

Ministerial Brief
June 2017 - Part A

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INTRODUCTION

June 2017

Minister,

This brief sets out the main areas of responsibility of the Department of Social Protection.

The brief is divided into two Parts.

Part A provides a high level overview of the Department's activities covering our policy responsibilities and objectives, our budget and finances, the services we deliver, and our organisation structure. It also highlights some topical issues which may require your early attention.

Part B is the more detailed part of the brief and is itself divided into a number of sections, namely – delivery of schemes and services; compliance and anti-fraud strategy; corporate and central functions; offices of the Department; and bodies under the aegis of the Department.

As is evident from the brief the Department plays a key role in two of the major policy domains of any Government – the (re)distribution of income to assure social cohesion and equity of economic outcomes, and the efficient operation of the supply side of the labour market. In addition to these policy areas the Department, also holds direct line responsibility for very significant service operations. It is the largest payment organisation in the State and also operates the public employment service and directly funds a wide range of employment programmes and citizen advisory services. Our expenditure of just under €20bn accounts for about 37% of the voted expenditure of the State and is roughly equal to the total income tax paid in the State. Given the breadth and scale of its operations the Department touches, in one way or another, on the lives of every person in the State and, with some 6,500 staff directly employed, is the largest employer in the Civil Service.

The brief aims to give you an introductory set of information which I hope will be helpful to you in the initial weeks. If there are any aspects of the Department where you would like to have more detail, I will happy to arrange more detailed briefing for you.

Finally, I wish to congratulate you on your appointment as Minister for Social Protection. I wish you well in the role and can assure you that all of the management team and staff look forward to working with you over the coming months to develop and implement your policy and service agenda.

Niamh O'Donoghue
Secretary General

The Department's Mission

Our Mission:

“To promote active participation and inclusion in society through the provision of income supports, employment services and other services.”

The Department supports the Minister for Social Protection in the discharge of governmental, parliamentary and departmental duties.

Our main functions are to:

1. advise Government and formulate appropriate social protection and social inclusion policies;
2. design, develop and deliver effective and cost efficient income supports, activation and employment services, advice to customers and other related services;
3. work towards providing seamless delivery of services in conjunction with other departments, agencies and bodies; and
4. control fraud and abuse within the social protection system.

Scale of the Department's Business

The Department serves a wide and diverse group of clients including families, people in employment, jobseekers, people with disabilities, carers and older people. The Department also provides a range of services to employers.

The Department administers over 65 separate schemes and services which impact on the lives of almost every person in the State. Services, on which a total of €19.8Bn was spent in 2016, include:

- through the Intreo service, the integration of employment services and jobseeker payment services, to ensure that the payment of income supports to people who do not have a job is directly linked to the equally important task of supporting such people in their pursuit of employment and improving their life chances;
- a wide range of social insurance and social assistance income support schemes such as child benefit payments, illness/disability payments and pensions;
- a range of employer services including recruitment services, employment supports and redundancy and insolvency services;

- a range of community services to provide a pathway to employment for people who are unemployed whilst also promoting social inclusion; and
- the development of appropriate social policies in areas such as pensions, child income support, income support for people of working age (including people with disabilities, carers, unemployed jobseekers and people with families in low income jobs) and employment activation.

Each week, some 1.4 million people receive a social welfare payment. Some 625,000 families receive child benefit payments in respect of 1.2 million children each month.

In 2016, the activities of the Department included:

- 1.8 million applications processed;
- 80.7 million scheme payments made;
- Some 950,000 control reviews carried out;
- 7.3 million telephone calls answered;
- 23,220 social welfare appeals finalised;
- Some 124,000 job opportunities advertised, nationally;
- almost 180,000 PPS numbers allocated; and
- 600,000 Public Services Cards issued, bringing to 2.63 million the number of PSCs issued to date.

Appendix A.2 sets out the processing times standards for each of the schemes and the performance achieved in 2016.

Our Strategic Objectives

As illustrated on the chart on the next page the Department's policy formulation and service design and delivery activities are informed by three key objectives

Objective 1: Put the Client at the Centre of Services and Policies

Objective 2: Drive Cost Efficiency and Effectiveness

Objective 3: Develop Staff, Structures and Processes

The ***Statement of Strategy*** sets out high-level strategies for these objectives, the outcomes to be achieved and the performance indicators to be used to measure their achievement.

A copy of the Statement of Strategy is being provided under separate cover. This Statement of Strategy will be updated in the coming months to reflect your policy and service priorities

Our Mission, Strategic Objectives and Values

The Department’s Mission is:

To promote active participation and inclusion in society through the provision of income supports, employment services and other services.



The Department’s overall objective for 2016 to 2019 is:

To continue putting our clients at the centre of all our operations, providing an efficient and effective service and to continue developing our staff, structures and processes.

- 01

Put the Client at the Centre of Services and Policies
- 02

Drive Cost, Efficiency and Effectiveness
- 03

Develop Staff Structures and Processes

We Value

PUBLIC SERVICE
CUSTOMER FOCUS
TOTAL PROFESSIONALISM
ENGAGED STAFF
INNOVATION

- We are dedicated to serving the people of Ireland in an efficient and impartial manner.
- We are totally committed to the positive difference we can make to our customers’ lives and Irish society.
- We are proud of our professionalism and commitment to quality in everything we do.
- We believe that our effectiveness as an organisation is dependent on a highly skilled and engaged workforce.
- We believe that having the attitude and environment to adapt and innovate is core to our future success.



Management and Organisation of the Department

Staffing

The Department is the largest employer in the civil service with some 6,422 staff at all grades filling some 6,035 full-time equivalent posts. The Department also has 18 Gardaí working with the Special Investigations Unit on control work and 463 temporary clerical staff on short-term contracts.

Locations

The headquarters of the Department is located in Dublin. The Department also has large offices in Buncrana, Carrick-on-Shannon, Dundalk, Letterkenny, Longford, Roscommon, Sligo, and Waterford. These offices provide a mix of activities from administering centralised services (e.g. Child Benefit, Illness and Pensions schemes) to managing the Department's Client Identity and financial accounting operations.

The delivery of jobseeker, lone parent, community welfare and employment services is managed through a regional structure which comprises 11 Divisional areas. Each Division is headed up by a Divisional Manager (at Principal Officer level) who has responsibility for all of the day-to-day operational issues in the division across the three streams of the Department – social protection services, community welfare services and employment services. Services at local level are delivered through a nationwide network of 296 offices.

Of the total staff of the Department, approximately two thirds are based outside Dublin.

