

A Survey of the Benefit System in Ireland

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Contents

1. Government Spending on Social Payments	3
2. Description of the Social Security Benefit System.....	4
3. Benefits for Unemployed People.....	10
3.1 Reform of UK Benefit System, Universal Credit.....	15
4. State Pension.....	16
5. Child Benefit.....	23
6. One Parent Family Payment	25
7. Disability Allowance.....	27
8. Illness Benefit	30
9. Supplementary Welfare Allowance.....	33
10. Invalidity Pension.....	35
11. Carer's Allowance	37
12. Carer's Benefit.....	39
13. Widow(er)'s or Surviving Civil Partners Contributory Pension.....	41
14. Widow(er)'s or Surviving Civil Partners Non-Contributory Pension.....	43
15. Maternity Benefit	44
16. Family Income Supplement.....	46
17. Back to Education Allowance.....	47
18. Farm Assist.....	51
19. Back to Work Enterprise Allowance.....	52
20. Disablement Benefit.....	54
21. Injury Benefit.....	55
22. Blind Pension.....	56
23. Guardian's Payment (Contributory).....	57
24. Guardian's Payment (Non-Contributory)	59
25. Pre-Retirement Allowance.....	60
26. Deserted Wife's Allowance	61
27. Deserted Wife's Benefit.....	62

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Overview

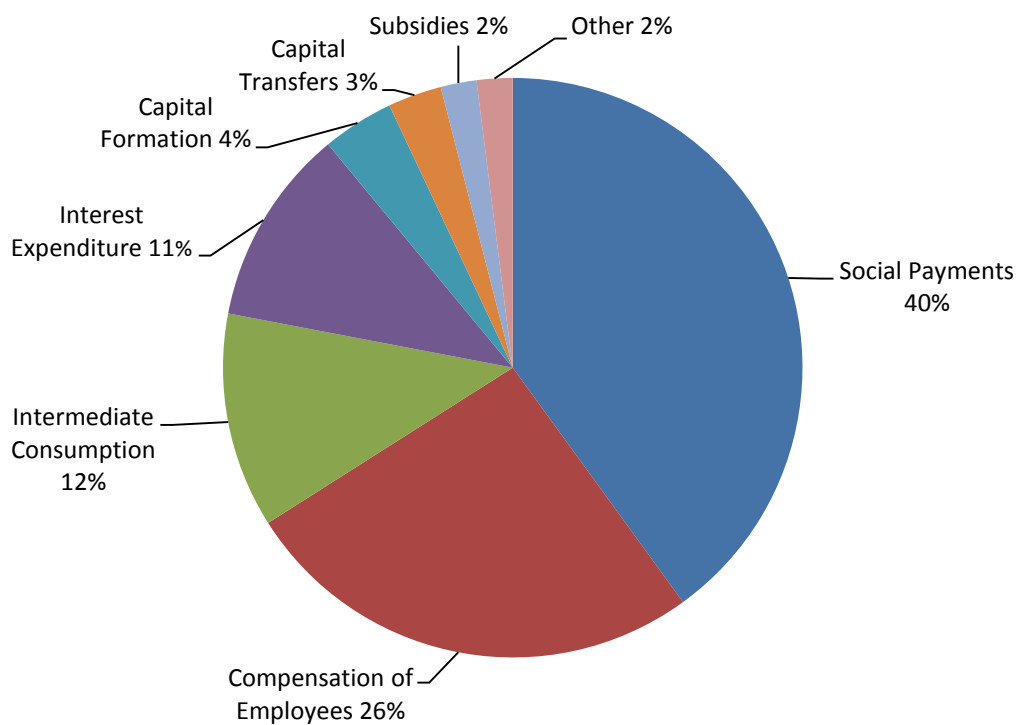
This document surveys the benefit system in Ireland, providing detail on how much is spent on social payments as well as a breakdown of spending for individual programmes. Social payments as a percentage of overall government spending are discussed in Section 1. Section 2 provides a description of the social welfare system in Ireland in 2013, highlighting the recent estimates on social welfare expenditure and reciprocity levels, and how these estimates compare with the preceding year. Section 3 to Section 28 provide details on each area of social spending including the rates of payment, overall expenditure and recipients and the latest changes from Budgets 2013 and 2014. For the main programmes of spending, a discussion on comparable benefits in the UK is provided (where an analogous benefit is available). Caution is called for in comparing the rates of UK benefits to those in Ireland as one has to take into account different costs of living and different eligibility criteria that apply to the UK welfare payments.

1. Government Spending on Social Payments

In 2013, social payments² in Ireland amounted to €28.56 billion (19.4 percent of GNP) making it the largest area of government spending³.

Figure 1 below shows the composition of Government Expenditure for 2013. Social Payments account for 40% of total expenditure, followed by compensation of employees (26%).

Figure 1: Composition of Government Expenditure 2013



Source: Ireland's Stability Programme April 2014 Update, Table A2.1

² Social payments are defined by the European System of National and Regional Accounts (ESA) 95, D62 and D63. More information on ESA accounting rules can be found at http://www.nso.gov.mt/docs/ESA95_Glossary.pdf

³ Source: Ireland's Stability Programme April 2014 Update.

2. Description of the Social Security Benefit System

The Department of Social Protection (DSP) is responsible for the provision of social security in Ireland. It is one of the largest public service organisations in the country⁴.

The DSP spent 20.3 billion on schemes, services and administration in 2013, a decrease of 2.4 percent compared to 2012. Table 1 illustrates the trend of annual increases in social welfare expenditure from 2008 to 2011, after which it plateaus and even shows a marginal decrease.

Table 2.1 Expenditure on Social Welfare 2007-2013

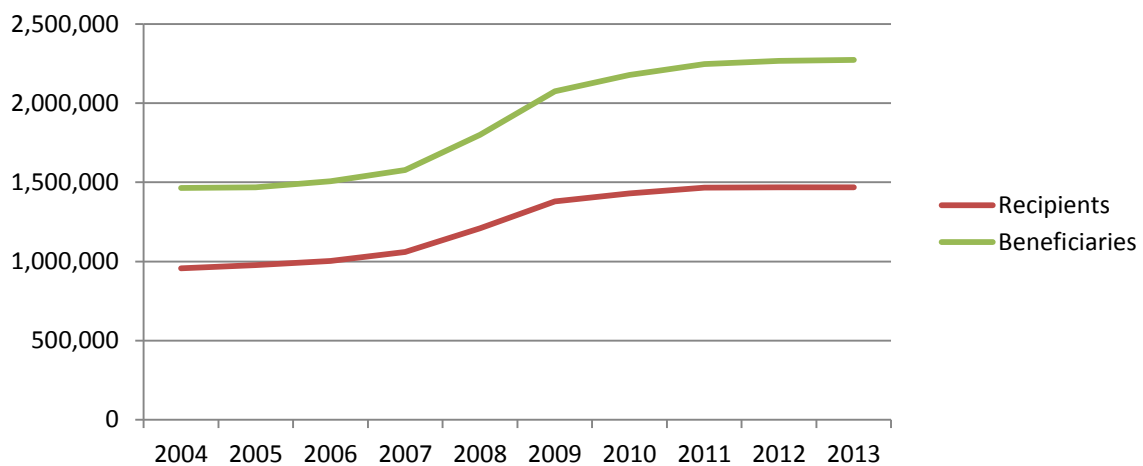
Year	Total Social Welfare Expenditure (€m)	Social Welfare Expenditure as a % of GNP
2007	15,518	9.5
2008	17,809	11.5
2009	20,536	15.3
2010	20,850	15.8
2011	20,970	16.0
2012	20,776	15.7
2013	20,284	14.7

Source: DSP (2014) Statistical Information on Social Welfare Services 2013, Table A2.

The total number of recipients of weekly social welfare payments in 2013 was 1,467,918. When qualified adults and children are included, there were over 2,273,003 beneficiaries in 2013. Figure 2 shows the trend in recipiency and beneficiary numbers from 2004-2013. Again, we can see an increase in the two rates from 2008 to 2011, however after 2011 beneficiary rates increase while recipiency rates remain relatively constant.

⁴ Source: Department of Social Protection Annual Report 2012.

Figure 2: Recipient and Beneficiary Numbers 2004 to 2013

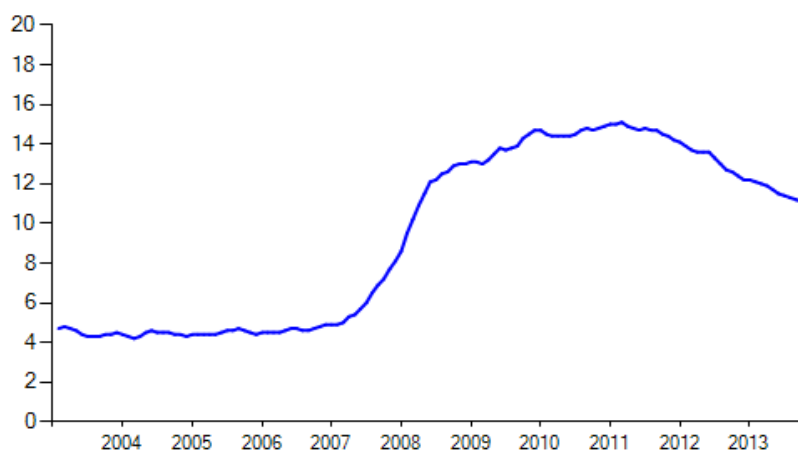


Source: DSP (2014) Statistical Information on Social Welfare Services 2013, Table A8

It must be noted that falling unemployment levels are driving the reduction in reciprocity rates, and subsequently the reduction in total social welfare expenditure between 2012 and 2013. As can be seen from figure three below from the CSO, the Seasonally Adjusted Standardised Unemployment Rate (SUR) decreased from 15% at the start of 2012 to 12.1% at the end of 2013, a significant reduction. The current SUR, as of September 2014, stands at 11.1%.

Owing to this significant reduction in unemployment, along with projected trends in payment values and impact of changes from the preceding budgets, a reduced level of expenditure of €19.6 billion has been provided for the Department in the 'Revised Estimates Volume' to spend on its schemes, services and administration⁵.

Figure 3: Seasonally Adjusted Standardised Unemployment Rates 2004-2014



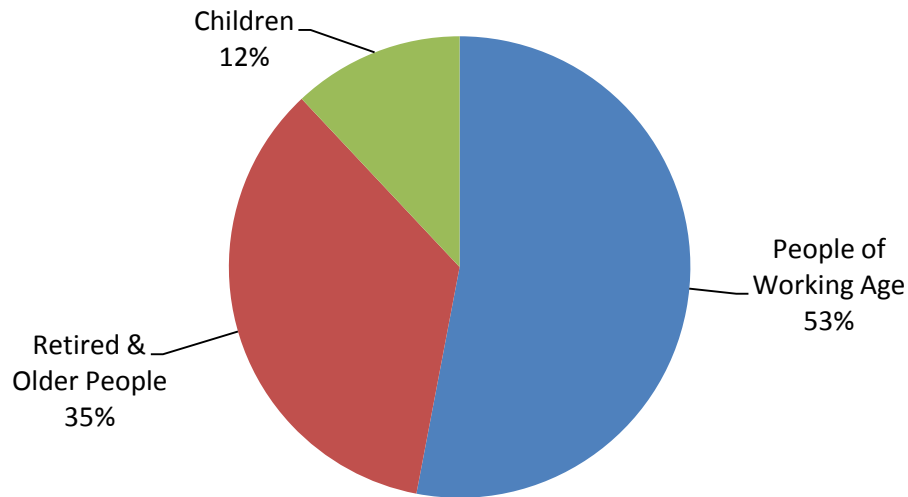
Source: CSO (2014)⁶

⁵ Source: DSP (2014) Annual Report 2013.

⁶ See http://www.cso.ie/multiquicktables/quickTables.aspx?id=lrn03_lra03 for further details.

Payments by the DSP go to three main groups of people (or programmes); children, people of working age and retired and older people. Figure 4 below shows the percentage of DSP spending that goes to each of these three cohorts.

Figure 4: Expenditure by recipient type as % of DSP total expenditure



Source: Department of Social Protection Annual Report 2013, Table 1.

'People of Working Age' represent the largest proportion of expenditure (53%), which amounted to €9.9 billion in 2013. Spending on 'Retired & Older People' and 'Children' amounted to €6.4 billion and €2.2 billion in 2013 respectively⁷.

Table 2.2 overleaf shows total expenditure and the number of recipients for each scheme in 2013.

⁷ Note: The figures used are that of the '2013 Provisional Outrun' estimates from Table 1 of the DSP Annual Report 2013.

