with income of over €400 a week, payment of the half-rate increase in respect of a qualified child will be discontinued. This will apply to new claimants and is in line with current arrangements for Jobseeker's Benefit, Illness Benefit and Injury Benefit. **(July 2012)**

### SECURING SUSTAINABLE PENSIONS

- Currently a person with an average of 20-47 PRSI contributions per year over their working life receives a weekly State Pension of only €4.50 less than a person with a yearly average of 48 or more PRSI contributions. A lower pension will be payable to new applicants for State Pension who have a yearly average of less than 48 PRSI contributions which better relates to their PRSI record. **(September 2012)**
- Currently, late claims for certain contributory pensions can be backdated on a reducing scale for up to 5 years. This backdating period will be reduced to a maximum of 6 months. This applies to State Pension (Contributory & Transition), Surviving Civil Partner's Contributory Pension and Widow(er)'s Contributory Pension. **(April 2012)**
- The total number of paid PRSI contributions needed to qualify for Widow(er)'s Contributory Pension and Surviving Civil Partner's Contributory Pension will increase from 156 to 520 contributions with effect from July 2013.

### JOBSEEKERS

- Where a Jobseeker's Benefit recipient is working for part of a week, the payment entitlement will be based on a 5 day week rather than a 6 day week. **(July 2012)**
- Sunday working will be taken into account when calculating the amount of Jobseeker's Benefit or Jobseeker's Allowance to be paid. **(2013)**

### CONCURRENT PAYMENTS

- Currently, a person who gets a Widow(er)'s Pension, Surviving Civil Partner's

Pension or One Parent Family Payment may be entitled to half rate Jobseeker's Benefit, Illness Benefit or Incapacity Supplement if they satisfy the qualifying conditions. These half rate payments will cease for new applicants for Jobseeker's Benefit, Illness Benefit or Incapacity Supplement. **(January 2012)**

- New participants on Community Employment schemes will not be able to claim another social welfare payment at the same time but they will receive the standard additional €20 per week paid to all other participants. **(January 2012)**
- Payment of two qualified child increases where the person is on a Community Employment Scheme and One Parent Family Payment, Deserted Wife's Allowance/Benefit or Widow(er)'s Pension will be discontinued for new and existing recipients. **(January 2012)**

### CARERS

- New applicants for Carer's Allowance, who are not living with the person for whom they are providing care, will not be entitled to the Household Benefits package. The person receiving care may be entitled to the Household Benefits package in their own right. **(April 2012)**

### MEANS TESTING

- For new and existing claimants, income from employment as a home help funded by the HSE will be assessed in means tests for social assistance schemes. Affected persons will benefit from the existing earnings disregards in line with all other employees. **(January 2012)**

- The amount of earnings disregarded for the purposes of the One Parent Family Payment means test will be reduced from €146.50 to €130.00 per week in 2012 for new and existing recipients. Further reductions will be introduced over the following 4 years. **(January 2012)**
- Income from weekly carers payments will be included for the purposes of calculating entitlement to Family Income Supplement in line with other welfare payments. **(January 2012 for new applicants and on renewal for all others)**
- The temporary payment of half of the rate of One Parent Family Payment where the recipient's earnings exceed €425 per week will be discontinued. Existing recipients of the temporary payment will not be affected. **(January 2012)**

#### **COMMUNITY EMPLOYMENT SCHEME**

- The training and materials grant will reduce from €1,500 to €500 per participant per annum. **(January 2012)**

#### **FARM ASSIST**

- The assessment of means from self-employment, including farming, is being raised from 70% to 85%. The deductions from income for children are being halved to €127 per year for each of the first two dependent children and €190.50 per year for each subsequent child. **(January 2012)**

#### **RENT SUPPLEMENT**

- The minimum contribution by single tenants towards rent for the purposes of the Rent Supplement scheme to increase

by €6 to €30 per week. The minimum contribution payable by couples will be €35 per week. **(January 2012)**

- Rent limits will be reviewed. **(2012)**

#### **MORTGAGE INTEREST SUPPLEMENT**

- The minimum contribution for the purposes of the Mortgage Interest Supplement scheme to increase by €6 to €30 per week for a single person. The minimum contribution payable by couples will be €35 per week. **(January 2012)**
- Payment of Mortgage Interest Supplement will be deferred for 12 months while the person engages with the Mortgage Arrears Resolution Process. This approach is consistent with the reports of the Mortgage Arrears and Personal Debt Group and the Inter-Departmental Working Group on Mortgage Arrears. **(2012)**

#### **PEOPLE WITH DISABILITIES**

- The age of entitlement for Disability Allowance will increase to 18 years in line with other social welfare payments. The age of entitlement for Domiciliary Care Allowance will be extended from 16 years to 18 years of age. **(January 2012)**
- For new claimants aged 18 to 24, the rates of payment for Disability Allowance will be aligned with Jobseeker's Allowance rates for that age group i.e. €100 per week for people aged 18 to 21 and €144 per week for people aged 22 to 24. **(April 2012)**
- New applicants for Disablement Benefit must have a disability classified at more than 15% in order to qualify for the payment. **(January 2012)**