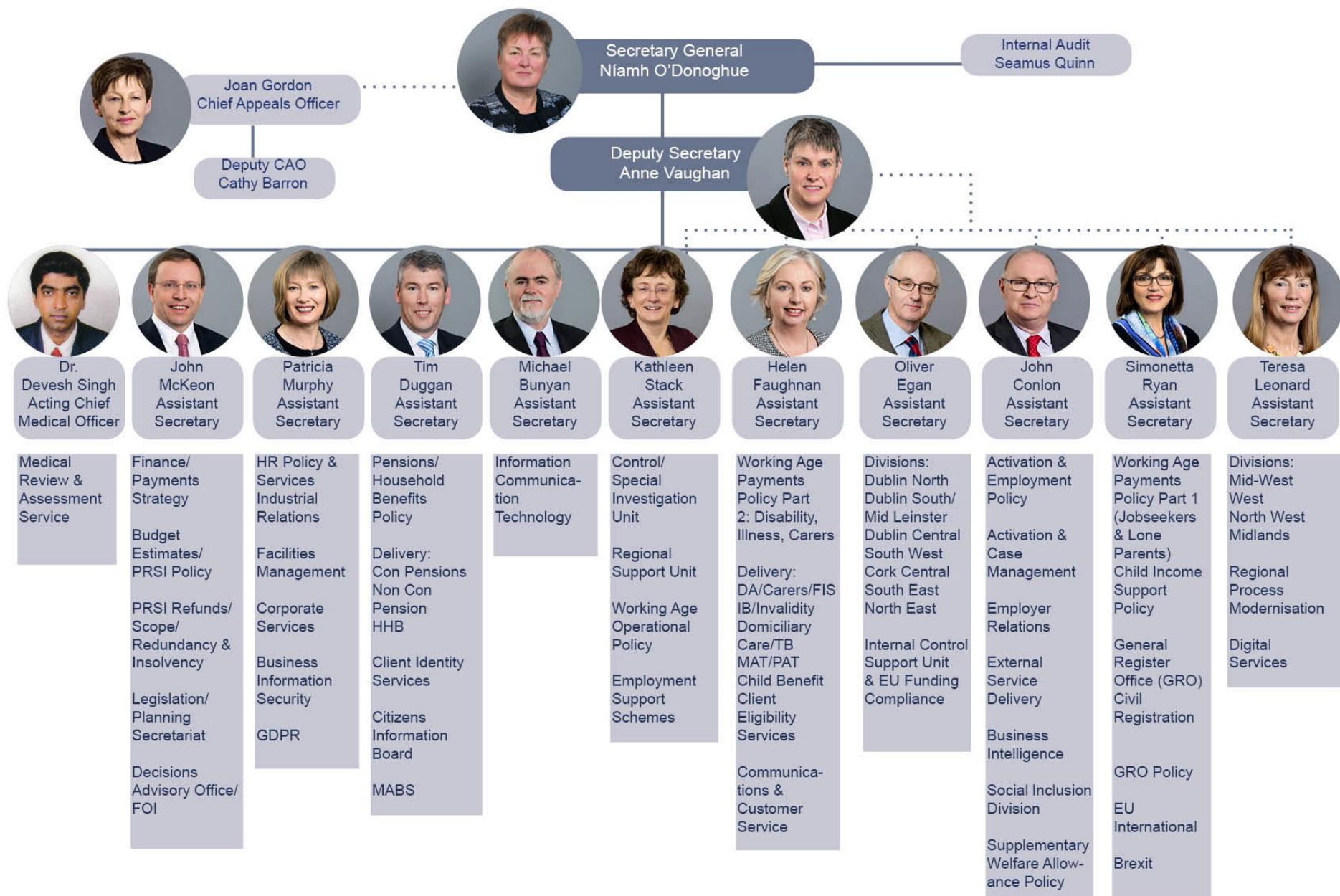
Organisation Development

In recent years the Department has gone through an intensive period of restructuring which brought significant new business areas (Community Welfare Services, Employment Services and Community Support Services) to the Department and increased the staffing by almost 2,000 posts. In order to position the Department to meet the challenges ahead, the **“One DSP” Changing Together** programme was initiated in 2013; a wide-ranging programme of organisational development which is designed to deepen integration, to support staff and to build organisational and staff capability to successfully manage change and provide excellent services to our clients.

Organisation Structure

Responsibility for managing the affairs of the Department is shared among eleven Assistant Secretaries working to a Deputy Secretary and the Secretary General. An organisation chart is provided overleaf.

In addition there are five bodies under the aegis of the Department - the Citizens Information Board (including MABS), the Pensions Authority, the Pensions Council, the Pensions Ombudsman, and the Social Welfare Tribunal.



Department Finances

Funding

The Department's expenditure is funded from two sources. - the Exchequer via Vote 37 and the Social Insurance Fund (SIF) – the SIF is funded mainly by Pay Related Social Insurance (PRSI) contributions from employers and employees.

2017 Estimates and Performance Year to Date

The allocation for 2017 is **€19.854 billion, an increase of €52 million or 3%** on the 2016 figure of €19.802 billion.

The 2017 estimate for Social Insurance Fund Income is **€9.56 billion, an increase of €382 million on the 2016 €9.22 billion**. The 2017 allocation **does not include** a provision for a Christmas Bonus in 2017 – the 2016 Christmas Bonus cost circa €220 million. This provision is typically made, subject to the overall position of the exchequer finances, by means of a supplementary estimate at or around the time of the budget

At end May, DSP expenditure year to date is **€59.6m** behind profile (positive) while SIF income is **€102m** ahead of profile (also positive).

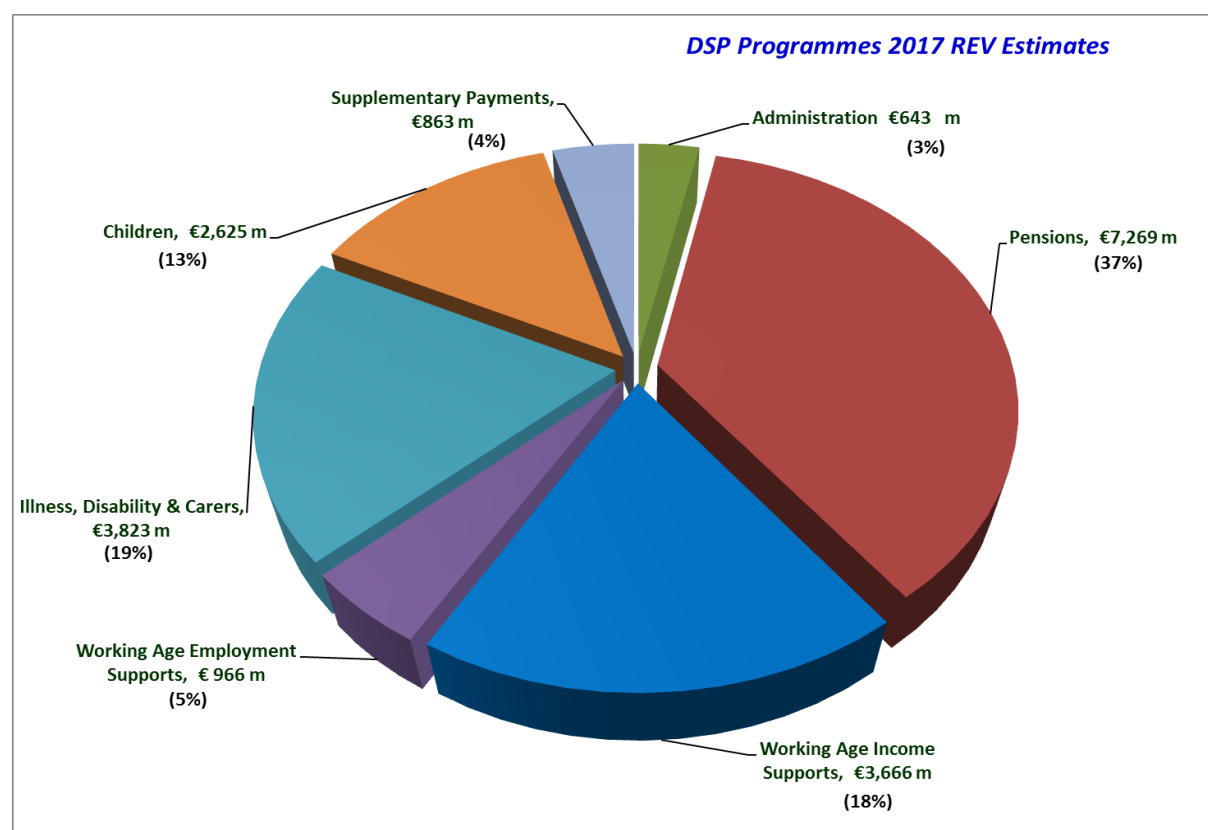
Expenditure Profile

Expenditure by the Department falls into three main categories

- i. Income support payments (91% of all expenditure). These include both insurance (PRSI) based and means-tested payments made on a weekly basis to jobseekers, retired people, carers, people with families in low paid employment and people with disabilities.
- ii. Employment programmes and other services (5% of all expenditure). These include schemes such as Community Employment, TÚS, Back to Education and Back to Work Enterprise Allowance (a support for self-employment)
- iii. Administrative costs (3% of all expenditure). This includes salaries, payments to service providers (e.g. An Post, JobPath) and IT development and operations.

A chart and table illustrating the allocation of expenditure by main programme is provided overleaf.

DSP Expenditure by Programme by 2017



	2016 Outturn €'000	2017 REV estimate €'000	Variance €'000	
Administration	581,720	642,613	60,893	10.5%
Pensions	7,090,233	7,269,110	178,877	2.5%
Working Age -Income Supports	3,947,702	3,665,780	-281,922	-7.1%
Working Age - Employment Supports	1,009,262	966,020	-43,242	-4.3%
Illness, Disability and Carers	3,699,559	3,823,000	123,441	3.3%
Children	2,594,439	2,624,530	30,091	1.2%
Other Payments, Agencies and Misc.	878,991	862,960	-16,031	-1.8%
Total Expenditure	19,801,906¹	19,854,013	52,107	0.3%
<u>Made up as follows:</u>				
Vote 37	11,038,043	10,865,972	-172,071	-1.6%
Social Insurance Fund	8,763,863	8,988,041	224,178	2.6%

¹ Provisional outturn including €220 million for the 2016 Christmas Bonus.

Monitoring of the Department's financial performance

Three main financial reports are used to inform the Government, the Minister and Management Board.