Table 2.2 Total Recipients & Expenditure by Scheme 2013

Type of Payment	Total Recipients in 2013	Expenditure (2013) €m	% Change in Expenditure 2012-2013
State Pension (Contributory)	329,531	3983.3	4.7%
Job Seekers Allowance	295,077	3108.9	1.8%
Child Benefit	611,366	1899.9	-7.2%
Widow/er's or Surviving Civil Partner's Contributory Pension	117,417	1349.8	0.5%
Disability Allowance	106,279	1140.9	4.9%
One Parent Family Payment	78,246	977.9	-7.5%
State Pension (Non-Contributory)	95,081	952.4	-1.1%
Job Seekers Benefit	55,068	560.5	-23.9%
Illness benefit	58,990	648.9	-16.2%
Basic Supplementary Welfare Allowance	23,127	108.3	39.9%
Rent Supplement	79,778	372.9	-11.7%
Mortgage Interest Supplement	9,768	35.1	-36.3%
Household Benefits ⁸	1217,637	290.5	-21.2%
Free Travel	782,529	75.5	-0.1%
Fuel Allowance	412,741	226.7	7.2%
Incapacity Pension	53,196	707.8	17.2%
Carer's Allowance	57,136	554.8	8.9%
Total Working Age Employment Support ⁹	n/a	993.9	4.2%
National Internship Scheme- JobBridge	6,058	67.7	23.7%
Community Employment	23,943	342.7	3.7%
Administration- Assistance Schemes	n/a	338.4	-2.2%
Redundancy & Insolvency	n/a	141.2	-55.6%
Maternity Benefit	22,812	292.6	-3.6%
Administration- Insurance Schemes	n/a	272.5	-1.5%
Family Income Supplement	44,159	261.7	17.1%
Back to Education Allowance	24,175	186.9	-6.4%

⁸Included in this benefit is the Free Electricity Allowance, Free Television Licence, Free Telephone Rental and Gas Allowance

⁹ Included in this broad category is expenditure on employment support services and expenditure on all the employment programmes (including the listed expenditure on JobBridge and community employment). See Table A3 and A4 in DSP (2014) for further details.

State Pension (Transition) ¹⁰	12,630	137.3	-12.1%
Respite Care Grant	72,721 ¹¹	119.9	-12.0%
Back to Work Enterprise Allowance	10,098	119.5	-6.1%
Farm Assist	10,303	99.2	-8.3%
Domiciliary Care Allowance	27,363	104.3	2.0%
Back to School Clothing and Footwear Allowance	180,779	47.9	-27%
Deserted Wife's Benefit	7,457	80.4	-3.8%
Disablement Benefit	14,226	76.1	0.0%
Exceptional Needs & Urgent Payments	n/a	35.6	-32.3%
Other Supplements ¹²	11,030	9.5	-15.3%
Pre-Retirement Allowance	2,664	34.5	-25.0%
School Meals Scheme	n/a	36.8	5.1%
Carer's Benefit	1,598	22.4	-8.4%
Treatments Benefits	n/a	32.4	76.1%
Bereavement Grants	n/a	20.3	2.7%
Widow/er's or Surviving Civil Partner's Non Contributory	1781	16.7	-5.3%
Injury Benefit	822	14.6	-8.0%
Blind Pension	1,385	14.8	-5.9%
Guardian's Payment (Contributory)	947	11	1.8%
Death Benefit Pension	646	7.8	-0.7%
Widowed or Surviving Civil Partner Grant (Contributory)	n/a	6.3	6.1%
Guardian's Payment (Non Contributory)	435	5.1	2.7%
Deserted Wife's Allowance	274	2.9	-18.9%
Adoptive Benefit	15	0.31	-33.5%
Rent Allowance	119	0.65	-1.4%
Health & Safety Benefit	52	0.58	9.9%
Humanitarian Aid	n/a	1.2	71.4%
Medical Care Scheme	n/a	0.34	-2.8%
Widowed or Surviving Civil Partner Grant (Non-Contributory)	1781	16.7	-5.3%

Source: DSP (2014), Statistical Information on Social Welfare Services 2013 (Section A).

¹⁰ The State pension (transition) is currently being abolished. From the 1st of January 2014 it is no longer paid where a person reaches 65. Thus, the State pension (transition) will no longer be payable for claimants whose date of birth is on or after the 1st of January 1949. If you qualified for the State Pension Transition before 1 January 2014 you remain entitled to it for the duration of your claim (1 year). Therefore the data on expenditure and total recipients of this scheme in 2012 that is presented below masks considerable changes in the scheme that will have a significant impact on these figures.

¹¹ The number of Respite Care Grant recipients reported is the total number in payment and include those who are not in receipt of any other Carer's payment

¹² Includes Heating, Diet and Travel

The three schemes with the highest expenditure are the Contributory State Pension (€3.9 billion), Jobseekers Allowance (€3.1 billion) and Child Benefit (€1.9 billion). These payments alone accounted for 44 percent of the DSP's total spending in 2013.

3. Benefits for Unemployed People

There are two types of unemployment benefits in Ireland, Jobseeker's Benefit (JB) and Jobseeker's Allowance (JA). Currently, the maximum rate for both payments stands at €188 per week. Table 3.1 shows total expenditure and recipients for JA and JB in 2013.

Table 3.1: Recipients and Expenditure for Jobseekers Allowance and Jobseekers Benefit

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Jobseekers Allowance	295,007	3,108.9	3054.7
Jobseekers Benefit	55,068	560.5	735.7

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on JA and JB decreased by €137.2 million (3.5 percent) from 2012-2013. The number of recipients decreased over the same period by 19,954 (5.7 percent).

Jobseekers Allowance

Jobseeker's Allowance is a non-taxable, means tested payment. To qualify for Jobseeker's Allowance a person must,

- Be unemployed for at least 4 days out of 7
- Not qualify for Jobseeker's Benefit
- Be over 18 and under 66 years of age
- Be capable of work
- Be available for full time work and genuinely seeking work
- Satisfy the means test
- Meet the habitual residence condition

An individual in part-time or casual work of up to three days per week may still receive a proportion of the Jobseeker's Allowance payment. However, they must show they are trying to secure full time employment.

If a person has been in receipt of Jobseeker's Allowance for more than 390 days (15 months) and takes up part-time employment, they may be eligible for the Part-time Job Incentive Scheme (PTJIS). This scheme is designed as a stepping stone to full-time work. It allows people in long-term unemployment to take up part-time work and receive a special weekly allowance instead of their jobseeker's payment. To qualify, the person must have been in receipt of a Jobseeker's Allowance payment of at least €119 for a single person and €193.90 for an additional qualified adult. The part-

time work cannot exceed 24 hours per week with a minimum duration of two months. The special weekly allowance PTJI payment is currently €119 (single person) and €193.90 (with qualified adult)¹³

Changes to JA in Budget 2014

The personal rate of Jobseekers' Allowance has traditionally depended on the recipient's age. However from the 15th of January 2014 further reductions in the age-related rates of JA took effect¹⁴. As shown in table 3.2 Jobseeker's Allowance (JA) claimants without children aged between 18 and 24 receive €100 per week. One must now be over 26 years of age to be eligible for the highest rate of payment.

Table 3.2 Personal Rates of Jobseekers Allowance

Jobseekers Allowance (maximum rates per age group)	Personal Rate	Increase for Qualified Adult
Aged 18-24	€100	€100
Age 25	€144	€100
Age 26 or over	€188	€124.80

Source: Department of Social Protection, Rates of Payment 2014

Table 3.3 compares the 2014 age related JSA payments that Budget 2014 introduced, to the rates available in 2013.

Table 3.3 Comparison of the Age-Related JA Payments in 2013 and 2014

Jobseekers Allowance (maximum rates per age group)	Personal Rate 2013	Personal Rate 2014
Aged 18-19	€100	€100
Aged 20-21	€100	€100
Aged 22-24	€144	€100
Aged 25	€188	€144
Aged 26 or over	€188	€188

Source: Department of Social Protection, *Rates of Payment 2014*, & PublicPolicy.ie (2013) *Survey of the Benefit System in Ireland*.

Further reductions in payment rates have been applied to the increases for Qualified Adults. In 2013 jobseekers over the age of 22 received an additional €124.80 for a qualified adult. From January 2014 the jobseeker must be at least 26 years old to receive the maximum increase for a qualified adult, receiving an additional €100 per week instead if the claimant is below this age.

¹³ For more information see <http://www.welfare.ie/en/Pages/Part-time-Job-Incentive-Scheme-PTJI---SW-69.aspx>

¹⁴ Certain groups of people under age 26 are not affected by these changes. For more information see <http://www.welfare.ie/en/Pages/sw19.aspx>

Jobseeker's Benefit

Jobseekers' Benefit is covered by social insurance (PRSI) contributions. It is a taxable source of income¹⁵.

To qualify, a person must,

- Be unemployed for at least 4 days out of 7
 - Have had a substantial loss of employment
 - Be under 66 years of age
 - Be capable of work
 - Be available for and genuinely seeking work
 - Have the following amount of PRSI contributions
 - At least 104 weeks PRSI paid since first starting work
- And
- have 39 weeks PRSI paid or credited in the relevant tax year
- Or
- have 26 weeks PRSI paid in the relevant tax year and 26 weeks PRSI paid in the tax year immediately before the relevant tax year.

The rates of Jobseekers Benefit are varied, depending on how much the recipient was earning prior to becoming unemployed. Those who earned €300 per week or more may receive the top rate of pay. In addition, increases are given in respect of qualified adults and children. For qualified children, the increase may be at a half rate (€14.90) or a full rate (€29.80)¹⁶. Table 3.4 gives details on the different rates of pay.

Table 3.4 Personal Rates of Jobseeker's Benefit (2014)

Jobseekers Benefit (average weekly earnings prior to unemployment)	Personal Rate	Increase for Qualified Adult
Earned less than €150	€84.50	€80.90
Earned €150 - €219.99	€121.40	€80.90
Earned €220 - €299.99	€147.30	€80.90
Earned €300 or more	€188.00	€124.80

Source: Department of Social Protection, Rates of Payment 2014

The duration that one can receive jobseekers benefit is limited and also depends on the amount of social insurance contributions paid. Since April 2013 those with less than 260 PRSI contributions can receive JB for up to 6 months. Those with more than 260 or more PRSI contributions paid can receive JB for up to 9 months.

¹⁵Note: the child dependant element and the first €13 per week of benefit are exempt from tax. See <http://www.revenue.ie/en/tax/it/leaflets/it24.html> for further details.

¹⁶The Back to Work Family Dividend, introduced in Budget 2015, allows families who move from welfare into work to retain 100% of the Qualified Child Increase for one year, and 50% of the payment for an additional year.

Benefits for Unemployed People in the United Kingdom

Jobseeker's Allowance (JA) in the UK is either contribution based or income based. The contribution based JA is based on the amount of National Insurance paid in the two previous tax years. Income based JA is based on income and savings. Both payments are taxable. In order to receive Jobseeker's Allowance in the UK, a person must be;

- Available for and actively seeking work
- Aged 18 or over and below state pension age. In some special cases, jobseeker's allowance is paid to 16 and 17 year olds.
- Working less than 16 hours per week, on average.

Table 3.5 shows the weekly rates of Contribution Based and Income Based Jobseeker's Allowance in the UK. Table 3.6 compares the UK payments to the analogous payment in Ireland.

Table 3.5: Contribution Based & Income Based Jobseeker's Allowance in the UK (maximum weekly rates)

Contribution Based Jobseeker's Allowance	
Age	Amount (£)
Aged 16-24	£57.35
Aged 25 or over	£72.40
Income Based Jobseeker's Allowance	
Type of Person	Amount (£)
Single person, aged under 25	£57.35
Single person, aged 25 or over	£72.40
Couples and Civil Partnerships (aged 18 or over)	£113.70
Lone parent, aged under 18	£57.35
Lone parent, aged 18 or over	£72.40

Source: Gov.UK Job Seekers Allowance

Table 3.6: Personal Rates of Unemployment Payment in Ireland and the UK

Type of Unemployment Payment	Ireland	UK (in €) ¹⁷
Income Based (means tested)		
Aged 18-24	€100.00	€68.76
Age 25	€144.00	€86.81
Age 26 or over	€188.00	€86.81
Contribution Based		
Aged 16-24	€188.00 ¹⁸	€68.76
Age 25 or over	€188.00	€86.81

Source: DSP, Rates of Payments 2014 & Gov.UK Jobseekers Allowance

¹⁷ Exchange rate is the average exchange rate from January to December 2013. £1 = €1.199

¹⁸ In Ireland, if a person is under 18 years of age, they can only claim Jobseeker's Benefit for a maximum of six months

Claiming income based jobseeker's allowance in the UK automatically entitles the claimant to the maximum rate of housing benefit to assist in paying rent. A person in local authority housing gets their full rent paid. If a person is renting privately their payment is the lower of their actual rent payable and the local housing allowance. The local housing allowance varies depending on location and the size of the home. The average amount of housing benefit in 2013 paid per claimant in the United Kingdom is £89.73 per week¹⁹.