#### **FUEL ALLOWANCE**

- The Fuel Allowance season will be reduced by 6 weeks from 32 weeks to 26 weeks for all recipients. **(2012)**

#### **TREATMENT BENEFIT**

- The frequency of the grant for hearing aids will change from 2 years to 4 years. **(January 2012)**
- The maximum grant available for one hearing aid will change from €760 to €500 and from €1,520 to €1,000 for two hearing aids. **(January 2012)**

#### **REDUNDANCY & INSOLVENCY**

- The employer rebate of statutory redundancy payments will reduce from 60% to 15%. **(1<sup>st</sup> January 2012)**

#### **BACK TO EDUCATION ALLOWANCE**

- The Cost of Education Allowance, the annual grant which accompanies the Back to Education Allowance, will reduce from €500 to €300. **(2012)**

#### **MISCELLANEOUS SAVINGS**

- The cost to the Department of medical certificates for illness and disability related schemes will be reduced by 10%. This is an administrative saving in the Department.
- Savings will be achieved on the Electricity Allowance.

## Social Welfare Rates for 2012

### Maximum Weekly Rates

#### Social Insurance Payments

##### State Pension (Contributory)/(Transition)

Under Age 80

- Aged 80 and over

##### Widow's/Widower's/Surviving Civil Partner's (Contributory) Pension/Deserted Wife's Benefit

- Under Age 66

- Aged 66 and under Age 80

- Aged 80 and over

##### Invalidity Pension

- Under Age 65

- Aged 65

##### Carer's Benefit/Constant Attendance Allowance

##### Disablement Benefit

##### Jobseeker's/Illness/Health & Safety/Injury Benefit

##### Death Benefit

- Under Age 66

- Aged 66 and under Age 80

- Aged 80 or over

#### Social Assistance Payments

##### State Pension (Non-Contributory)

- Aged 66 and under Age 80

- Aged 80 and over

##### Carer's Allowance

- Under Age 66

- Aged 66 and over

##### Blind Pension

##### Widow's/Widower's/Surviving Civil Partner's (Non-Contributory) Pension

##### Deserted Wife's/Prisoner's Wife's Allowance

##### One-Parent Family Payment

##### Pre-Retirement/Disability Allowance

##### Supplementary Welfare Allowance

##### Jobseeker's Allowance

##### Farm Assist

#### Other Social Welfare Allowances

##### Maternity/Adoptive Benefit – Minimum Rate

##### Guardian's Payment (Contributory)/(Non-Contributory)

### Weekly Personal Rate

### Qualified Adult Allowance

### Child Rate

### Monthly Child Benefit Rate

#### Current

€

#### 2012

€

#### Current

€

#### 2012

€

€

#### Number of Children

#### Current Rate

€

#### 2012 Rate

€

|            |          |          |
|------------|----------|----------|
| 1 child    | 140.00   | 140.00   |
| 2 children | 280.00   | 280.00   |
| 3 children | 447.00   | 428.00   |
| 4 children | 624.00   | 588.00   |
| 5 children | 801.00   | 748.00   |
| 6 children | 978.00   | 908.00   |
| 7 children | 1,155.00 | 1,068.00 |
| 8 children | 1,332.00 | 1,228.00 |

205.00 205.00

219.00 219.00

188.00 188.00

124.80 124.80

29.80

29.80

218.50 218.50

234.70 234.70

244.70 244.70

29.80

29.80

29.80

### Family Income Supplement (FIS)

| Family Size | Current Income Limit | 2012 Income Limit |
|-------------|----------------------|-------------------|
|             | €                    | €                 |

|            |          |          |
|------------|----------|----------|
| 1 child    | 506.00   | 506.00   |
| 2 children | 602.00   | 602.00   |
| 3 children | 703.00   | 703.00   |
| 4 children | 824.00   | 824.00   |
| 5 children | 950.00   | 950.00   |
| 6 children | 1,066.00 | 1,066.00 |
| 7 children | 1,202.00 | 1,202.00 |
| 8 children | 1,298.00 | 1,298.00 |
| or more    |          |          |

Level of FIS payment will continue to be based on 60% of the shortfall between net weekly family income and the applicable weekly family threshold.

219.00 219.00

229.00 229.00

144.70 144.70

29.80

29.80

204.00 204.00

239.00 239.00

124.80 124.80

29.80

29.80

29.80

188.00 188.00

188.00 188.00

188.00 188.00

124.80 124.80

29.80

29.80

186.00 186.00

188.00 188.00

124.80 124.80

29.80

29.80

188.00 188.00

124.80 124.80

29.80

\* for those under age 66 years

\*\*for those aged 66 years or over

217.80 217.80

161.00 161.00