- i. An estimate of expenditure (net and gross) and SIF income is provided on the 3rd last day of each month to the Department of Public Expenditure and Reform. This data is published by the Department of Finance in summary form in the monthly Exchequer Returns on the 2nd working day of the following month. The Minister is provided with a short information note outlining the main features shortly before publication.
- ii. Detailed provisional financial data for the previous month is provided to the Minister and the Management Board on the 6th working day of each month along with a report detailing expenditure against profile by scheme and highlighting variations (under-spends and over-spends) and the background to same.
- iii. Expenditure Management Reports (EMRs) are submitted to Government in April, July and October each year summarising financial performance to the end of the previous quarter.

Copies of the most up to date reports will be provided to you.

Budget 2017

The full list of Budget 2017 measures is outlined in Appendix A4. The measures cost €304.20 million in 2017 and €470.90 million in 2018. The main changes include:

- A **€5 weekly rate increase** for all social welfare recipients with proportionate increases for qualified adults and those on reduced rates of payment from March 2017;
- Extension of entitlement to Treatment Benefits to the **self-employed** from March and improvements in the Treatment Benefits scheme for employees and the self-employed from October;
- **Self-employed workers** will have access, for the first time, to the Invalidity Pension scheme from December.
- Higher earnings disregards for **lone parents** on One-Parent Family Payment and Jobseeker's Transition (JST) in order to increase the incentive to take up employment.
- Increased funding for the **School Meals** programme – up €5.5 million from the 2016 allocation.
- **Farm Assist** – from March, an enhanced assessment of means from farming introduced, whereby 70% of farm income is now assessed as means (down from 100%). Furthermore, additional income disregards for claimants with children were also introduced. These changes mean that the Farm Assist means test has reverted to the position which applied prior to Budget 2012.

- 500 additional places on the **Rural Social Scheme** in 2017, and a range of other improvements.

Social Impact Assessment of Welfare Expenditure

Social transfers are key to supporting well-being and reducing inequalities through redistribution of income, therefore helping to promote social solidarity. The evidence indicates that social transfers in Ireland are highly effective in alleviating poverty. An ESRI study² (commissioned by the Department and published in 2013) showed that social transfers reduced the pre-transfer poverty rate (those who are poor before social transfers but not poor after social transfers) by 53% in 2004, rising to 63% by 2007 and 71% by 2011.

When viewed in a comparative context, it is clear also that social transfers play a more significant role in Ireland than in most other countries. For instance, an examination of comparable Eurostat data from 2015 on the effectiveness of social transfers (excluding pensions), shows that Ireland was the best performing EU member state in reducing poverty and income inequality, with Ireland's income inequality reduction effect twice the EU average.

The Department carried out a social impact assessment of the main tax and social welfare measures contained in Budget 2017³. The analysis finds that the average household gained by 1%, or €9.20 per week, as a result of the Budget. The bottom two income quintiles gain most, with smaller gains among the middle and top quintiles. The bottom quintile gains over three times that of the top quintile (2.2% compared to 0.7%).

Looking Ahead - Budget 2018 and Expenditure Ceilings 2017 – 2020

From 2016 onwards, the **Stability and Growth Pact** (SGP) requirements set the context for any increases in overall general Government expenditure. The effect of these requirements is to severely constrain the scope for any increases in expenditure.

The 2017 **Summer Economic Statement** (SES) will be published in July and will indicate the overall fiscal space available for expenditure and tax measures in Budget 2017.

Separately, as part of the multi-annual approach to expenditure management, each year the Government publishes 3-year Ministerial Expenditure Ceilings on Budget Day. The Gross Voted Current and Capital Expenditure Ceilings over the period 2017 to 2019, inclusive, are outlined in the table overleaf.

² Social Transfers and Poverty Alleviation in Ireland, DSP and ESRI, 2013 – www.welfare.ie/en/Pages/Social-Transfer-and-Poverty-Alleviation.aspx

³ Published on the Departmental website <http://www.welfare.ie/en/Pages/SocialImpact2017.aspx>

DSP Expenditure Ceilings, 2017 to 2019

Year	DSP (Current and Capital) Expenditure Outturn/REV/Ceiling (€m)	Annual Change (€m)
2017	19,854 (REV)	
2018	19,936 (Ceiling)	+82
2019	20,069 (Ceiling)	+133

It should be noted that the expenditure ceiling for 2018:

- does not include the carryover costs of Budget 2017 measures - €138.5 million and
- assumes a reduction of €150 million arising from reduction in the number of people on the Live Register

Programme for a Partnership Government – Main commitments

In addition to taking account of the SES and the expenditure ceilings the 2018 budget package will have to have to the commitments in the Programme for a Partnership Government.

The Programme for a Partnership Government contains a number of commitments in relation to social protection, such as:

- *We will increase the State Pension and the Living Alone Allowance above the rate of inflation;*
- *We support an increase in the Disability Benefit and Allowance, Carer's Benefit and Allowance, and Blind Person's Pension;*
- *Introduce a Working Family Payment that promotes work over welfare by supplementing, on a graduated basis, the income of a household, while at the same time incentivising more hours and full-time work;*
- *We will fully protect the Free Travel Pass for all pensioners and work with private and public operators to keep services operating on as many routes as possible;*
- *We will seek to introduce a PRSI scheme for the self-employed and provide a supportive tax regime for entrepreneurs and the self-employed.*
- *We will also extend the Dental Treatment Benefit under the Social Insurance Fund to reimburse the cost of some routine dental treatments. For medical cardholders, we will introduce a preventive dental health package also.*
- *Working with the Oireachtas we will cut Employers' PRSI for low income workers to mitigate the cost of minimum wage increases, in order to protect jobs.*

KEY CURRENT ISSUES

A. Budget 2018

From 2016 onwards, the **Stability and Growth Pact** (SGP) requirements set the context for any increases in overall general Government expenditure. The effect of these requirements is to severely constrain the scope for any increases in expenditure.

In the Department's case, the increases granted in the 2017 Budget may increase expectations of similar increases in 2018. However, given the constraints on the exchequer finances, the carry-over cost of the 2017 budget provisions and the impact of pension costs, it will be difficult to meet such expectations.

The 2017 **Summer Economic Statement** (SES) will be published in July and will indicate the overall fiscal space available for expenditure and tax measures in Budget 2017. Budget discussions will commence shortly thereafter.

Separately, as part of the multi-annual approach to expenditure management, each year the Government publishes 3-year Ministerial Expenditure Ceilings on Budget Day. The Gross Voted Current and Capital Expenditure Ceilings over the period 2017 to 2019, inclusive, are outlined in the table below.

DSP Expenditure Ceilings, 2017 to 2019

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It should be noted that the expenditure ceiling for 2018:

- does not include the carryover costs of Budget 2017 measures - €138.5 million and
- assumes a reduction of €150 million arising from a reduction in the number of people on the Live Register

B. Actuarial Review of the Social Insurance Fund

In addition to funds voted by the Exchequer a significant proportion of the Department's expenditure is funded through Social Insurance Contributions (PRSI). These contributions are paid into the Social Insurance Fund and are used to finance payments of benefits including Jobseeker Benefit, Invalidity Pension and the Contributory State Pension. While payment rates are set by the Minister for Social Protection contribution rates are set by the Minister for Finance. The fund operates on a 'pay as you go basis' with any deficits arising being funded by exchequer transfers. Although fund income exceeded fund expenditure during 2016, and is likely to do so again during 2017, the fund incurred significant deficits, totaling some €11Bn, during the period 2008 to 2015.

Even assuming a benign economic environment the fund is likely to return to deficit in the medium term reflecting the fact that our population profile is aging. This projected return to annual deficits will present a significant challenge to the financing of payments particularly given the commitments in the programme for government with regard to extending social insurance coverage.

Accordingly Minister Varadkar indicated his intention to conduct a review of the social insurance system in Ireland. The first step in this process has commenced with the commissioning of an Actuarial Review of the fund.

This is the fourth Actuarial Review of the fund. It is being undertaken by external consultants (KPMG) and is well advanced. The Review will:

- project the income and expenditure of the Fund over a 55 year period, taking into account policy, economic and demographic changes since the previous review was undertaken;
- project the costs of various options for the indexation of benefits such as indexation to earnings or prices;
- examine breakeven rates of contributions to fund payments in the years ahead;
- determine the value for money delivered by social insurance for employed and self-employed contributors;
- examine options relating to state pensions – principally the move proposed for 2020⁴ to a Total Contribution Approach to determine the level of entitlement to the State Pension (Contributory), and
- examine the projected PRSI contribution rates required to provide individual benefits to Class S (self-employed) contributors on a revenue neutral basis.

⁴ In the National Pensions Framework, 2010.