A similar payment in Ireland is rent supplement which is a means tested payment to people living in private rented accommodation who cannot afford to pay for the cost of their accommodation. To be eligible the person must have been living for six months out of the last twelve months in either accommodation for homeless people, private rented accommodation or an institution such as a hospital or care home. If a person has been assessed as being in need of social housing within the previous twelve months they may also receive rent supplement. The upper limits on rent supplement vary depending on location and circumstances. For example, a couple with two children living in Dublin may receive up to €975 per month compared to €520 per month for a single person²⁰. The average amount of rent supplement paid per claimant in Ireland in 2012 was €92.67 per week²¹.

In an effort to reduce the incentives associated with being dependent on welfare rather than taking up paid employment the Irish Government is introducing a new 'Housing Assistance Payment' to replace rent supplements. The housing assistance payment will be payable directly to the landlord and will still be an available support if one takes up unemployment²². This scheme is currently in its pilot stage and, following commencement of the relevant legislation, will be extended nationally by 2015.

¹⁹ Source: Department for Work and Pensions, Housing Benefit caseload statistics: December 2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/282310/hb_summary-feb14.xls

²⁰ For a full list of rent limits see
http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/rent_supplement.html

²¹ Source: DSP (201)2 Annual Statistical Summary, pg 12.

²² Source: Pathways to Work 2013.

3.1 Reform of the UK Welfare System

Universal Credit

The UK government plans to redesign entirely the system of means-tested benefits and tax credits for working-age adults. This is being achieved by replacing a plethora of benefits that a welfare recipient can claim at the one time with a single benefit known as 'Universal Credit', to be administered by the Department for Work and Pensions. Universal Credit will entirely replace Income Support, income related Jobseeker's Allowance and Employment and Support Allowance, Working Tax Credit, Child Tax Credit and Housing Benefit. The aim is to design a simpler, more integrated benefit and tax credit system to make life easier for claimants, make the gains to work more transparent, and to reduce administration costs, fraud and error. While it was intended to be introduced in stages beginning in April 2013 delays the roll-out has been delayed. The transition from the current system of benefits and tax credits to Universal Credit will be gradual and it is officially expected to be completed by the end of 2017

Source: Institute for Fiscal Studies (2011) 'Universal Credit: A Preliminary Analysis', Gov.UK (2014) 'Simplifying the welfare system and making sure work pays'

4. State Pension (Contributory).

The Contributory State Pension is a social insurance pension payable at age 66²³.

To qualify for the state pension, a person must have;

- Commenced paying insurance at least ten years before pension age
- Paid at least 260 full rate contributions if age 66 before 5 April 2012
- Paid at least 520 full rate contributions if age 66 on or after 6 April 2012
- A yearly average rate of at least ten contributions paid or credited from 1953 (or from 1979 if this is more beneficial).
- The backdating period for state pensions is reduced to a maximum of six months.

A yearly average of 48 contributions is required in order to receive the maximum state pension. If contributions fall below this level then a percentage of the maximum rate is paid depending on the number of contributions. Detailed rates of pay are shown in Table 4.1 for claimants, who reach pension age from 1 September 2012²⁴.

Table 4.1: Weekly rates of Contributory State Pension

Yearly Average PRSI Contributions	Personal Rate (€)	Increase for Qualified Adult (Under 66) €	Increase for Qualified Adult (Over 66) €
48 or over	230.30	153.50	206.30
40-47	225.80	146.00	196.00
30-39	207.00	139.00	186.00
20-29	196.00	130.00	175.00
15-19	150.00	100.00	134.00
10-14	92.00	61.00	83.00

Source: Department of Social Protection, Rates of Payment (2014)

Prior to September 1st 2012 there was a single rate band for 20-47 contributions which entitled a person to 98 percent of the full rate. This meant that a person with 20 contributions only received €5 per week less than a person with 48 or more contributions. The rate band 20-47 has been replaced by the bands 20-29, 30-39 and 40-47 (as shown in Table 4.1). Further changes introduced in 2012 include a reduction in the backdating period for state pensions to a maximum of six months.

The Contributory State Pension accounts for 18.3 percent of the Department of Social Protection's total expenditure in 2012, making it the single largest item of expenditure. Table 4.2 shows total recipients and expenditure for the scheme.

²³ The qualifying age will rise to 67 in 2021 and 68 in 2028.

²⁴ Note: There is an extra allowance of €10 per week for those aged 80 or over

Table 4.2: Recipients and Expenditure for the Contributory State Pension

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
State Pension (Contributory)	329,531	3983.3	3802.8

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Expenditure in 2012 increased by 177.7m (4.9 percent) compared to 2011. Over the same period the number of recipients of the Contributory State Pension increased by 15,319. Table 4.3 below shows the rates of Contributory State Pension over time, from 2005-2012. Also shown are the nominal and real percentage changes for each year.

Table 4.3: State Pension (Contributory) maximum weekly payment rates (2005-2013)

Year	Weekly Rate	% Change	Inflation Rate (%)	% Change (in Real Terms)
2005	179.30	7.2	2.5	4.7
2006	193.30	7.8	4.0	3.8
2007	209.30	8.3	4.9	3.4
2008	223.30	6.7	4.1	2.6
2009	230.30	3.1	-4.5	7.6
2010-2013 ²⁵	230.30	0	0.97	-0.97

Source: PublicPolicy.ie (2013) Survey of the Benefit System in Ireland & DSP, Rates of Payments (2014)

The average yearly increase in Contributory State Pension from 2005-2009 was 4.4 percent (in real terms). It has remained unchanged from its peak of €230.30 per week since 2009. The second highest expenditure by scheme (after Contributory State Pension) is Jobseeker's Allowance which also saw significant increases up to 2009. However, unlike the Contributory State Pension, Jobseeker's Allowance was subsequently reduced from €204.30 per week in 2009 to €188 per week in 2011 with further age related reductions.

²⁵ The weekly rate of the contributory state pension has remained stable at €230.30 in the period 2010-2013 thus the average inflation rate and average % change for 2010-2013 was generated in the last row of this table

Non-Contributory Pension

The Non-Contributory Pension is a means tested pension payment which may be payable to individuals at age 66²⁶ who do not qualify for the Contributory Pension. Those claiming Non-Contributory Pension account for 24 percent of all pension claimants²⁷. Table 4.4 shows total recipients and expenditure for the scheme.

Table 4.4 Recipients and Expenditure for Non-Contributory State Pension

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
State Pension (Non-Contributory)	95,801	952.4	963.2

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

The number of recipients and expenditure for the Non-Contributory Pension decreased by 0.3 percent and 1.1 percent respectively from 2012-2013. This contrasts with the Contributory Pension which saw increases in expenditure (4.7 percent) and in number of recipients (5.5 percent).

The current maximum weekly rate of Non-Contributory Pension is €219 per week. Table 4.5 shows the maximum weekly rates from 2005 to 2013.

Table 4.5: Annual State Pension (Non-Contributory) maximum weekly payment rates

Year	Weekly Rate €	% Change	Inflation Rate (%)	% Change in Real Terms
2005	166.00	7.8	2.5	5.3
2006	182.00	9.6	5.0	5.6
2007	200.00	9.9	4.9	5.0
2008	212.00	6.3	4.1	1.9
2009	219.00	3.3	-4.5	7.8
2010-2013 ²⁸	219.00	0.0	0.97	-0.97

Source: PublicPolicy.ie (2013) Survey of the Benefit System in Ireland & DSP, Rates of Payments (2014)

There were significant yearly increases in the Non-Contributory Pension from 2005 to 2009. The average yearly increase over this period (in real terms) was 5.1 percent. The weekly rate of pay has not been changed since 2009. In addition to the personal rate, there are additions for qualified adults and children. People over 80 years of age also get an extra €10 per week. Table 4.6 shows the maximum attainable weekly rates in 2014.

²⁶ The qualifying age will rise to 67 in 2021 and 68 in 2028

²⁷ This includes the Contributory, Non-Contributory and Transition Pension recipients.

²⁸ The weekly rate of the contributory state pension has remained stable at €219.00 in the period 2010-2013 thus the average inflation rate and average % change for 2010-2013 was generated in the last row of this table

Table 4.6 Maximum Weekly Rates of Non Contributory State Pension (2014)

Non-Contributory State Pension	Maximum Weekly Rate
Personal Rate, Aged 66-80	€219.00
Personal Rate, Aged 80 and over	€229.00
Personal Rate, Aged 66 or over and Living alone	€228.00
Personal Rate, Aged 66 or over, and living on certain offshore islands	€233.00
Increase for Qualified Adult	€144.70
Increase for Qualified Child	€29.80

Source: Department of Social Protection, Rates of Payments 2014

It is estimated that State expenditure on pensions will increase from approximately 7.5 percent of GDP in 2010 to 11.7 percent in 2060²⁹.

²⁹ Source: DSP, Annual Report 2013. Figure includes expenditure on public sector occupational pensions.

State Pension in the UK (Contributory)

In the UK, the Basic State Pension (BSP) is a taxable, flat rate pension which is based upon national insurance contributions³⁰. There are three categories: Category A is based on the individual's national insurance contributions; Category B is based on the contributions of their spouse/civil partner or deceased spouse/civil partner; Category D is for people over 80 years of age who are not entitled to any state pension.

In April 2014 Category A, B and D basic State Pensions were increased by 2.7 percent, in line with the guarantee pledged by the Government. The Government has pledged to base annual increases in the basic State Pension on a 'triple guarantee' of earnings, prices (CPI) or 2.5 percent, whichever is highest³¹. The rates of pay are shown in Table 4.7.

Table 4.7: Weekly maximum rates of UK Basic State Pension 2012-2014

Category	2012	2013	2014
Category A	£107.45	£110.15	£113.10
Category B for widow(er)/surviving civil partner	£107.45	£110.15	£113.10
Category B for spouse/civil partner	£64.50	£66.00	£67.80
Category D	£64.50	£66.00	£67.80

Source: Department of Work and Pensions (DWP), Benefits and Pensions Rates 2013

If only one person in a couple has sufficient contributions, the other spouse or civil partner is entitled to £67.80. If the contributor dies, the spouse or civil partner inherits the full amount of £113.10.

In March 2010, the pension age in the UK was 60 for women and 65 for men. Since then, the pension age for women has been increasing by one month for every two months, reaching 63 in April 2016. In December 2018 there will be a single pension age of 65 for both men and women, increasing to 66 in 2020 and eventually to 68 between 2044 and 2046³².

Additional Contributory State Pensions in the UK

Additional State Pension is an extra amount of money you could get with your basic State Pension. It's based on your National Insurance contributions. How much you get depends on your earnings and whether you've claimed certain benefits. There is no fixed amount like the basic State Pension. The Additional State Pension is made up of 2 schemes³³. You might have contributed to both, depending on how long you've been working as is outlined in table 4.8.

³⁰ For detail on the required national insurance contributions see <http://www.ifs.org.uk/bns/bn13.pdf>

³¹ Source: Age.UK State Pension Factsheet. Available from http://www.ageuk.org.uk/Documents/EN-GB/Factsheets/FS19_State_Pension_fcs.pdf?dtrk=true

³² Source: Age.UK State Pension Factsheet.

³³ Source: Gov.UK, Additional State Pension. Available from <https://www.gov.uk/additional-state-pension/eligibility>

Table 4.8 Additional State Pension Schemes in the UK

When You Were Working	Eligibility Criteria	Scheme You Contribute To
2002 to 2016	You're employed or claiming certain benefits	State Second Pension (S2P)
1979 to 2002	You were employed	State Earnings-Related Pension Scheme (SERPS)

Source: Gov.UK, Additional State Pension.

The current maximum amount of State Second Pension payable to an individual is £165.50 per week (this being a combination of the individual's own pension and any inherited pension resulting from the death of a spouse or civil partner). You are not eligible for Additional State Pension if you reach State Pension age on or after 6 April 2016.

Future Changes to the UK State Pension

A significant reform of the UK's state pension system is currently being enacted. From 2016–17, the basic state pension and state second pension will be replaced by a new single-tier pension for everyone below the state pension age. The new State Pension will be a regular payment from the government, no less than £148.40 per week. The actual amount will be set in autumn 2015. Your National Insurance record is used to calculate your new State Pension with a minimum of 10 qualifying years on your National Insurance record to get any new State Pension and a maximum of 35 years in order to receive the full single-tier pension³⁴.

The major difference is that the new system will be essentially universal, with considerably more extensive crediting of unpaid activities³⁵. This should therefore reduce substantially the number of people who have very low state pension entitlements. A further component of the proposed single-tier pension is to end the current system of derived and inherited rights. For those reaching the state pension age after 2016, it will no longer be possible to accrue pension entitlement based on one's spouse's contributions via 'Category B'. Furthermore the new pension bill proposes abolishing the pension credit savings credit³⁶.

³⁴ Source Institute for Fiscal Studies (2013) 'A single-tier pension: what does it really mean?' Available from <http://www.ifs.org.uk/comms/r82.pdf>

³⁵ You will receive the new state pension if you have the minimum national insurance contributions or have been claiming benefits for being unemployed, looking after children aged 12 or under, or caring for sick or disabled adults

³⁶ Source Institute for Fiscal Studies (2013) 'A single-tier pension: what does it really mean?'

State Pension in the UK (Non Contributory)

In the UK, the Pension Credit is a non-taxable, income related benefit designed to provide pensioners with a minimum level of income. There are two parts to the Pension Credit, the Guarantee Credit and the Savings Credit.

The Guarantee Credit guarantees a minimum level of income of £145.40 a week for single people and £222.05 a week for couples³⁷. There are additional amounts if one of the partners has a severe disability (£59.50 or £119.00 if both partners qualify), or is a qualified carer (£33.30 per week).

The Savings Credit may be payable to individuals who have made some provision towards retirement such as savings or a second pension. The Savings Credit can be up to £18.06 a week for single people and £22.89 a week for couples. Table 4.9 below compares the maximum rates of Non-Contributory State Pensions for Ireland and the UK.

Table 4.9: Maximum Weekly Rates of Non-Contributory State Pension in Ireland and the UK

Non-Contributory State Pension	Ireland	UK (in €) ³⁸
Single Person	€219.00	€195.20
Couple	€363.70	€293.68

Source: DSP Rates of Payments 2014& DWP Benefits and Pensions Rates 2013

Recipients of the Guarantee Credit in the UK are automatically entitled to the maximum rate of Housing Benefit, maximum Council Tax Benefit and health benefits (including free prescriptions, dental treatment and sight tests)³⁹.

Recipients of the Non-Contributory State Pension in Ireland may be entitled to additional benefits such as Rent Supplement⁴⁰, Mortgage Interest Supplement, Household Benefits Package and Fuel Allowance⁴¹.

³⁷ There is also a payment of £75.20 per week for each additional spouse in a polygamous marriage.

³⁸ Exchange rate is the average exchange rate from January to December 2013. £1 = €1.199. Includes the Guarantee Credit and the maximum rate of Savings Credit

³⁹ Housing Benefit is a payment to assist people in paying rent. The amount is based on the size of the family and their home. Maximum Council Tax Benefit is the weekly cost of council tax/

⁴⁰ The rates of rent supplement vary depending on location and circumstances (see Section 3).

⁴¹ Household Benefits Package assists in the running cost of the house (e.g. an electricity allowance of €35 per month and a Water Subsidy of €100 per year).

5. Child Benefit

Child Benefit is payable to all parents or guardians of children under 16 years of age, or under 18 years of age if the child is in full-time education, FAS, Youthreach Training or has a disability. The universal nature of child benefit in Ireland makes it the third largest component of government social expenditure, amounting to just under €1.9 billion in 2013.

Child Benefit was standardised at €130 per month for each child from January 2014⁴², as announced in Budget 2013. Payment is one and a half times the appropriate monthly rate for twins and double the appropriate monthly rate for triplets and higher multiple births. The rates of Child Benefit payments have been reduced significantly in recent years. Table 5.1 shows the cumulative monthly Child Benefit payments made to families of various sizes ranging from one to eight children from 2009-2013.

Table 5.1 Monthly Child Benefit Payments, 2009-2014.

Number of Children	2009 Monthly Rate (€)	2010 Monthly Rate (€)	2011 Monthly Rate (€)	2012 Monthly Rate (€)	2013 Monthly Rate (€)	2014 Monthly Rate (€)
1	166.00	150.00	140.00	140.00	130.00	130.00
2	332.00	300.00	280.00	280.00	260.00	260.00
3	535.00	487.00	447.00	428.00	390.00	390.00
4	738.00	674.00	624.00	588.00	530.00	520.00
5	941.00	861.00	801.00	748.00	670.00	650.00
6	1,140.00	1048.00	978.00	908.00	810.00	780.00
7	1,347.00	1235.00	1155.00	1068.00	950.00	910.00
8	1,550.00	1422.00	1332.00	1228.00	1090.00	1040.00

Source: PublicPolicy.ie (2013) *Survey of the Benefit System in Ireland & DSP, Rates of Payments 2014*

The reductions in the monthly rates of pay from 2012 to 2014 have varied from 7.1 percent for one child families, up to 14.6 percent for eight child families. If we take the example of a four child family, the rate of pay in 2014 is 29.5 percent less than in 2009. Subsequently, total expenditure on the scheme has decreased, falling by 7.2 percent between 2012 and 2013. This fall in expenditure can be attributed to the cuts in rates of payment, as the numbers of recipients remained relatively stable in this period, increasing slightly by 0.43 percent⁴³.

Table 6.1: Recipients and Expenditure for Child Benefit

Benefit	Total Recipients in 2013	Total Expenditure 2013 €m	Total Expenditure 2012 €m
Child Benefit	611,366	1,899.9	2046.9

Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

⁴² From January 2015, Child Benefit will increase by €5 per month.

⁴³ Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

Child Benefit in the UK

Child Benefit in the UK is payable to all families with children regardless of income. However, for families with at least one individual earning over £50,000 since January 2013 a proportion of the Child Benefit must be paid back via the 'high income child benefit tax charge'⁴⁴, essentially withdrawing the universality of the payment. A 'child' is defined as someone under 16 years of age, between 16 and 20 and in full-time education or 16-17 and registered for work or training with an approved body. The weekly rates of pay are currently £20.50 for the eldest child and £13.55 for each subsequent child.

⁴⁴ If you have an income of between £50,000 and £60,000 a year, the amount of extra tax you'll have to pay will be 1 per cent of the amount of Child Benefit you get for every £100 of your income above £50,000. If your income is more than £60,000, the amount of extra tax you'll have to pay will be the same as the amount of Child Benefit your household receives.

6. One Parent Family Payment

One Parent Family Payment (OPF) is a means tested payment that is paid to a parent bringing up a child without the support of a partner. The payment, eligible if the parent earns €425 or less per week, is made up of a personal rate and increase for a qualified child. The personal rate depends on a person's income however the maximum rate payable for OPF is €188.00 per week with an additional €29.80 for each qualified child.

Table 6.1 shows the total expenditure and recipients for One Parent Family Payment.

Table 6.1: Recipients and Expenditure for One Parent Family Payment

Benefit	Total Recipients in 2013	Expenditure 2013 (€m)	Expenditure 2012 (€m)
One Parent Family Payment	78,246	977.9	1057.7

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme decreased by €79.8 million (7.5 percent) from 2012-2013. The number of recipients also decreased over the same period by 8,695 (10 percent).

The basic rates for One Parent Family Payment are the same as the maximum rate of Jobseeker's Allowance and Jobseeker's Benefit, and as such the percentage changes over time mirror those of the unemployment benefits; rates increasing up to 2009, falling to €188 in 2011 and remaining constant since then.⁴⁵

Changes to One Parent Family Payment

While rates of OPF paid have remained untouched in recent budgets, many cost cutting measures have been applied in recent years to reduce total expenditure on this payment. The upper age limit of the youngest child for OPF entitlement purposes is gradually being reduced to seven years of age over the 2012 to 2015 period⁴⁶. This will significantly reduce the number of single parents eligible for this payment. Payment of the One-Parent Family Payment will cease if the youngest child on your claim reaches the age specified in the year shown in the Table 6.2.

⁴⁵ Rates increasing up to 2009 at its peak rate falling to €188 in 2011 and remaining constant since then.

⁴⁶ Exceptions to the age limit for OPF eligibility include those in receipt of the Domiciliary Care Allowance, Back to Education Scheme or if the parent has been recently bereaved see <http://www.welfare.ie/en/Pages/One-Parent-Family-Payment.aspx#rates> for more details.

Table 6.2: Structure of OPF payment depending on date of claim and age of child

Date of Claim	Payment continues up to age			
	In 2012	July 2013	July 2014	July 2015
Before 27 April 2011	18	17	16	7
Between 27 April 2011 and 2 May 2012	14	12	10	7
After 3 May 2012	12	10	7	7

Source: Welfare.ie, One Parent Family Payment, Operational Guidelines.

Eligibility for OPF is also being reduced through more stringent means testing requirements. The amount of earnings disregarded in the means test was reduced from €130.00 per week in 2012 to €90 in January 2014 for new and existing customers. This disregard will reduce to €75 from January 2015 and to €60 from January 2016⁴⁷. Furthermore the temporary payment of half of the rate of OPF has been discontinued for new claimants whose earnings exceed €425 per week, from 5 January, 2012.

To reduce the possibility of claiming multiple social welfare payments Budget 2014 announced that from 1 January 2014, those who receive OPF and attend a SOLAS (formerly FÁS) training course will not get a training allowance in addition to the OPF payment. Likewise in Budget 2012 new participants on Community Employment (CE) schemes are not be able to claim OPF at the same time nor claim double qualified child increases through CE and OPF. Since 2012, new claimants of OPF are also no longer entitled to half rate payments of Jobseeker's Benefit, Illness Benefit or Incapacity Supplement.

Lone Parent Payment in the UK

In the UK, a lone parent may claim Income Support payments if they are 'un-partnered' are over 16 years of age and have a child less than five years of age. The current rates are shown below.

Table 6.3: Current Rates of Income Support for Lone Parents in the UK

Income Support Payment	Rate (£ per week)
Lone Parents	
Aged 16-17	£ 57.35
Aged 18 or over	£72.40

Source: Gov.UK (2014), Income Support: What You'll Get.

Income Support in the UK cannot be claimed at the same time as Jobseeker's Allowance. If the child is over five years of age, Income Support ceases and the parent may then claim Jobseeker's Allowance⁴⁸. The eligibility for this group has changed significantly since 2008 with the age of youngest child entitlement to income support decreasing from 15 over 4 years⁴⁹

⁴⁷ Half the remainder of your gross earnings up to €425 per week is assessed as means.

⁴⁸ Source: Gov.UK, 'Jobseeker's Allowance and flexibilities for lone parents'. Available from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/230961/Jobseekers_Allowance_for_lone_parents.pdf

⁴⁹ Source: Gov.UK 'Income Support Lone Parent by Region and Age of Youngest Child'. Available from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223067/ISLP_ad_hoc.pdf

Lone parents could in the past, receive the In Work Credit (IWC). This was a fixed tax-free payment of £40 per week for a maximum of 52 weeks for lone parents who began employment. To qualify, the employment must have been for at least 16 hours per week, expected to last more than five weeks and pay at least the national minimum wage. However, As of October 2013 no new payments of IWC will be made only. Existing payments will continue until completion or a change of circumstances⁵⁰.

⁵⁰ Source: Gov.UK 'In Work Credit: Official Statistics'. Available from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310740/iwc-may14.pdf

7. Disability Allowance

Disability Allowance (DA) is a means tested payment for people with a disability whose income falls below a certain level and who are aged between 16 and 66. Recipients of DA may earn up to €120 per week doing rehabilitative work and this will not affect their payment.

The rate of payment for DA is the same as Jobseeker's Allowance, Jobseeker's Benefit and One Parent Family Payment, a maximum of €188 per week. Total expenditure and recipients of Disability Allowance are shown in table 7.1

Table 7.1: Recipients and Expenditure for Disability Allowance

Benefit	Total Recipients in 2013	Total Expenditure in 2013 (€m)	Total Expenditure in 2012 (€m)
Disability Allowance	106,279	1140.9	1,087.5

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Expenditure on DA increased by €53.4 million (4.9 percent) from 2011-2012. Over the same period the number of recipients decreased by 4,495 (4.4 percent).

People receiving Disability Allowance in Ireland may also qualify for additional benefits such as Free Travel, Household Benefits Package and Fuel Allowance⁵¹

Disability Allowance in the UK

Disability Living Allowance in the UK is a non-means tested payment which is paid at different rates depending on the severity of the disability. The allowance comes in two parts, the care component and the mobility component. Recipients may be entitled to one or both components. Details of the rates are shown in Table 7.2

Table 7.2 Current Rates of Disability Living Allowance in the UK

Disability Living Allowance	Rate (£ per week)
Care Component	
Highest Rate	£81.30
Middle Rate	£54.45
Lower Rate	£21.55
Mobility Component	
Higher Rate	£56.65
Lower Rate	£21.55

Source: Gov.UK 'Disability Living Allowance (DLA) for adults: DLA Rates'.

The level of care component received depends upon the amount of required attention and/or supervision. The highest rate of care component is paid to people who require constant supervision throughout the night and day to avoid substantial danger to themselves or others.

⁵¹ The Household Benefits Package helps with the cost of running the home. For example there is an Electricity allowance of €35 per month and a Water Subsidy of €100 per year. The Telephone Allowance was discontinued from 1 January 2014. The Fuel Allowance helps with the cost of heating the home and is €20 per week.