The Review is expected to be completed at the beginning of Q3, with a view to publishing it in that quarter.

While the economy has improved well ahead of the projections available at the time of the last review (completed in the first half of 2012), it is anticipated that financing the SIF will continue to remain a major challenge in the years ahead.

C. Operational Challenges

Given the scale of the Department's activities, it is inevitable that operational challenges will arise – both with respect to 'business-as-usual' operations and the 'transformation' of business processes. The Management Board will brief the Minister on current issues as they arise.

For most of the schemes operated by the Department, claims are processed without delay and within or close to the Department's processing time standards. In cases where the processing time standards are not being achieved, measures are taken to deal with the issues involved, as illustrated in the case of **Carer's Allowance** and **Maternity Benefit**.

Carer's Allowance (CA)

The number of new claims for CA received in 2016 was 22,722, an increase of 20% on the number received in 2015. A trend of increasing numbers of applications has continued in 2017.

The volume of CA claims on hands are a consequence of continued strong claim intake and delays in processing which are frequently caused by the customer failing to fully complete the claim form or failing to attach the supporting documentation that is requested on the application form. Claim volumes are being closely monitored and available resources are being assigned to ensure a quality service.

From January 2017, the target for CA is to process 70% of new claims within 12 weeks. This changed from the previous target of 90% within 12 weeks. This was to allow for the fact that a significant number of cases cannot be decided on receipt but need further information and/or supporting documentation.

In April 2017, 75% of all claims were processed within the target-frame of 12 weeks. This level of performance has been sustained since January. The average time to award has come down from 21 weeks in April 2016 to 12 weeks in April 2017, an improvement of 43% notwithstanding higher claim volumes.

Maternity Benefit

Maternity Benefit section is currently experiencing some difficulty processing all claims in advance of their maternity leave commencement date. Corrective actions have been taken, including the assignment of additional staff and overtime working, and progress is being made. However, there are still a number of mothers that will receive their first payment up to 3 to 4 weeks after they commence their maternity leave. The number has reduced to 700 at 29 May, down from 1,100 as at 22 May.

It should be noted that once a claim is awarded, any arrears due issue immediately along with the first payment. In addition where a claim is made online, it can be decided immediately provided that the necessary documentation is attached.

D. Social Welfare and Pensions Bill 2017

The General Scheme of the Social Welfare and Pensions Bill 2017 was published on 9 May 2017, following approval by Government, and was referred for pre-legislative scrutiny by the Joint Oireachtas Committee on Social Protection. It is hoped that the Bill will be debated in the Oireachtas and voted into law before the summer recess.

The Bill contains changes to three Acts – the *Social Welfare Consolidation Act 2005*, the *Pensions Act 1990*, and the *Civil Registration Act 2004*.

The changes to the **Social Welfare Consolidation Act** contain provisions that can be categorised as being either broadly administrative or broadly policy-focussed in nature. The changes that are largely administrative in nature relate to -

- Clarification of the principle that payments to a guardian should not be conflated with payments to the orphan in guardianship,
- Enabling citizens to voluntarily present their Public Services Card as a means of establishing identity with service providers such as credit unions, banks and utility providers and, if they wish, to include their date of birth on the Public Services Card,
- Clarification of Ministerial authority for the setting of reduced fees for the issue of life event certificates,
- Enabling the Department to automate the award of benefits/payments,
- Inclusion of Supplementary Welfare payments in the list of payments that can be recovered in personal injury insurance cases.

The main policy focussed changes to the Social Welfare Consolidation Act, as provided for in the General Scheme, relate to -

- Measures to deter and reduce fraud in the social welfare system including the publication of names of people convicted in a court of social welfare fraud, and the reduction, for a limited period, in the personal rate of payment to people so convicted, and
- The extension of the earnings disregard for people with disabilities to include earnings from all types of employment.

In relation to the **Pensions Act**, all of the proposed changes are largely policy focused and are designed to protect the interests of members and beneficiaries of occupational pension schemes; they provide for -

- Restrictions on the ability of employers to trigger the closure of a pension scheme without due notice and proper engagement,
- New powers for the Pensions Authority to set a schedule of employer contributions in certain circumstances,
- A deadline for the submission of funding proposals by trustees, and
- Equal treatment of same sex spouses and civil partners with regard to access to a spouse's pension in certain circumstances.

All of the proposed changes to the **Civil Registration Act** are broadly administrative in nature; they provide for

- Removal of the prescribed term of office for the Registrar General and Deputy Registrar General in recognition of the fact that both positions are general civil service positions with the post holders having the same tenure as other civil servants,
- Bringing the arrangements for the registration of a death in cases where a coroner is involved broadly into line with those which apply when a medical practitioner certifies a death,
- Sharing of the records of births, deaths and marriages with a body under the aegis of the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, and
- Recording both the country of birth and the country of citizenship of a deceased person in the Register of Deaths.

Possible additional provision in the Bill - Foster-care payments

Fianna Fáil has raised the issue of introducing a disregard of foster-care payments received from the UK in the means assessment of claimants who are living in Ireland. Minister Varadkar supported and wished to give effect to this proposal. However, it is necessary to have regard not just to people receiving foster payments originating in the UK but also to people receiving similar payments originating in other EU Member States. The Department is currently examining the issues involved but would hope to be in a position, if legislative change is in fact required, to introduce this proposal as a Committee Stage amendment.

E. Pensions Policy

Defined Benefit Pension schemes – legislative proposals

The General Scheme of the Social Welfare and Pensions Bill 2017 contains key measures to increase protections for members of Defined Benefit Occupational Pension Schemes and to respond to the ongoing difficulties in such schemes.

The General Scheme does not fundamentally change the current voluntary system underpinning defined benefit schemes to a mandatory one where the obligation to fund all, or most, of a deficit arising in a scheme would rest solely with the employer.

The approach taken in developing the measures contained in the General Scheme is to try to provide support and encouragement to all parties to engage early in order to negotiate a solution that will move a scheme to a more appropriate funding level.

The new measures - to provide for a minimum notice period of 12 months by an employer ceasing contributions and a specific period for submission of funding proposals, where a scheme is in deficit - are aimed at ensuring that all scheme stakeholders play an active part in finding a solution to scheme funding issues.

It is envisaged that employers and trustees will work together during this notice period to reach an acceptable solution to resolve employer and scheme issues and agree a funding proposal. Any such agreement may propose additional contributions by the sponsoring employer in combination with a reduction to benefits to protect the long term benefits of all scheme members and prevent the scheme winding up. Trustees are required to consult with the employer, the scheme member, pensioner members and with the authorised trade union representing scheme members before benefit cuts are agreed.

The funding proposal, which must be approved by the Pensions Authority, should be designed to ensure that the scheme will have sufficient assets to meet its liabilities within an acceptable period of time.

Where a funding proposal is not forthcoming the Pensions Authority will have the power to set a schedule of contributions. It should be emphasised that it is intended that the power to determine a schedule of contributions payable by an employer will be exercised only where a sponsoring employer of a scheme in deficit has not engaged with the scheme trustees to agree a viable solution for the scheme in the form of a funding proposal.

Review of the Minimum Funding Standard

The difficulties facing DB schemes in Ireland could also be mitigated through greater flexibility in calculating the Funding Standard (basis on which a scheme's ability to meet its liabilities is calculated). In this regard, the Pensions Authority is currently reviewing pension liabilities valuation, volatility reduction, employer covenants and the potential for extended funding periods. The Authority has recently submitted a discussion document on the Defined Benefit Funding Standard to the Department which is under consideration.

Action Plan on Pensions Reform 2017-2021

During his term as Minister for Social Protection, Leo Varadkar TD, requested the development and implementation of an Action Plan on pensions reform. The Minister's intention was that this Action Plan would be launched in the summer of 2017. This Action Plan, which is currently in advanced draft format, is intended to include a road map for the reform of the State pension, the development of an automatic enrolment supplementary pension system for working people, transposition of the EU 'IORP II' pensions Directive and reform of current supplementary pension structures, measures to support defined benefit scheme sustainability and measures to support fuller working lives.

F. Compliance and Anti-Fraud Strategy

The Department processes around 1.8 million applications and claims for support each year. Some 81 million payments are made annually in respect of 1.2 million individuals and their families. The vast majority of people who are supported by the Department are exercising their legal entitlements and receiving the appropriate income/other supports.

Social welfare fraud undermines public confidence in the entire social protection system as well as being unfair to other recipients of social welfare payments and to taxpayers.

The Department's approach in this area – set out in the Compliance and Anti-Fraud Strategy 2014-2018 - lays a strong emphasis on minimising the risks of fraud and eliminating incorrect payments. This involves appropriate checks at the point of claiming, strengthened by systematic reviews of claims in payment and verification that the conditions for entitlement continue to be met, including means, residency and medical reviews. The Department implements an annual programme to enhance its efforts to prevent fraud and error from entering the system in the first place. The various elements of this programme are set out in some detail in Part B of this Brief.

Welfare fraud campaign - 2017

The "Welfare cheats cheat us all" publicity campaign, launched in mid-April 2017, was designed to:

- Demonstrate that the Government and Department takes the issue of social welfare fraud very seriously and that it will investigate and prosecute fraud, where this is found to be warranted;
- Increase awareness among claimants of the need to keep the Department informed of any change in their personal circumstances that might impact their entitlement to a payment, or the rate of payment;
- Promote discussion on the topic of social welfare fraud and challenge the perceptions of those who see it as a victimless crime;
- Encourage reporting of suspected/known social welfare fraud and afford an opportunity to increase awareness of the Department's fraud reporting contact numbers and online reporting options;

and

- Demonstrate that the Department is very conscious of its obligations, as one of the largest spending Departments in the State, and the importance of protecting the integrity of the social welfare system.

The delivery of the campaign was designed to achieve a balance of coverage across all demographics and regions. It incorporated print, radio (national and regional), digital and outdoor advertising. The national and regional radio, print and outdoor advertising ran for a period of two weeks, with a longer timeframe of 4 to 6 weeks for digital/online advertising.

The cost of the advertising campaign was €165,988 excluding VAT. It includes all design and advertising costs associated with the campaign (print advertising, national and regional radio advertising, outdoor and online/digital advertising). No additional costs arise in staff resources, website development or the provision of the telephone reporting facility.

Up to close of business on Monday 29th May, 3,681 reports had been received – compared to 2,298 in 2016 in the same period – an increase of over 60%. These reports are now being examined and will be referred to the appropriate scheme area for follow up action, if so warranted, given the information provided.

Week	Carrick by Phone:	Sligo by Phone:	On-line facility:	Letter :	Daily total:	Comparable period 2016
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Week before campaign

10-17/4/17	16	0	243	0	259	--
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Average weekly volumes since launch on 18/04/17 to 28/05/17

Weekly to 28.05.17	143	9	412	34	598	376
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G. Restructuring of governance arrangements for Money Advice and Budgeting Service and Citizens Information Services

The existing governance structure of the services delivered under the remit of the Citizens Information Board involves 93 independent local companies (51 MABS and 42 CISs), each with a separate voluntary Board of Management.

Following a feasibility study and subsequent consultations and engagement with stakeholders, the Board of CIB decided in February 2017 to restructure the governance arrangements by reducing the number of boards from 93 to 16 on a regional basis.

The new structure will comprise eight (8) CIS boards and eight (8) MABS boards.

CIB has stated that as a result of the restructuring there will be no job losses for those working in CIS and MABS services, no diminution of existing services, no closures of service delivery points, and crucially, no disruption to services for those who use them.

There has been some opposition to the decision of the Board to restructure its governance arrangements.

On 28 March a motion was passed in the Dáil calling on the Minister for Social Protection to overturn the CIB decision, utilising the provisions of Section 9 of the Citizens Information Act.

The Attorney General's advice was sought. The considered advice is that the Minister does not have powers under Section 9 to order the Board of CIB to reverse a specific decision such as the restructuring of the governance arrangements.

Since its decision in February the CIB has undertaken a series of regional consultations with stakeholders to discuss and examine key aspects of implementing the new model.

The Group has already met with over 300 representatives from the CIS and MABS network comprising representatives of staff, management, and volunteers, as well as Chairpersons and representatives of local CIS and MABS Boards.

CIB intends to host further consultations over the summer period on key areas such as the role of volunteers, the delivery of consistent high quality services countrywide and the preservation of the fundamentally valuable local community focus and support ethos within the new model. CIB will consider these findings in the development of its Volunteer Strategy.

CIB has established an Implementation Group, with cross sectoral representation, to assist with the governance reorganisation. CIB has also committed to carry out a full Cost Benefit Analysis on the new sixteen company model.

H. Implications of BREXIT

Pending completion of the Brexit negotiations the operation of the current arrangements for social security between Ireland and the UK, and between the EU27 and the UK, has not changed. At present, all social welfare payments made by DSP, including pensions and Child Benefit, continue to be paid as normal.

Citizens' Rights include protecting the social security rights and entitlements of expatriate citizens in the EU and Britain respectively have been identified by the EU 27 leaders as one of the three key issues to be addressed in the first phase of the negotiations.

Given that free movement of EU workers and citizens was one of the central issues involved in the debates leading up to the UK vote to leave the EU, the social protection implications are intrinsically linked to issues involved in the free movement of EU workers and citizens.

Common Travel Area [CTA]

The Department's key aim is to ensure that the current reciprocal arrangements for social insurance (including pensions) and social assistance (means-tested schemes linked to residency rights) and child benefit, which currently exist for Irish and UK citizens moving within the island of Ireland and between Ireland and Britain can be safeguarded.

Analysis by the Irish authorities (in which DSP participated] has not identified any obvious legal barrier to the arrangements being maintained in a manner consistent with Ireland's EU obligations.

DSP Mobilisation

The Management Board of the Department established a sub-group with a specific brief to prepare for the impact of Brexit.

Minister Varadkar was a member of the Cabinet Committee on Brexit as well as being a member of the North-South Ministerial Council and the British-Irish Inter-governmental Conference. Since the UK Referendum, the Minister also held bilateral meetings with his counterparts from the UK, Malta, Germany, Denmark, Estonia and France as well as meeting with Mr Guy Verhofstadt, MEP and the European Parliament's lead on Brexit.

Senior Department officials service the relevant cross-Departmental Brexit-related committees that have been established. The Department also participates in the Brexit Communications Co-ordinators Network (chaired by the Department of the Taoiseach).

Sectoral Dialogue & Engagement

Minister Varadkar hosted a sectoral stakeholder event on 16 February on '*Brexit: implications for social welfare pensions, social insurance and social welfare rights-entitlements*,' which was attended by some 40 people from civil society and representative groups, business, trade unions and academia. The key areas of concern identified were in relation to impacts on reciprocal social security arrangements, the future direction of social policy; and the potential negative impacts of a hard border. A further event is planned for Q3 2017.

I. Employment/Unemployment

Quarterly National Household Survey

Statistics on employment and unemployment are drawn from the Quarterly National Household Survey (QNHS) which is undertaken by the Central Statistics Office. The most recent results were published in May 2017 by the CSO in respect of Q1 2017.

The **main findings** of the QNHS are as follows:

- There was an annual **increase in employment of 3.5%** or 68,600 in the year to the first quarter of 2017, bringing total employment to 2,045,100.
- This increase represented by an increase in full-time employment of 84,200 (+5.5%) and a **decrease in part-time** employment of 15,600 (-3.4%).
- **Unemployment decreased by 33,200 (-18.5%)** in the year to Q1 2017 bringing the total number of persons unemployed to 146,200. This is the nineteenth quarter in succession where unemployment has declined on an annual basis.
- The seasonally adjusted **unemployment rate fell from 8.4% to 6.8%** over the year to Q1 2017. The seasonally adjusted number of persons unemployed fell from 181,600 to 148,800 over the same period.
- The **long-term unemployment rate decreased from 4.7% to 3.6%** over the year to Q1 2017.
- The total number of **persons in the labour force increased by 35,400 (+1.6%)** over the year and at the end of the first quarter of 2017 stood at 2,191,400. This compares with an annual labour force increase of 13,600 (+0.6%) in Q1 2016.

Employment Incentives

The key issue in relation to working age payments is to ensure that work pays for recipients of working age payments and to remove any poverty traps or disincentives that may exist.

The majority of jobseekers - approximately 61% (198,000) - receive only a personal payment of €193 per week or less. At this level there is a clear incentive to work, and this is demonstrated by the fact that, as jobs become available, they are being taken up.

The ESRI published a paper in June 2015 entitled “Making Work Pay More: Recent Initiatives”. The main findings of the ESRI paper is that the majority of jobseekers have a strong financial incentive to take up employment, with almost 8 out of 10 being at least 40% better off in employment than on welfare.

The paper also found that in the small number of cases where jobseekers (1 in 15) who would be better off on welfare than work, 5 out of 6 still chose employment over welfare.