To qualify for the mobility component, the person must show that they cannot walk without substantial supervision and would benefit from taking outdoor journeys. The maximum amount of Disability Living Allowance payable in the UK is £143.95, consisting of the highest rate of the Care and Mobility Components. Shown below in table 7.3, is the maximum rate of Disability Allowance payable in Ireland and the UK (in Euros)

Table 7.3: Maximum Rates of Disability Allowance in Ireland and the UK

Payment	Ireland	UK (in €) ⁵²
Disability Allowance	€188	€172.59

Source: DSP, *Rates of Payments 2014* & Gov.UK, *DLA Rates*

However amongst the recent welfare reforms that have taken place in the UK, 'the Disability Living Allowance (DLA) has been replaced by the Personal Independence Payment (PIP) for new applicants, and will begin replacing DLA for existing claimants in 2015. Like the DLA it is made up of the care and mobility components however the lower rate payment of the care component will cease to exist. Whether you get one or both of these depends on how your condition affects your ability to participate fully in society as opposed to the severity of the disability. An assessment will be needed to determine the rate you may receive⁵³.

⁵² Exchange rate is the average exchange rate from January to December 2013. £1 = €1.199

⁵³ Source: Gov.UK, Personal Independency Payment. Available from <https://www.gov.uk/pip> .

8. Illness Benefit

Illness Benefit (IB) is a PRSI based scheme which provides income support to individuals who find themselves unable to work due to illness / incapacitation. IB is taxable from the first day of payment since Budget 2012.

In order to qualify for IB, a person must have

- paid at least 104 PRSI contributions since first starting work
- And
- Have 39 weeks paid PRSI in the relevant tax year (the relevant tax year is the second last complete tax year before the year in which the claim is made)
- Or
- Have 26 weeks paid PRSI in the relevant tax year and 26 weeks paid in the previous tax year.

Individuals with between 104 and 259 PRSI contributions may be entitled to IB for up to 1 year. Those with 260 or more PRSI contributions may be entitled to IB for up to two years..

IB rates are graduated according to the individual's weekly earnings in the relevant tax year. Table 8.1 shows the personal rates of IB⁵⁴.

Table 8.1 Weekly Rates of Illness Benefit (2014)

Average Weekly Earnings	IB Personal Rate (Weekly Payment)	Qualified Adult Increases
€300 or more	€188.00	€124.80
€220-€299.99	€147.30	€80.90
€150-€219.99	€121.40	€80.90
Less than €150	€84.50	€80.90

Source: DSP, Rates of Payments 2014

58,990 people received illness benefit in 2013, a reduction of 8.4 percent from the previous year. Subsequently, expenditure on IB dropped by 16.2 percent in 2013 to €649 million as can be seen in table 8.2.

Table 8.2: Recipients and Expenditure for Illness Benefit

Benefit	Total Recipients in 2013	Total Expenditure in 2013 (€m)	Total Expenditure in 2012 (€m)
Illness Benefit	58,990	648.9	773.9

Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

⁵⁴ An increase for a qualified child is also payable at €29.80 (full-rate) or €14.90 (half-rate).

Medical Certification

Recipients of IB may be required to undertake a medical assessment to confirm eligibility. If the Medical Assessor finds that you are capable of work, a Deciding Officer may decide that you are not entitled to payment of Illness Benefit⁵⁵.

Medical certificates from the recipient's doctor must be provided to the DSP in order to continue to receive illness benefit. Normally a patient must be given a certificate each week for as long as incapacity for work lasts. However where illness has lasted for more than six months; the patient may be advised to send in only one medical certificate every four weeks. In cases of long term illness, a certificate once every six months will normally suffice⁵⁶.

In 2012 the DSP received 286,534 claims for IB but only awarded 245,319 claims due to claimants not meeting the medical requirements and due to pending decisions on claimants' eligibility⁵⁷.

Changes to IB as Announced in Budget 2014

From 6th January 2014 no Illness Benefit payment is made for the first 6 days of illness. Previously no benefit was paid for the first three days of illness and for any Sunday during the illness⁵⁸.

Employment and Support Allowance in the UK

Individuals in the UK, who are unable to work due to illness or disability, may be entitled to Employment and Support Allowance (ESA). There are two types of ESA. Contribution based ESA is paid to individuals with sufficient national insurance contributions. Income based ESA is paid to individuals who do not meet the contribution criteria and satisfy a means test.

Those seeking Employment and Support Allowance are required to take a Work Capability Assessment in order to assess what type of work, if any, an individual is capable of doing and what health related supports may be needed. If they are capable, a person will be expected to take steps to prepare for work.

Upon applying for Employment and Support Allowance, the first 13 weeks (known as the Assessment Phase) is the amount of time it takes to arrive at a decision as to the person's capability of working (as per the Work Capability Assessment). During the Assessment Phase, contributory Employment and Support Allowance is paid at a basic rate of £57.35 per week for a single person under 25 or £72.40 per week for those over 25

Provided the Work Capability Assessment finds that the illness limits the person's ability to work, then that person will be placed into one of the two following groups,

- Support Group: If the illness has a severe effect on the person's ability to work, then they will not be expected to seek work.

⁵⁵ Source http://www.welfare.ie/en/Pages/4155_How-do-I-get-my-payment.aspx

⁵⁶ Source <http://www.welfare.ie/en/Pages/Medical-Certification-Under-Social-Welfare-Legislation-Instr.aspx>

⁵⁷ Source: 2012 Annual Statistical Summary

⁵⁸ Source: http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/disability_benefit.html

- Work Related Activity Group: A personal adviser will support the individual so that they can prepare for suitable work.

Table 8.3 shows the rates of pay of Employment and Support Allowance in the UK for those in the Support Group and Work Related Activity Group. Additional premiums may be available for those on income based ESA; £15.15 per week for 'enhanced disability' and £59.50 for a 'severe disability'⁵⁹.

Table 8.3: Maximum Personal Rates of Employment and Support Allowance

Employment and Support Allowance Payment	Weekly Payment £
Support Group	£108.15
Work Related Activity	£101.15

Source: Gov.UK, Employment and Support allowance.

Table 8.4 compares the personal rates of Employment and Support Allowance in the UK, with Illness Benefit Payment in Ireland.

Table 8.4: Maximum Illness Benefit in the UK and Ireland

Payment	Ireland	UK (in €) ⁶⁰
Illness benefit (Ireland) / Employment & Support Allowance (UK)	€188.80	€129.67

Source: DSP, Rates of Payments 2014 & Gov.UK, ESA Rates.

⁵⁹ Source: Gov.UK Benefit and Pension Rates 2014 Available from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275291/Benefit_and_Pension_rates_2014-15.pdf

⁶⁰ Exchange rate is the average exchange rate from January to December 2013. £1 = €1.199

9. Supplementary Welfare Allowance

Supplementary Welfare Allowance provides a basic weekly allowance to eligible people who have little or no income. This is a means tested payment and the provision of Basic SWA payment (BSWA) is very similar to the provision of primary payments such as JA. People with low incomes may also qualify for a weekly supplement payment under the Supplementary Welfare Allowance Scheme to meet certain special needs, for example, help with rent/mortgage interest payments or for urgent or exceptional needs. Table 9.1 shows the total recipients and expenditure on various SWA payments.

Table 9.1: Expenditure on Supplementary Welfare Payments

Benefit	Total Recipients in 2013	Total Recipients in 2012	Expenditure 2013 €m	Expenditure 2012 €m
Basic Supplementary Welfare Allowance	23,127	32,358	108.3	180.3
Rent Supplement	79,788	87,684	372.9	422.5
Mortgage Supplement	9,768	14,437	35.1	55.1
Other Supplements ⁶¹	11,030	13,009	9.5	11.2
Back to School Clothing and Footwear Allowance	180,779	184,770	47.9	65.7
Exceptional and Urgent Needs Payment	N/A	N/A	52.7	62.5

Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

Expenditure on BSWA significantly decreased between 2012 and 2013, by nearly 40 percent. Similarly, a significant reduction in the number of recipients was witnessed in the 2012 to 2013 period, with 28.5 percent less people receiving BSWA in 2013 compared to 2012.

Expenditure also fell for the other supplementary payments with significant reductions in the expenditure of Rent Supplement, Mortgage Interest Supplement and Back to School Clothing and Footwear Allowance⁶².

Basic SWA is made up of a personal rate for the applicant and additional amounts for any qualified adult and/or qualified child(ren). The rates of BSWA faced age related reductions in Budget 2014, similar to the age related reductions of Jobseekers Allowance that also were implemented due to Budget 2014. The current age related rates of BSWA are set out in table 9.2 below. There is also an increase of €29.80 if you have a child dependent and are entitled to the full rate of BSWA, i.e not subject to the age related reductions.

⁶¹ Heating, Diet and Travel

⁶² There has been a marked attempt in recent years to reduce the duration of claims of the various supplementary payments, and an attempt to reduce the number of 'excess' claims of these payments. See <http://www.audgen.gov.ie/documents/annualreports/2011/report/en/Chapter24.pdf> for more details.

This could be one potential reason for the reduction in expenditure on supplementary welfare payments between 2012 and 2013.

Table 9.2: Maximum Rates of Basic Supplementary Welfare Allowance⁶³

Age	Personal Rate 2013	Personal Rate 2014	Increase for Qualified Adult 2013	Increase for Qualified Adult 2014
26 or over	€186	€186	€124.80	€124.80
25	€186	€144	€124.80	€124.80
22-24	€144	€100	€124.80	€100
18-21	€100	€100	€100	€100

Source: DSP, Rates of Payment 2014

⁶³ Note: Reduced rates of Supplementary Welfare Allowance for claimants under 26 years of age do not apply to certain groups of people. See http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/supplementary_welfare_allow.html

10. Invalidity Pension

Invalidity Pension (IP) is a taxable, contribution-based payment for people who cannot work due to a long term illness or disability. In order to qualify for Invalidity Pension, a person must have at least

- 260 paid PRSI contributions since entering social insurance
- 48 contributions paid in the last complete tax year before the date of the claim

Furthermore, a person must meet the medical criteria to claim IP. To qualify, the person must

- Have been incapable of work for at least 12 months and be incapable of work for at least another 12 months. The person will normally have already been claiming Illness Benefit or Disability Allowance for the previous 12 months.

Or

- Be permanently incapable of work. In cases of severe illness or disability, the person may be able to immediately claim Invalidity Pension after ceasing employment.

Table 10.1 shows total recipients and expenditure on this scheme.

Table 10.1: Recipients and Expenditure for Invalidity Pension

Benefit	Total Recipients in 2013	Expenditure in 2013 €m	Expenditure in 2012 €m
Invalidity Pension	53,196	707.8	604

Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

Total expenditure on the scheme increased by €103.8 million (17.2 percent) from 2012-2013. The number of recipients also increased over the same period by 3,143 (6.3 percent). Those aged over 66 and on Invalidity Pension will be automatically transferred to State Pension (Contributory) at age 66.

Budget 2014

The higher Invalidity Pension rate of €230.30 per week that used to be paid when claimants reach age 65 was discontinued in 2014. The new rate payable to people aged 65 (and under) is €193.50 per week for new claimants⁶⁴. The weekly rate payable to all qualified adults of people claiming Invalidity Pension was standardised at €138.10 per week. This measure will apply to spouses and partners aged 66 or over who reach their 66th birthday from 2 January 2014. Table 10.2 outlines the current weekly rates of Invalidity Payments.

⁶⁴ This measure is being undertaken in line with the abolition of the State Pension (Transition) from 2 January 2014

Table 10.2: Weekly Rates of Invalidity Pension

Invalidity Pension	Weekly Payment
Aged Under 66	€193.50
Increases for Qualified Adult/Child	
Qualified Adult	€138.10
Qualified Child Full Rate	€29.80
Qualified Child Half Rate ⁶⁵	€14.90

Source: DSP, Rates of Payment 2014

Invalidity Benefit in the UK

If a person is unable to work due to invalidity or sickness in the UK, then there are two potential benefits available. Firstly, there is Employment and Support Allowance which was discussed in Section 7 (maximum weekly rate of €129.21). For cases involving more severe disabilities, there is Disability Living Allowance which was discussed in Section 6 (maximum weekly rate of €161.75).

⁶⁵ Since Budget 2012 If the person claiming Invalidity Pension has a spouse or partner earning €400 or more per week, payment of the half rate increase in respect of a qualified child (€14.90 per week) is discontinued

11. Carer's Allowance

Carer's Allowance is a means tested payment⁶⁶ to people on low incomes looking after a person needing support due to age, physical or learning disability or illness. Carer's Allowance is a taxable source of income.

Table 11.1 Total Recipients and Expenditure for Carers Allowance

Benefit	Total Recipients in 2013	Expenditure 2013 (€m)	Expenditure 2012 (€m)
Carer's Allowance	57,136	554.8	509.7

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on Carer's Allowance increased by €45.1 million (8.9 percent) from 2012-2013. The number of recipients increased by 4,927 (9.4 percent) over the same period.

To qualify for Carer's Allowance, a person must,

- Be living with, or in a position to provide full time care to a person in need of care who does not normally live in an institution. If the person needing care is hospitalised for a period of no longer than 13 weeks, the carer will continue to receive payment.
- Be resident in the State
- Not live in a hospital or similar institution
- Be at least 18 years old
- Not be engaged in employment, training or education outside the home for more than 15 hours a week.

The person who is being cared for must,

- Be over 16 and require full time care, OR
- Be aged under 16 and in receipt of a Domiciliary Care Allowance⁶⁷
- Require continuous supervision either to avoid danger to themselves or require frequent assistance in relation to bodily functions
- Require full time care and attention for a period of at least twelve months

Table 11.2 shows the weekly rates of Carer's Allowance. The payment is made up of a personal rate for the carer and extra amounts for any child dependants. Carer's Allowance has no qualified adult payment. In addition to this weekly payment, carer's may also be entitled to the Household Benefits Package and a Free Travel Pass⁶⁸. Carers also receive a Respite Care Grant which is an annual payment made in June of each year of €1,375 for each person receiving care .

⁶⁶ For the means test, weekly means of €332.50 are disregarded for a single person and €665 for a couple

⁶⁷ Domiciliary Care Allowance is a monthly payment to the carer of a child with a disability so severe that the child requires more care than another child of the same age.

⁶⁸ The Household Benefits Package is available only to carers who live with the person for whom they are caring. The Household Benefits Package helps with the cost of running the home. For example there is an Electricity allowance of €35 per month. The Telephone Allowance was discontinued from 1 January 2014.

Table 11.2: Maximum Weekly Rates of Carer's Allowance

Carer	Weekly Payment
Aged under 66, caring for 1 person	€204.00
Aged under 66, caring for 2 or more people	€306.00
Aged 66 and over, caring for 1 person	€239.00
Aged 66 and over, caring for 2 or more people	€358.50
Increases for Qualified Child	
Half Rate	€14.90
Full Rate	€29.80

Source: DSP, Statistical Information on Social Welfare Services 2012

If the carer is receiving certain social welfare payments⁶⁹ and providing full-time care to another person, they may be entitled to retain their main social welfare payment and also receive a half-rate Carer's Allowance. Also, it is possible for two people who are providing care on a part-time basis in an established pattern to share a single Carer's Allowance payment and the annual Respite Care Grant

Carer's Allowance in the UK

Carer's Allowance in the UK is payable to people aged 16 or over, who spend at least 35 hours per week caring for a person who is incapacitated or disabled. The carer cannot earn more than £102 per week after tax and cannot be in full time education involving 21 or more hours per week of supervised study. The basic weekly rate is £61.35. There may be additional payments for adult dependents (£36.10 a week) and child dependents (£8.05 per week for first child and £11.35 for each subsequent child)⁷⁰. Table 11.4 compares Carer's Allowance in the UK and Ireland

Table 11.4: Personal Rate of Carer's Allowance in the UK and Ireland (Weekly Rates)

Payment	Ireland	UK (in €) ⁷¹
Carer's Allowance- personal rate with no qualified adults or children	€204.00 ⁷²	€73.56

Source: DSP, Rates of Payment 2013 & Gov.UK, Benefit and Pension Rates 2014

Carer's in the UK may earn up to £100 per week and retain their Carer's Allowance Payment. In Ireland, they may work for up to 15 hours per week.

The Fuel Allowance helps with the cost of heating the home and is €20 per week.

⁶⁹ For a list of these social welfare payments see www.citizensinformation.ie

⁷⁰ Source: Gov.UK, Benefit Rates 2014. Available from

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275291/Benefit_and_Pension_rates_2014-15.pdf

⁷¹ Exchange rate is the average exchange rate from January to December 2012. £1 = €1.199

⁷² Aged under 66, caring for 1 person

12. Carer's Benefit

Carer's Benefit is a PRSI contribution based payment made to people who take time out of the workforce to provide care to a person in need of full time care and attention. Carer's Benefit can be paid for up to 104 weeks for each person being cared for. The 104 week duration can be one single continuous period of care or made up of a number of separate periods. A person may qualify for Carer's Benefit if they;

- Are aged between 16 and 66
- Have been in employment (working at least 16 hours per week or 32 hours per fortnight) for at least 8 weeks in the previous 26 weeks before becoming a carer
- Are resident in the State
- Give up work to be a full time carer. They must be living with, or in a position to provide full time care to the person in need, who must not be living in an institution
- Are not living in a hospital, convalescent home or other institution. The person to whom care is being provided may receive treatment in a hospital or institution for up to 13 weeks.
- Are providing care to a person who is so incapacitated as to need full time care and attention, and is not living in an institution
- Are not engaged in employment, self-employment, training or education outside the home for more than 15 hours per week. The maximum allowable net income that can be earned is €332.50 per week.
- Have at least 156 PRSI contributions paid at any time between the time they started to pay PRSI and the time of the claim for Carer's Allowance,

And

-39 contributions paid in the relevant tax year

Or

-39 contributions paid in the 12 month period before the start of Carer's Benefit

Or

-26 contributions paid in the relevant tax year and 26 contributions paid in the relevant tax year before that.

Table 12.1: Maximum Weekly Rates of Carer's Benefit

Carer's Benefit	Weekly Rate (€)
Caring for 1 person	€205.00
Caring for 2 people	€307.50
Full Rate Increase for Qualified Child	€29.80
Half Rate Increase for Qualified Child ⁷³	€14.90

Source: DSP (2014) *Rates of Payment 2014* & PublicPolicy.ie (2013) *Survey of the Benefit System in Ireland*.

If the person being cared for dies, payment of Carer's Benefit continues for six weeks after the death. Carers also receive a Respite Care Grant which is an annual payment made in June of each year. The carer can use the money in whatever way the wish. Budget 2013 reduced the Respite Care Grant from €1,700 to €1,375 for each person receiving care. No changes to the respite care grant or to the carer's benefit were introduced in Budget 2014⁷⁴. Table 12.2 shows total expenditure and recipients for the scheme

Table 12.2: Recipients and Expenditure for Carer's Benefit

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Carer's Benefit	1,598	22.4	24.5

Source: DSP (2014) *Statistical Information on Social Welfare Services 2013*

Total expenditure on the scheme decreased by €2.1 million (8.4 percent) from 2012-2013. The number of recipients of carers benefit is relatively small; 1,598 people availed of this benefit in 2013, a decrease of 40 recipients on 2012 figures (2.4 percent)

⁷³ Budget 2012 introduced the restriction that if a person in receipt of Carer's Benefit has a spouse or partner with income of over €400 per week, they will not be entitled to the half rate increase for a qualified child.

⁷⁴ The extra weekly payment for caring for more than one person was retained along with the annual respite care grant of €1,375 for each care recipient in Budget 2014.

13. Widow(er)'s or Surviving Civil Partners Contributory Pension

Widow(er)'s or Surviving Civil Partners Contributory Pension is a taxable, contribution based payment made to the husband, wife or civil partner of a deceased person. To qualify for this payment, the widow, widower or surviving civil partner cannot cohabit with another person. In the case of a divorce or dissolution of a civil partnership, the person still keeps their entitlement to the Widow(er)'s or Surviving Civil Partners Contributory Pension.

Table 13.1: Recipients and Expenditure for Widow(er)'s or Surviving Civil Partners Contributory Pension

Benefit	Total Recipients in 2013	Expenditure 2013 (€m)	Expenditure 2012 (€m)
Widow(er)'s / Surviving Civil Partners Contributory Pension	117,417	1,349.8	1,343.2

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure increased by €6.6 million (0.5 percent) from 2012-2013. Recipients increased by a similar proportion of 0.6 percent over the same period.

Table 13.2 shows the current maximum weekly rates of payment.

Table 13.2: Maximum Weekly Rates of Widow(er)'s or Surviving Civil Partners Contributory Pension

Widow(er) / Surviving Civil Partners Contributory Pension	Weekly Payment
Aged under 66	€193.50
Aged 66 to 80	€230.30
Aged 80 and over	€240.30
Increase for a qualified child	€29.80

Source: DSP, Rates of Payment 2014.

To qualify, a person must have,

- At least 260 paid PRSI contributions up to the date of death of the spouse or civil partner or before the person's 66th birthday, whichever is earlier. This PRSI requirement can be met by the person or their deceased spouse/ civil partner, but cannot be combined by the two people.

And

- An average of 39 paid or credited PRSI contributions in either the 3 or 5 years prior to the death of the spouse / civil partner or before he/she reached the age of 66.

Or

- A yearly average of at least 24 paid or credited PRSI contributions from the year of first entry into insurance until the year of death of the spouse / civil partner or the year of reaching pension age. A yearly average of 24 contributions entitles the person to the minimum pension. A yearly average of 48 contributions is needed to claim the full pension.

A person may automatically qualify for the Widow, Widower's or Surviving Civil Partner's Contributory Pension if the deceased spouse was getting either a Contributory State Pension which included an increase for dependent spouse.

Bereavement Benefits in the UK

There are two types of bereavement benefits in the UK,

1. Widowed Parent's Allowance (WPA): This is a taxable, contribution based payment to a parent with at least one child, whose partner has died. To qualify, the parent must be receiving Child Benefit. The amount you get is based on how much your late husband, wife or civil partner paid in National Insurance contributions. The maximum Widowed Parent's Allowance (WPA) attainable in 2014 is £111.20 a week, having increased from £108.30 in 2013. There may be additional earnings related payments if the deceased partner's national insurance contribution record qualifies⁷⁵

2. Bereavement Allowance (BA): This is a taxable, contribution based payment to a person over 45 years of age and below pension age, whose partner has died. This is payable for 52 weeks after the death of the partner. A person in receipt of WPA whose child subsequently ceases to qualify for Child Benefit may transfer to BA. The basic rate of BA for those aged 55 or over currently stands at £111.20. However, for every year under that age, the claimant receives seven percent less. For example, a person aged 54 will receive a weekly payment of £103.42 a week (97 percent of the full rate)⁷⁶. Table 13.3 compares bereavement payments in the UK and Ireland in 2014 under three different scenarios.

Table 13.3 Bereavement Payments in the UK and Ireland (weekly rates)

Bereavement Payment	Ireland	UK (in €)
With at least one dependent child	€223.30 ⁷⁷	€133.33 ⁷⁸
Over 55 years of age with no dependent children	€193.50	€133.33
Between 45-54 years of age with no dependent children	€193.50	Ranges from €40 to €124

Source: DSP Rates of Payment 2013 & Gov.UK Bereavement Allowance.

⁷⁵ Source: Gov.UK Widowed Parent Allowance. Available from <https://www.gov.uk/widowed-parents-allowance/what-youll-get>

⁷⁶ Source: Gov.UK Bereavement Allowance. Available from <https://www.gov.uk/bereavement-allowance/what-youll-get>

⁷⁷ Recipients under 66 receive €193.50 plus an extra €29.80 for a dependent child.

⁷⁸ £111.20, converted to euro by multiplying 2013 average exchange rate €1.199

14. Widow/er's or Surviving Civil Partner's Non-Contributory Pension

Widow/er's or Surviving Civil Partner's Non-Contributory Pension is a means tested payment to widow's, widower's or surviving civil partner's who do not qualify for the Widow/er's or Surviving Civil Partner's Contributory Pension. It is paid to widows, widowers or surviving civil partners who do not have dependent children. People with dependent children may receive the One-Parent Family Payment instead.

The maximum weekly rate payable (rates may vary depending on the means test⁷⁹) is €188.00. The person may also qualify for a fuel allowance (€20 per week). If the late spouse or civil partner was receiving the Household Benefits Package at the time of their death, the surviving spouse or partner may also qualify for the package if aged between 60 and 65. Table 14.1 shows total expenditure and recipients for the scheme

Table 14.1: Recipients and Expenditure for Widow/er's or Surviving Civil Partners Non-Contributory Pension

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Widow/er's or Surviving Civil Partner's Non-Contributory Pension	1,781	16.7	17.7

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme decreased by €1 million (5.3 percent) from 2012-2013. The number of recipients also decreased over the same period by 79 (4.2 percent).

⁷⁹ For further information on the means test see http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/death_related_benefits/widows_non_contrib_pen.html

15. Maternity Benefit

Maternity Benefit is a payment made to women who are on maternity leave from work and covered by PRSI contributions. Maternity Benefit is paid for 26 weeks⁸⁰. It is a taxable source of income since July 2013.

If the person already receives certain social welfare payments, half rate Maternity Benefit may be payable. Some employers will continue to pay an employee while she is on maternity leave and have the Maternity Benefit paid to them.

Table 15.1 shows total expenditure and recipients for the scheme in 2012

Table 15.1: Recipients and Expenditure for Maternity Benefit

Benefit	Total Beneficiaries in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Maternity Benefit	22,812	292.6	303.5

Source: DSP (2014), Statistical Information on Social Welfare Services 2013

From 2012-2013, total expenditure decreased by €10.9 million (3.6 percent) while the number of recipients remained relatively stable, decreasing slightly by 38 recipients (0.2 percent).