APPENDIX A.1- Key Publications

Corporate Publications

Statement of Strategy 2016-2019

<http://www.welfare.ie/en/downloads/Statement-of-Strategy2016-2019.pdf>

2015 Annual Report

http://www.welfare.ie/en/Pages/Annual-Reports_holder.aspx

Corporate Governance Framework (2017)

<http://www.welfare.ie/en/downloads/Corporate-Governance-Framework-DSP-Final.pdf>

Customer Charter and Customer Action Plan 2016 – 2018

http://www.welfare.ie/en/downloads/DSP_CustomerCharter_EN_2016-2018.pdf

Customer Charter 2016 – 2018

http://www.welfare.ie/en/downloads/DSP_CustomerCharterLeaflet_EN_web.pdf

Statistical Report on Social Welfare Services 2015 (This is the latest version)

<https://www.welfare.ie/en/Pages/Annual-SWS-Statistical-Information-Report-2015.aspx>

(The 2016 Annual Statistical Information Report will be published in both print and open data formats before the end of July 2017)

Policy & other Documents

Pathways to Work 2016-2020

<http://www.welfare.ie/en/downloads/PathwaysToWork2016-2020.pdf>

OECD Review of the Irish Pensions System (2015)

<http://www.welfare.ie/en/downloads/OECD-Review-of-the-Irish-Pensions-System.pdf>

Pensions Authority Statement of Strategy 2016-2020 - April 2016

http://www.pensionsauthority.ie/en/News_Press/News_Press_Archive/The_Pensions_Authority_Statement_of_Strategy_2016_-_2020.PDF

Compliance & Anti-Fraud Strategy: 2014 – 2018: Annual Report 2015

<https://www.welfare.ie/en/downloads/DSP-Compliance-AntiFraud-Strategy-2014-2018.pdf>

Updated National Action Plan for Social Inclusion 2015-2017

http://www.socialinclusion.ie/documents/2016-02-12_UpdatedNAP_English_Final.pdf

Social Inclusion Monitor 2015

<http://www.welfare.ie/en/downloads/SocialInclusionMonitor2015.pdf>

Social Transfers and Poverty Alleviation in Ireland (ESRI)

<http://www.esri.ie/pubs/BKMNEXT248.pdf>

APPENDIX A.2 – Processing time standards – performance in 2016.

Table 1.1: Pension Programme Processing Times by Scheme

Pensions	Performance Indicators	2014 % Awarded within Time Standard	2015 % Awarded within Time Standard	2016 % Awarded within Time Standard
State Pension Contributory (Irish)	90% by due date	97	92	94
State Pension Non Contributory	90% in 10 weeks	48	52	59
State Pension Transition	90% in 6 weeks	75	Discontinued	Discontinued
Widows', Widowers' /Surviving Civil Partners' (Contributory Pension)	90% in 6 weeks	92	92	93
Bereavement Grant	90% in 4 weeks	53	Discontinued	Discontinued
Total		82	83	87

Table 1.2: Working Age Income Supports Programme Processing Times by Scheme

Working Age Income Supports	Performance Indicators	2014 % Awarded within Time Standard	2015 % Awarded within Time Standard	2016 % Awarded within Time Standard
Jobseeker's Benefit	90% in 3 weeks	91	91	92
Jobseeker's Allowance	90% in 6 weeks	91	92	92
One Parent Family Payment	90% in 10 weeks	67	76	85
Maternity Benefit	90% by due date	97	98	89
Basic Supplementary Welfare Allowance	90% in 1 week	93	93	94
Total		92	92	92

Table 1.3: Illness, Disability and Carers Programme Processing Times by Scheme

Illness, Disability and Carers	Performance Indicators	2014 % Awarded within Time Standard	2015 % Awarded within Time Standard	2016 % Awarded within Time Standard
Disability Allowance	90% in 12 weeks	70	77	71
Illness Benefit	90% in 1 week	92	89	83
Invalidity Pension	90% in 6 weeks	44	58	45
Carer's Allowance	90% in 12 weeks	58	32	15
Occupational Injury Benefit	90% in 1 week	85	88	85
Domiciliary Care Allowance	90% in 7 weeks	11	2	2
Total		86	81	73

Table 1.4: Children Programme Processing Times by Scheme

Children	Performance Indicators	2014 % Awarded within Time Standard	2015 % Awarded within Time Standard	2016 % Awarded within Time Standard
Child Benefit (Domestic & FRA)	90% in 4 weeks	82	81	82
Family Income Supplement (New Claims)	90% in 6 weeks	80	89	87
Total		80	84	84

Table 1.5: Supplementary Payments Processing Times by Scheme

Supplementary Payments	Performance Indicators	2014 % Awarded within Time Standard	2015 % Awarded within Time Standard	2016 % Awarded within Time Standard
Household Benefit Package	90% in 4 weeks	82	68	88
Free Travel	90% in 2 weeks	93	95	94
Total		83	71	89

APPENDIX A.3 – Rates of Payment 2016-17

<u>Maximum Weekly Rates</u> Note: Commencement date of rate increases is March 2017		Personal Rate		Increase for a Qualified Adult		Qualified Child Increase
<u>Social Insurance Payments</u>		2016	2017	2016	2017	2016/2017
State Pension (Contributory)		€	€	€	€	€
- Under Age 80		233.30	238.30	155.50 *	158.80 *	29.80
- Aged 80 and over		243.30	248.30	209.00**	213.50**	29.80
Widow's/Widower's/Surviving Civil Partner's (Contributory) Pension/Deserted Wife's Benefit						
- Under Age 66		193.50	198.50			
- Aged 66 and under Age 80		233.30	238.30			
- Aged 80 and over		243.30	248.30			29.80
Invalidity Pension		193.50	198.50	138.10	141.70	29.80
Carer's Benefit/Constant Attendance Allowance		205.00	210.00			29.80
Disablement Benefit		219.00	224.00			
Jobseeker's/Illness/Health & Safety/Injury Benefit		188.00	193.00	124.80	128.10	29.80
Maternity/Adoptive Benefit/Paternity		230.00	235.00			
Death Benefit						
- Under Age 66		218.50	223.50			29.80
- Aged 66 and under Age 80		237.70	242.70			29.80
- Aged 80 and over		247.70	252.70			29.80

Family Income Supplement (FIS)		
Family Size	2016 Income Limit	2017 Income Limit
1 child	€511	€511
2 children	€612	€612
3 children	€713	€713
4 children	€834	€834
5 children	€960	€960
6 children	€1,076	€1,076
7 children	€1,212	€1,212
8 children or more	€1,308	€1,308
The level of FIS payment will continue to be based on 60% of the shortfall between net weekly family income and the applicable weekly family threshold.		

Child Benefit		
	2016 Rate	2017 Rate
Monthly Rate	€140 <u>per child</u>	€140 <u>per child</u>
Twins – Child Benefit is paid at one and half times (150%) the normal monthly rate for each child. All other multiple births – Child Benefit is paid at double (200%) the normal monthly rate for each child.		

<u>Social Assistance Payments</u>					
State Pension (Non-Contributory)					
- Aged 66 and under Age 80	222.00	227.00	146.70	150.00	29.80
- Aged 80 and over	232.00	237.00			29.80
Carer's Allowance					
- Under Age 66	204.00	209.00			29.80
- Aged 66 and over	242.00	247.00			29.80
Disability Allowance/Blind Pension	188.00	193.00	124.80	128.10	29.80
Widow's/Widower's/Surviving Civil Partner's (Non-Contributory) Pension	188.00	193.00			
One-Parent Family Payment	188.00	193.00			29.80
Pre-Retirement/Deserted Wife's Allowance	188.00	193.00	124.80	128.10	29.80
Jobseeker's Allowance - Aged 26 or over	188.00	193.00	124.80	128.10	29.80
- Aged 25	144.00	147.80	124.80	128.10	29.80
- Aged 18 -24	100.00	102.70	100.00	102.70	29.80
Supplementary Welfare Allowance - Aged 26 or over	186.00	191.00	124.80	128.10	29.80
- Aged 25	144.00	147.80	124.80	128.10	
- Aged 18 -24	100.00	102.70	100.00	102.70	
Farm Assist	188.00	193.00	124.80	128.10	29.80

** for those under age 66 years*

*** for those aged 66 or over*

<u>Other Social Welfare Payments</u>		
	2016 weekly	2017 weekly
Guardian's Payment (Contributory)	€161.00	€176.00
Guardian's Payment (Non-Contributory)	€161.00	€176.00

	2016 monthly	2017 monthly
Domiciliary Care Allowance	€309.50	€309.50

	2016 annually	2017 annually
Carer's Support Grant	€1,700	€1,700

	2016 - once off payment	2017 - once off payment
Widowed or Surviving Civil Partner Grant	€6,000	€6,000