For claims starting before 6 January 2014, the amount of Maternity Benefit paid depends on the woman's earnings. The rate payable is 80 percent of reckonable earnings, subject to a maximum rate of €262.00 and a minimum rate of €217.80 per week

Changes to Maternity Benefit as Announced in Budget 2014

From 6th of January 2014, for new claimants, the personal rate of maternity benefits is standardised at €230 per week. This results in an increase of up to €12.20 for those receiving less than €230 per week and a reduction of up to €32 per week for all other claimants.

Eligibility Requirements

In order to receive this benefit for the duration of 26 weeks, a minimum of 2 and a maximum of 16 maternity weeks leave must be taken before the end of the week in which the baby is due.

Regarding PRSI contributions, for an employed woman to qualify for Maternity Benefit she must have;

- At least 39 weeks PRSI paid in the 12 month period before the first day of maternity leave
- Or
- At least 39 weeks paid PRSI since first starting work and at least 39 weeks paid or credited PRSI in the relevant tax year or in the tax year following the relevant tax year.
- Or
- At least 26 weeks PRSI paid in the relevant tax year and at least 26 weeks paid PRSI in the tax year immediately before the relevant tax year.

⁸⁰ Sunday is not treated as a day of entitlement to Maternity Benefit.

For a self employed woman to qualify for Maternity Benefit, she must be in insurable employment and have,

- 52 weeks PRSI contributions paid at class S in the relevant tax year

Or

- 52 weeks PRSI contributions paid at class S in the tax year immediately before the relevant tax year

Or

- 52 weeks PRSI contributions paid at class S in the tax year immediately following the relevant tax year

Statutory Maternity Pay in the UK

Statutory Maternity Pay in the UK is a legal minimum amount that an employer must pay to an employee on maternity leave. The employer can recoup most of this payment from the government.

To qualify, the woman must have been employed by the same employer continuously for at least 26 weeks into the 15th week before the baby is due. Also, the woman must have been earning, on average, at least £111 a week (which is the minimum a person has to earn before being treated as paying national insurance contributions) during the eight weeks up to and including the 15th week before the baby is due.

Statutory Maternity Pay can be paid for up to 39 weeks. For the first six weeks, it is paid at 90 percent of average gross weekly earnings with no upper limit. For the remaining 33 weeks, it is paid at the lower of £138.18 or 90 percent of average gross weekly earnings. Tax and National Insurance will be deducted⁸¹.

⁸¹ Source: GOV.UK Maternity Benefits: Technical Guidance. Available from <https://www.gov.uk/government/publications/maternity-benefits-technical-guidance/maternity-benefits-technical-guidance>

16. Family Income Supplement

Family Income Supplement (FIS) is a weekly, tax-free payment to families with children where member(s) of the family are in employment but have low earnings. At least one child must be under 18 years of age or between 18 and 22 years of age and in full-time education. The payment is designed to preserve the incentive to work in cases where the employee's working wage is only marginally higher than if he/she was claiming social welfare payments.

To qualify for FIS, the net weekly income⁸² of the family must be below a certain limit which depends on the family size. The weekly rate of FIS is 60 percent of the difference between the net family income and the specified income limit. These limits are shown in table 16.1 below.

Table 16.1 FIS Income limits (2014)

Number of Children	Income Limit
1	€506
2	€602
3	€703
4	€824
5	€950
6	€1,066
7	€1,202
8	€1,298

Source: CitizensInformation.ie, Family Income Supplement.

Once the family's income falls below the specified limit they are guaranteed a minimum weekly payment of €20. The family may also be entitled to Back to School Clothing and Footwear Allowance⁸³

Further eligibility criteria are as follows

- The employee must be working at least 19 hours per week (or 38 hours per fortnight). Spouses, civil partners or cohabitants can combine their hours to meet this condition. Hours spent in self employment do not count.
- The employment must be likely to last for at least 3 months.
- The employee must be looking after at least one child

Table 16.2 shows total expenditure and recipients for the scheme

⁸² The following payments do not count as family income; Child Benefit, Guardian's Payments, one third of any income from carer's payments, Supplementary Welfare Allowance, Domiciliary Care Allowance, Foster Child Allowance, Rent Allowance for tenants affected by the de-control of rents, income from a charitable organisation and income from providing accommodation to students studying in Irish Gaeltacht areas.

⁸³ The rate of Back to School Clothing and Footwear Allowance is €100 per child aged 4 -11 and €200 per child aged 12-22.

Table 16.2 Recipients and Expenditure for Family Income Supplement

Benefit	Total Recipients in 2013	Expenditure in 2013 €m	Expenditure in 2012 €m
Family Income Supplement	44,159	261.7	223.6

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Expenditure on Family Income Supplements increased by €38.1 million (17.1 percent) and recipients increased by 11,852 (36.7 percent) from 2012-2013.

The Department of Social Protection, has given increasing priority to Family Income Supplement as it has been noted as a crucial resource to working families and helps implement the goal of ensuring that people are 'better off in work' than being dependent on welfare. It is estimated that Family Income Supplement (FIS) will increase to more than €280 million in 2014, a 25 percent increase since 2012, in line with this goal⁸⁴.

⁸⁴ Source: DSP (2014) Press Release 'Family Income Supplement'. Available from <https://www.welfare.ie/en/pressoffice/Pages/pr140114.aspx>

17. Back to Education Allowance

Back to Education Allowance (BTEA) is a scheme which encourages and facilitates a return to education for vulnerable groups who are distant from the labour market. The qualifying social payments are

- Jobseeker's Allowance / Benefit
- Farm Assist
- One Parent Family Payment
- Deserted Wife's Benefit / Allowance
- Widow's, Widower's or Surviving Civil Partner's Contributory and Non-Contributory Pension
- Carer's Allowance
- Blind Pension
- Disability Allowance
- Invalidity Pension
- Incapacity Supplement based on a life disablement pension.
- Those in receipt of Illness Benefit for over two years.

In general, a person must be at least 21 years of age to qualify for BTEA (or 24 years of age for a postgraduate course⁸⁵).

There are two options of study for BTEA, a second level option and a third level option. For the second level option, the course can be at any community, comprehensive, secondary or vocational school. The second level course must,

- Be full time
- Lead to a certificate recognised by the Department of Education and Skills or approved by Quality and Qualifications Ireland (QQI).

For the third level option, the course can be at any university, third level college or institution as long as it is a full-time course approved by the Department of Education and Skills and/or Quality and Qualifications Ireland (QQI). Undergraduate courses must be commenced at year 1 except for individuals who

- Did not complete the course and are returning to the second or subsequent year

⁸⁵ However the following exceptions apply; those aged between 18-20 who are in receipt of Jobseeker's Benefit / Allowance or One Parent Family Payment may qualify if they have been out of formal education two years or more. Also, a person aged 18 years or over may qualify if they are in receipt of Blind Pension, Disability Allowance, Invalidity Pension or Incapacity Supplement.

- Are exempt from the first year of a course due to existing qualifications
- Completed some of the course as a part-time student but are now getting jobseeker's payment and will continue the course on a full-time basis.

Postgraduate courses which lead to a higher diploma qualification in any discipline or a Professional Masters in Education are eligible for BTEA. These courses must be in Ireland. Other postgraduate courses may qualify in circumstances where the person is admitted directly into a master's course on the basis of life experience (i.e. without an undergraduate degree).

Budget Changes

In the past, BTEA was 'standard rated' meaning that even if the applicant was originally receiving a reduced rate of social welfare payment, upon applying for BTEA they would then receive the maximum standard rate of payment⁸⁶. However, since January 2013, new BTEA applicants over 25 will be entitled to BTEA at the rate of their qualifying payment. Since January, 2014 the age threshold has been increased to 26 years.

Similar to the changes to jobseekers allowance, age related rate reductions have been applied to the BTEA scheme. From 1 January 2014 all new BTEA participants aged under 26 who were getting a reduced age-related Jobseeker's Allowance payment, will get a maximum BTEA rate of €160 per week (any means participants have will be deducted from this rate). This age related reduction was introduced for new applicants under 25 in Budget 2013, with Budget 2014 extending the reduced rate to those under 26.

Additional measures to reduce the large expenditure on BTEA was the abolition of the €300 annual cost of education allowance for new and existing BTEA participants from January 2013. Furthermore, from June 2014 all new BTEA claims must be recommended and approved by a DSP Case Officer before you start the course. This change is intended to make sure the BTEA more targeted. Table 17.1 shows total recipients and expenditure on Back to Education Allowance.

⁸⁶ Source: Central Expenditure Evaluation Unit (2009) 'Cross Cutting Issues-Activation Measures'.

Table 17.1: Recipients and Expenditure for Back to Education Allowance

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012€m
Back to Education Allowance	24,147	186.9	199.6

Source: DSP, Statistical Information on Social Welfare Services 2012

Back to Education Allowance has the highest number of the recipients compared to other 'working age employment supports'. At the end of 2013 there were 24,147 recipients, a decrease of 3 percent compared to 2012. Expenditure on the scheme fell by 6.4 percent from 2012 to 2013.

18. Farm Assist

Farm Assist is a means tested payment for low income farmers. It was introduced in April 1999 to replace Smallholders Unemployment Assistance. Farm Assist is similar to Jobseeker's Allowance albeit with a different means test. Claimants of Farm Assist do not have to be available for work to claim this payment. To qualify, a person must be;

- Between the ages of 18 and 66
- A farmer, farming land in the State
- Satisfy a means test⁸⁷

Table 18.1 shows the maximum weekly rates of Farm Assist and Table 16.2 shows total expenditure and recipients.

Table 18.1 Maximum Weekly Rates of Farm Assist

Farm Assist	Maximum Weekly Rates (€)
Personal Rate	€188.00
Qualified Adult	€124.80
Qualified Child Full Rate	€29.80
Qualified Child Half Rate	€14.90

Source: PublicPolicy.ie, Survey of the Benefit System in Ireland 2013

Table 18.2 Recipients and Expenditure for Farm Assist

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Farm Assist	10,303	99.2	108.2

Source: DSP, Statistical Information on Social Welfare Services 2012

From 2012-2013, total recipients decreased by 726 (6.6 percent). Total expenditure decreased by €9 million (8.3 percent) over the same period.

⁸⁷ Further information on what means are assessed can be found from citizensinformation.ie

19. Back to Work Enterprise Allowance

The Back to Work Enterprise Allowance (BTWEA) scheme encourages people on certain social welfare payments to become self-employed⁸⁸. Those who take part in the scheme are entitled to keep a percentage of their social welfare payment for up to two years. To qualify for BTWEA, a person must be;

- Setting up as self-employed in a business that has been approved by a Jobs Facilitator or Partnership Company
- Getting one of the following payments for at least 12 months
 - Jobseeker's Allowance
 - Jobseeker's Benefit (with an underlying entitlement to Jobseeker's Allowance)⁸⁹
 - One-Parent Family Payment
 - Blind Pension
 - Disability Allowance
 - Carer's Allowance
 - Farm Assist
 - Invalidity Pension
 - Incapacity Supplement
 - Pre-Retirement Allowance
 - Widow's/Widower's or Surviving Civil Partner's (Non-Contributory) Pension
 - Deserted Wife's Benefit or Allowance
 - Prisoner's Wife's Allowance

Or

- Illness Benefit for 3 years or more

It is also possible for a person to claim BTWEA if their spouse or partner was claiming BTWEA and dropped out of the scheme before their entitlement finished. In such cases, the person transfers their BTWEA to their partner or spouse (with the partner or spouse now being considered self-employed).

Those who qualify for the Back to Work Enterprise Allowance can keep 100 percent of their social welfare payment for the first year and 75 percent for the second year, along with the increases for a

⁸⁸ The BTWEA may also be available to an individual who was released from prison and satisfies the eligibility criteria

⁸⁹ This means that the person would pass the means test for Unemployment Allowance

qualified adult and qualified children. Those who qualified before the 1st of May 2009 keep 100 percent of their social welfare payment for the first year, 75 percent for the second year, 50 percent for the third year and 25 percent for the fourth year. Claimants will all retain secondary benefits⁹⁰ for the duration of the BTWEA scheme. Table 19.1 shows total expenditure and recipients for the scheme.

Table 19.1: Recipients and Expenditure for Back to Work Enterprise Allowance

Benefit	Total Recipients in 2013	Expenditure 2013 €m⁹¹	Expenditure 2012 €m
Back to Work Enterprise Allowance	10,098	119.5	127.2

Source: DSP (2014) Statistical Information on Social Welfare Services 2013.

Total expenditure on the scheme decreased by €7.7million (6.1 percent) from 2012-2013. The number of recipients also decreased over the same period by 712 (6.6 percent).

⁹⁰ Secondary benefits include Fuel Allowance, Medical card, Diet Supplement and Back to School Clothing and Footwear Allowance, provided e provided household income is less than €317.43 gross per week

⁹¹ Please note: Included in the expenditure figures of BTWEA in 2012 and 2013 is expenditure on the 'Back to Work Allowance'. This payment was aimed at incentivising the unemployed to take up employment, it was discontinued to new applicants in the supplementary budget of 2009.

20. Disablement Benefit

Disablement Benefit is a benefit under the Occupational Injuries Scheme⁹². It is paid to individuals who suffer a loss of physical or mental faculty due to either;

- an accident at work
- an accident travelling to or from work
- a prescribed disease contracted at work.

Payment of Disablement Benefit is made when the level of disablement or disease is assessed at 15 percent or more. To give an indication as to what the 15 percent assessment means, consider the following examples;

- Loss of Both Hands – 100% Disablement
- Loss of Thumb – 30% Disablement
- Loss of Index Finger – 14%

If the level of assessment is above 20%, the Disablement Benefit is paid either as a weekly or monthly pension (known as Disablement Pension). If the level of assessment is between 15-20%, then the Disablement Benefit is paid as a lump sum (known as Disablement Gratuity). Some recipients of Disablement Benefit who are unable to work may also qualify for Illness Benefit

To qualify for Disablement Benefit, the person must have been in employment on or after 1 May 1967 at PRSI class A, B, D, J or M, at the time the accident/disease was sustained⁹³.

The maximum Disablement Gratuity (Lump Sum) payable is €15,320 (for people whose level of assessment is between 15-20%). The weekly rate of Disablement Pension varies depending on the assessed level of disablement, which is medically assessed. These rates are shown in table 20.1 below.

Table 20.1 Maximum Personal Rates of Disablement Pension

Level of Disablement	Weekly Payment
100%	€219.00
90%	€197.10
80%	€175.20
70%	€153.30
60%	€131.40
50%	€109.50
40%	€87.60
30%	€65.70
20%	€43.80

Source: PublicPolicy.ie (2013) Survey of the Benefit System in Ireland

⁹² The Occupational Injuries Benefit Scheme is a group of benefits for people injured or incapacitated by an accident at work or while travelling directly to or from work. There are a number of benefits available and there are different conditions attached to each benefit (Citizens Information, 2014)

⁹³ Under the Occupational Injuries Scheme, civil servants at PRSI class B cannot get Disablement Benefit for 26 weeks after the accident/disease

Incapacity Supplement is an additional payment to recipients of Disablement Pension. It is paid to people who are permanently incapable of work and do not qualify for another social welfare payment. The weekly rates of Incapacity Supplement are shown in table 20.2 below.

Table 20.2 Current Maximum Weekly Rates of Incapacity Supplement

Incapacity Supplement	Aged Under 66	Aged Over 66
Personal Rate	€188.00	€204.30
Increase for a Qualified Adult	€124.80	€135.60
Increase for a Qualified Child	€29.80	€29.80

Source: Citizens Information (2014) Disablement Benefit

Furthermore, Constant Attendance Allowance is an additional payment on top of the Disablement Pension which is payable to people who have over 50 percent disablement and need another person to help them, on a daily basis, with their personal needs for a period of at least six months. The weekly rate of Constant Attendance Allowance is €205.

Table 20.3 shows total expenditure and recipients for the disablement benefit scheme

Table 20.3 Recipients and Expenditure for Disablement Benefit

Benefit	Total Recipients in 2013	Expenditure in 2013 €m	Expenditure in 2012 €m
Disablement Benefit	14,226	76,118	76,147

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme generally remained constant between 2012 and 2013, while recipients increased slightly by 24 (0.2 percent).

21. Injury Benefit

Injury Benefit, one of the benefits under the Occupational Injuries Scheme, is a weekly PRSI contribution based benefit⁹⁴ payable to people who are unfit to work for at least six days due to;

- An accident at work
- An accident while travelling to or from work
- An occupational disease

Budget 2014

From January 6th 2013, a person is not entitled to Injury Benefit for the first 6 days of their claim⁹⁵. Previously, injury benefit was not paid for the first three days of their claim. However claims with a commencement date before 6 January 2014, and those coming from Maternity Benefit, will continue to not be paid for the first 3 days of illness

Injury Benefit is then payable for up to 26 weeks following the date of the accident/disease (excluding the first 6 days). The rates of Injury Benefit are shown in table 21.1.

Table 21.1: Weekly Rates of Injury Benefit

Injury Benefit	Weekly Rate (€)
Personal Rate	€188.00
Increase for Qualified Adult	€124.80
Full Rate Increase for Qualified Child	€29.80
Half Rate Increase for Qualified Child ⁹⁶	€14.90

Source: DSP (2014) *Rates of Payment 2014* & PublicPolicy.ie (2013) *Survey of the Benefit System in Ireland*.

If the person is still unable to work after 26 weeks, they may be entitled to Illness Benefit, Disability Allowance, Supplementary Welfare Allowance or Disablement Benefit. Table 24.2 shows total expenditure and recipients for the scheme.

Table 24.2: Recipients and Expenditure for Injury Benefit

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Injury Benefit	822	14.6	15.9

Source: DSP (2014) *Statistical Information on Social Welfare Services 2013*

Total expenditure on the scheme decreased by €1.3 million (8 percent) from 2012-2013. The number of recipients however increased over this same period by 151 (22.5 percent).

⁹⁴ People covered by PRSI Class A, D, J or M are covered in full irrespective of the length of time of the contribution payments.

⁹⁵ Unless the person was receiving Injury Benefit, Illness Benefit or a jobseekers' payment immediately before their claim.

⁹⁶ Budget 2012 introduced the restriction that if a person in receipt of Carer's Benefit has a spouse or partner with income of over €400 per week, they will not be entitled to the half rate increase for a qualified child

22. Blind Pension

Blind Pension is a means tested⁹⁷ payment paid to people who are blind and also to certain visually impaired people. In order to qualify for Blind Pension, a person must;

- Be blind or have low vision
- Be aged between 18 and 66
- Be habitually resident in the State
- Be living in the State while getting Blind Pension
- Have a valid PPS number
- Satisfy a means test

Table 22.1 shows the maximum weekly rates of Blind Pension

Table 22.1: Maximum Weekly Rates of Blind Pension

Blind Pension	Weekly Rate (€)
Personal Rate	€188.00
Increase for Qualified Adult	€124.80
Full Rate Increase for Qualified Child	€29.80
Half Rate Increase for Qualified Child ⁹⁸	€14.90

Source: DSP (2014) *Rates of Payment 2014*, & PublicPolicy.ie (2013) *Survey of the Benefit System in Ireland*.

People in receipt of Blind Pension are automatically entitled to a Free Travel Pass and a Companion Travel Pass. They may also qualify for a Living Alone Increase (€9.00 per week) and the Household Benefits Package. Table 22.2 shows total expenditure and recipients for the scheme.

Table 22.2: Recipients and Expenditure for Blind Pension

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Blind Pension	1,385	14.8	15.7

Source: DSP (2014) *Statistical Information on Social Welfare Services 2013*

Total expenditure on the scheme decreased by €0.9 million (5.9 percent) from 2012-2013. Likewise, the number of recipients decreased over the same period by 71 (4.9 percent).

⁹⁷ For more information on the means test see http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/blind_persons_pension.html

⁹⁸ Budget 2012 introduced the restriction that if a person in receipt of Carer's Benefit has a spouse or partner with income of over €400 per week, they will not be entitled to the half rate increase for a qualified child

23. Guardian's Payment (Contributory)

Guardian's Payment (Contributory) is a PRSI contribution based payment to an orphan's guardian. Payment is made to the orphan's guardian up to the child's 18th birthday or 22nd birthday if they are in full-time education

To qualify, the guardian of the orphan must have at least 26 weeks paid PRSI contributions (for PRSI classes A, B, C, D, E, H and S). The maximum weekly rate of Guardian's Payment (Contributory) is paid at standard rate of €161. Table 23.1 shows total expenditure and recipients for the scheme.

Table 23.1: Recipients and Expenditure for Guardian's Payment (Contributory)

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Guardian's Payment (Contributory)	947	11	10.8

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme remained relatively stable during the 2012 to 2013 period, increasing by 1.8 percent. Similarly, the recipients remained stable, increasing by 9 people (1 percent) from 2012 to 2013.

24. Guardian's Payment (Non-Contributory)

Guardian's Payment (Non-Contributory) is a means tested payment to an orphan(s) guardian. It is payable to guardians of orphans who do not qualify for the Contributory Guardian's Payment, who are habitually resident in Ireland and pass a means test. The maximum weekly rate of Guardian's Payment (Non-Contributory) also stands at €161 and is paid up to the orphan's 18th birthday or 22nd birthday if they are in full-time education. Table 24.1 shows total expenditure and recipients for the scheme.

Table 24.1: Recipients and Expenditure for Guardian's Payment (Non-Contributory)

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Guardian's Payment (Non-Contributory)	435	5.1	5

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme slightly increased from 2012 to 2013 by around €0.1 million (2.7 percent). The number of recipients remained stable over this period, increasing by 2 recipients only (0.5 percent).

25. Pre-Retirement Allowance

The Pre-Retirement Allowance (PRETA) is a means tested payment for people aged between 55 and 66 who have left the labour force. As of the 4th of July 2007 no new applicants were accepted but existing claimants continue to be paid. To qualify for PRETA (before the closing date for new applicants of 4 July 2007), a person must be,

- Aged between 55 and 66
- Retired from the workforce
- Either
 - In receipt of Jobseekers Benefit or Jobseekers Allowance for 15 months
 - Or
 - No longer receiving One Parent Family Payment or Carer's Allowance
 - Or
 - A separated spouse who hasn't worked for 15 months
- Passed a means test (similar to that of Jobseekers Allowance)

The maximum weekly rates for PRETA are shown in table 25.1 below

Table 25.1 Current Maximum Weekly Rates of Pre-Retirement Allowance

Pre- Retirement Allowance	Weekly Rate €m
Personal Rate	€188.00
Increase for a Qualified Adult	€124.80
Increase for a Qualified Child	€29.80

Source: DSP (2014) Rates of Payment 2014

Those in receipt of PRETA are not available for work and as such are not required to "sign-on". Table 25.2 shows total expenditure and recipients for the scheme.

Table 25.2: Recipients and Expenditure for Pre-Retirement Allowance

Benefit	Total Recipients 2013	Expenditure 2013 €m	Expenditure 2012 €m
Pre-Retirement Allowance	2,664	34.5	46.1

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme decreased by €11.6 million (25 percent) from 2012-2013. The number of recipients also decreased over the same period by 1,006 (27.4 percent).

26. Deserted Wife's Allowance

Deserted Wife's Allowance is a means tested payment to women who were deserted by their husbands. It is paid to women aged under 66 with no dependent children. This scheme was closed off to new applicants on 2 January 1997 when One Parent Family Payment was introduced.

Some women continue to receive Deserted Wife's Allowance because they qualified for the payment before 1997 and have continued to meet the qualifying criteria. The maximum weekly rate of Deserted Wife's Allowance is €188.00. Table 26.1 shows recipients and expenditure for the scheme

Table 26.1: Recipients and Expenditure for Deserted Wife's Allowance

Benefit	Total Recipients in 2013	Expenditure 2013 €m	Expenditure 2012 €m
Deserted Wife's Allowance	274	2.9	3.5

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

Total expenditure on the scheme decreased by €0.67 million (18.9 percent) from 2012-2013. The number of recipients decreased over the same period by 62 (18.5 percent).

27. Deserted Wife's Benefit

Deserted Wife's Benefit is a social insurance contribution based payment made to women deserted by their husbands. The PRSI contributions may come from the woman or her husband. The scheme was closed off to new applicants on 2 January 1997 when One Parent Family Payment was introduced. Some women have continued to get Deserted Wife's Benefit because they qualified for the payment before 2 January 1997 and have continued to meet the qualifying criteria⁹⁹. The weekly rates of payment are shown in Table 27.1 below.

Table 27.1 Current Weekly Rates of Deserted Wives Benefit

PRSI Contributions	Weekly Rate
48 or over	€193.50
36-47	€190.70
24-35	€188.00

Source: PublicPolicy.ie (2013) Survey of the Benefit System in Ireland

If the woman has enough PRSI contributions (excluding the husbands), she can transfer to the State Pension (Contributory) at age 66 which is paid at a higher rate than Deserted Wife's Benefit. Table 27.2 shows total expenditure and recipients for the scheme.

Table 27.2: Recipients and Expenditure for Deserted Wife's Benefit

Benefit	Total Recipients in 2013	Expenditure in 2013 €m	Expenditure in 2012 €m
Deserted Wife's Benefit	7,457	80.4	83.5

Source: DSP (2014) Statistical Information on Social Welfare Services 2013

The numbers of the recipients of this payment are, as expected, quite small and declining year after year. The number of recipients declined over the 2012-2013 period by 296 (3.8 percent). Consequently, the expenditure on this scheme decreased by 3.2 million (3.8 percent) from 2012-2013.

⁹⁹ See <http://www.welfare.ie/en/Pages/Deserted-Wives-Benefit-DWB.aspx> for more information about the qualifying criteria