	2016 weekly	2017 weekly
Fuel Allowance	€22.50	€22.50

APPENDIX A.4 – 2017 Budget package by item

Budget Measure	Cost	
	2017 €m	2018 €m
1. Weekly rates of payments – pensioners From March 2017, increase the weekly rate of all pension payments (for those aged 66 and over) by €5 with proportionate increases for qualified adults.	125.00	148.00
2. Weekly rates of payments – working age recipients From March 2017, increase the weekly rate of all working age payments (for those under 66 years of age) by €5 with proportionate increases for qualified adults.	131.00	200.00
3. Social Insurance Benefits Extend eligibility for Invalidity Pension to the self-employed contributors from December 2017.	1.50	23.30
4. Social Insurance Benefits Extend the existing Treatment Benefit scheme to the self-employed from March 2017.	3.50	4.50
5. Social Insurance Benefits Extend the treatments available under the Treatment Benefit scheme (for employees and the self-employed) from October 2017.	9.00	47.00
6. Farmers – Farm Assist From March 2017, introduce enhanced tapers / disregards for the Farm Assist scheme.	8.50	13.00
7. Farmers – Rural Social Scheme During 2017, the number of places on the Rural Social scheme will increase by 500 ⁵ .	2.00	4.00
8. Employment and Education Incentive From January 2017, increase the income disregard for One-Parent Family Payment (OFP) and Jobseeker's Transition (JST) recipients from €90 to €110 per week.	9.00	9.00
9. Employment and Education Incentive – Back to Education Allowance From September 2017, increase the €160 rate for those aged under 26 participating in education/training to €188.	1.50	3.70
10. Employment and Education Incentive – Cost of Education Allowance Introduce an annual €500 Cost of Education Allowance for Back to Education Allowance recipients with children in 2017.	1.50	1.50
11. Employment and Education Incentive – Back to Work	Minimal	Minimal

⁵ Costs are net – gross costs are €5.1 million in 2017 and €8.5 million in 2018

Enterprise Allowance From January 2017, reduce the qualifying period for Back to Work Enterprise Allowance from 12 months to 9 months (for those with an underlying eligibility to JA).		
12. Employment and Education Incentive – Community Services Programme Increase funding for the Community Services Programme.	1.00	1.00
13. Illness, Disability and Carers – Carer’s Allowance From January 2017, extend payment of Carer’s Allowance for 12 weeks, where the care recipient enters permanent residential care.	1.00	1.00
14. Illness, Disability and Carers From January 2017, fund projects that provide pre-activation supports for people with disabilities.	2.00	2.00
15. Children – School Meals Programme Increase funding for the School Meals Programme in 2017.	5.70	10.40
16. Children – Guardian’s payments From March 2017, increase the weekly rate of payment for Guardian’s Contributory and Guardian’s Non-Contributory by an additional €10 per week.	0.50	1.00
17. Supplementary Payments – Rent Supplement for Under 26s From January 2017, reduce the personal rent contribution for Jobseeker's Allowance/ Supplementary Welfare Allowance recipients on age-related reduced rates of payment.	0.50	0.50
18. Supplementary Payments – Free TV Licence Increase the payment to RTE in 2017.	1.00	1.00
Overall Total	304.20	470.90

Note: There was also an 85% Christmas Bonus which was paid in December 2016 at a cost of almost €221 million.

Ministerial Brief
June 2017 - Part B

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1 DELIVERY OF SCHEMES & SERVICES

A. Schemes and Payments

One of the major objectives of the social protection system is to redistribute income collected through taxation via social transfers. Social transfers are important in enabling income to be directed towards addressing the particular circumstances of the life cycle (e.g. Child Benefit, disability-related payments, pensions) as well as protecting people from the consequences of economic shocks such as unemployment.

The broad range of payments addressed in this section – whether universal (Child Benefit), means-tested (e.g. Jobseeker’s Allowance, State Pension Non-contributory) or contributory (e.g. Jobseeker’s Benefit, State Pension Contributory) - play a vital role, in addressing these contingencies.

Social transfers in Ireland have been shown to be highly effective in alleviating poverty. By way of illustration, an ESRI study¹ (commissioned by the Department and published in 2013) showed that social transfers reduced the pre-transfer poverty rate (those who are poor before social transfers but not poor after social transfers) by 53% in 2004, rising to 63% by 2007 and 71% by 2011. Social transfers are especially effective in reducing poverty in jobless households. These positive outcomes reflect, amongst other things, the significant increases in welfare rates in the period to 2009 and the subsequent focus on maintaining those rates against the background of a severe financial crisis.

When viewed in a comparative context, it is clear also that social transfers play a more significant role in Ireland than in most other countries. For instance, an examination of comparable data from 2013 on the effectiveness of social transfers (excluding pensions), shows that Ireland’s performance in reducing poverty (at 63.4%) far exceeded the EU-28 norm of 35.9% and was substantially higher than the 47.2% reduction achieved in the UK.

¹ Social Transfers and Poverty Alleviation in Ireland, DSP and ESRI, 2013

(i) Child Income Support

- The Department of Social Protection makes a number of payments to families with children.

- Child Benefit (CB),
- Family Income Supplement (FIS),
- Back to School Clothing and Footwear Allowance (BSCFA)
- Guardian's Payment Scheme (contributory and non-contributory)
- Domiciliary Care Allowance
- Increase for a Qualified Child (to primary social welfare payments) (IQCs)

Most weekly social welfare payments include an additional payment in respect of each qualified child up to age 18, which is extended to encompass older school/college going children to age 22 under certain circumstances. The IQC rate has been maintained at €29.80 per week since 2010. The estimated expenditure on IQCs in 2017 is in the region of €578.9m.

- In addition, DSP funds the School Meals Programme.
- The broad objectives of the child and family income support programmes are:
 - to provide assistance to all households with children in recognition of the higher costs incurred in child-raising and childcare in a way which allows choice to parents in how this is undertaken, and
 - to provide targeted assistance to no or low-income households with children in a way which minimises labour market disincentives or positively contributes to labour market incentives in order to reduce poverty in households with children.
- Expenditure on families with children is estimated to be almost €3.2 billion in 2017, of which over €2 billion relates to Child Benefit. Expenditure on families with children represents over 15% of total Departmental expenditure in 2017.

Child Poverty - Headline Measure

- The official government measure of poverty is known as **consistent poverty**. This measure combines two separate measures - **at-risk-of-poverty** (the percentage of people whose income is less than 60% of the equivalised median income) and **basic deprivation** (the percentage of people who report that they are deprived of any two of eleven basic items e.g. owning two pairs of strong shoes, being unable to replace worn-

out furniture). The consistent poverty rate measures those people who are both at risk of poverty and suffer from basic deprivation.

- The latest figures measuring poverty including child poverty are from the CSO Survey on Income and Living Conditions (SILC) for 2015. (This survey is generally published circa two years in arrears). These figures show that the rate of consistent poverty among children has fallen to 11.5 per cent, from 12.7 per cent in 2014. This is the first fall since 2008.

Child Poverty Measure - Component Elements

- The rate of deprivation for children is 31.4 per cent, a fall on the 2014 figure of 36.1 per cent. This was the second reduction in the rate in successive years. The rate of deprivation for children has fallen almost six percentage points from the 2013 rate of 37.3 per cent.
- The at-risk-of-poverty rate for children was 19.5 per cent in 2015, a slight decrease from 20.3 per cent in 2014.

Impact of Social Transfers

- In 2015, social transfers reduced the at-risk-of poverty rate for children from 41.1 per cent to 19.5 per cent, a poverty reduction effect of 52.6 per cent.
- The impact of social transfers on the at-risk-of-poverty rate for young people was 41.2 per cent in 2015 (reducing the rate from 47.1 to 27.7 per cent). This was an increase on the poverty reduction effect of 39.6 per cent in 2014.
- Ireland is consistently amongst the best performing member states in the EU in regard to the poverty reduction effect of social transfers.

Child Poverty Target

- The Government Child Poverty Target, as set out in the National Policy Framework for Children and Young People 2014-2020 *Better Outcomes, Brighter Futures (BOBF)*, is to lift over 70,000 children out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level.
- The child poverty target means that by 2020 the number of children in consistent poverty should be reduced to at most 37,000.
- To put this into context in 2008 after years of unprecedented economic growth Ireland achieved its lowest ever level of children in consistent poverty of 68,000. (This was almost twice as many as the 2020 target).
- Since 2008 the percentage of children in consistent poverty peaked in 2014 at 152,000 children.

- It is important to appreciate that this is a relative measure, which moves year on year subject to changes in median income. As median income rises without corresponding proportionate rises in the income of the lowest deciles, then the numbers at risk of poverty and in consistent poverty will rise.
- 2015 saw the first reduction in the number of children in consistent poverty since 2008. Compared to 2014, in 2015 there was a 13,000 or approximately 9 per cent decrease in the number of children in consistent poverty.
- However, despite Ireland's record in terms of the poverty reduction effects of social transfers, which has consistently been amongst the best in Europe, it is clear that the target to reduce child poverty by more than 100,000 children, or two-thirds of the 2011 rate by 2020 is very ambitious and will need to be reviewed.

Whole of Government Approach to Tackling Child Poverty

- The Department of Social Protection is the department designated as sponsor for Outcome 4: Economic security and opportunity under BOBF.
- In conjunction with the Advisory Council, the Department of Social Protection (DSP) formed an ad hoc group with the objective of working with key officials from other relevant Government Departments and NGOs (including the Society of St Vincent de Paul, National Youth Council of Ireland, Barnardos, One Family and the Children's Rights Alliance) towards the adoption of a whole of government, multi-dimensional approach to tackling child poverty. The group was co-chaired by DSP and the Children's Rights Alliance.
- As a result of this engagement two papers were produced as follows:-
 - NGO paper entitled Submission on Actions to Achieve the Child Poverty Reduction, which will be published by the NGOs at a later date, and
 - The Whole of Government Approach to Tackling Child Poverty.
- The paper on a Whole of Government Approach to Tackling Child Poverty was put before the Cabinet Committee on Social Policy for noting in late May 2017.
- The structure of the paper is informed by the European Commission's Recommendation on 'Investing in children: Breaking the cycle of disadvantage', which sets out a robust framework to address child poverty and promote child well-being across three pillars:
 - Access to adequate resources;
 - Access to affordable quality services; and
 - Children's right to participate.

- The paper emphasises the need for a combined approach to tackling child poverty levels in Ireland, involving both income supports and improving access to quality, affordable services.

Budget 2017

- Increases in adult rate of payments have contributed to the reduction in child poverty among welfare recipients - the €5 per week increase across most adult primary payments (with proportionate increases for qualified adults) will therefore have contributed to the ongoing reduction in child poverty rates.
- Child poverty rates in Ireland are closely co-related with household joblessness – particularly in single parent households. A key policy objective is therefore to encourage and support parents into employment. Measures introduced in recent years, including the introduction of the Jobseeker’s Transitional Payment, have sought to address this issue. Budget 2017 continued this policy with a €20 per week increase in the earnings disregard for recipients of the One Parent Family Payment and Jobseeker’s Transitional Payment.
- In addition the Family Income Supplement payment and the Back to Work Family Dividend payment continue to support parents to take up and remain in employment, especially those furthest from the labour market.
- A Budget 2017 change specifically targeted at children saw an increase of c €5.7m in the school meals programme funded by the Department with an estimated full year cost of c €10m. Total scheme expenditure will increase from c €42m to c €52m in a full year (2017 expenditure is estimated at €47.5m)
- Altogether, the Department of Social Protection will spend €3 billion in providing income support for families with children through Child Benefit, Increases for a Qualified Child for welfare recipients, Family Income Supplement and the Back to School Clothing and Footwear Allowance.

Child Benefit

- Child Benefit is payable to the parents or guardians of children under 16 years of age, or under 18 years of age where the child remains in full time education, Youthreach training or has a disability. It is paid monthly in respect of each qualified child. It is a universal payment, with no social insurance or means conditions attached, but applicants must satisfy the habitual residence condition.
- In 2016, the total cost of Child Benefit was €2.07 billion, which was paid to some 623,141 families in respect of 1.19 million children.
- The rate of Child Benefit was standardised for each child from January 2014. It is now payable at €140 per month per child with higher rates applying only to twins and other multiple births.

- Claims are processed promptly, with the average processing time recorded as 1 week in December 2016.
- The legislation governing Child Benefit (since 1974) provides that the payment should be to the mother. This was seen as a progressive step in terms of enhancing the status of women as well as of improving the effectiveness of the payment (i.e. payment to the mother offered greater reassurance that the child would benefit). In the context of increasingly diverse family formations, the legislation has been challenged on a number of occasions. Child Benefit was the subject of two cases before the Equality Tribunal in 2015 and a number of cases are also scheduled to be brought before the High Court.
- It is likely that the original policy rationale will have to be reviewed and possibly amended in light of the legal challenges and to reflect and take due account of the needs of children in diverse family formations.
- The Department has been the subject of a number of legal cases involving the backdating of Child Benefit payments in the case of asylum seekers who have been granted refugee status or given a right to remain in the State. A total of seven cases were brought to the High Court testing various aspects of the legislation relating to payments to asylum seekers/refugees. These cases also involved the Department of Justice and Equality as delays in the asylum/refugee process are cited as part of the grounds of claim. Child Benefit is in payment in each case, having been awarded with effect from the date on which refugee status or the right to remain was granted. Three test cases were heard by the High Court in 2016, with the Court finding in favour of DSP. However the unsuccessful applicants have exercised their right of appeal and have lodged papers with the Court of Appeal.

Child Benefit Control

- DSP also operates a Child Benefit control programme to ensure that it is paid only to families who continue to have an entitlement to the benefit. There are several aspects to the control programme in operation, but the main one is the certification programme, whereby customers are issued with continuing eligibility certificates which they are required to return within a (28 day) time limit.
- A total of 37,378 customers have had their payment stopped over the period from 2010 to the end of 2016 because they did not return certificates or prove an ongoing entitlement to Child Benefit payment.
- Some 320,903 reviews were undertaken in 2016, with savings of nearly €67 million returned to the Department. A control target of 310,000 reviews and €65 million in savings has been set for 2017.

Child Benefit Payments to Foreign Nationals

- EU/EEA citizens and Swiss nationals working in Ireland qualify for Child Benefit under EU Regulations and do not have to satisfy the habitual residence condition. Their children may be resident either here or in their home countries. In 2016, a total of €13.3m was paid in respect of approximately 7,898 non-resident children and 4,869 customers.
- Customers, where the children are resident abroad, are required to confirm their continued entitlement to benefit every six months. The confirmation includes a statement from the customer's employer, confirming that the person is still employed.

Family Income Supplement

- Family Income Supplement (FIS) provides support for employees with families who have low earnings in relation to their family size. The payment is provided tax-free and is paid weekly.
- The estimated expenditure on FIS in 2017 is c. €422million and it is currently paid to almost 57,000 families in respect of some 126,000 children. The average weekly payment made to families is currently estimated at some €134 per week.
- FIS is calculated on the basis of 60% of the difference between the income limit for the family size and the weekly family income of the person(s) raising the children. Weekly family income for FIS purposes is net assessable earnings from employment, income from self-employment or any other source. Budget 2016 increased the income limit thresholds by €5 for families with one child and by €10 for families with two or more children. There was no increase to the income limit thresholds in Budget 2017.
- To qualify for payment of FIS a person must be engaged in full-time paid employment as an employee which is expected to last for at least 3 months and be working for a minimum of 38 hours per fortnight or 19 hours per week. A couple may combine their hours of employment to meet the qualification criteria. The applicant must also have at least one qualified child who normally resides with him/her or is part of a family supported by him/her.
- An integral part of the FIS scheme is that once the level of payment is determined, that rate continues to be payable for a period of 52 weeks, provided that the person remains in full-time employment. The exceptions to this rule are where there is an additional child born to the family during that period or following the termination of One-Parent Family Payment due to the age of the youngest child.
- In advance of Budget 2017 a number of groups sought a reduction in the FIS minimum "hours worked" threshold (from 19 hours to 15 hours). This would have significant expenditure implications as a significantly greater number of people would become eligible for support. It would also create the risk that FIS would end up inadvertently

subsidising unsustainably low earnings, incentivise employers to offer minimal hours of employment, and thus contribute to an increase in the levels of precarious employment.

Proposed “Working Family Payment”

- The Programme for Government mentions the development of a new “working family payment” targeted at low income families. This approach should tackle the issue of making work pay while impacting on child poverty.
- There are two working groups involved in this process, one internal departmental group, and an external inter-departmental group drawing from the Departments of Social Protection, Public Expenditure & Reform, Finance, and Children & Youth Affairs.
- The Department held an open call for submissions on the proposed Working Family Payment. The open call ran from 30th January to mid-March 2017. In total the Department received twenty submissions, sixteen from NGOs and four from private individuals.
- The Department has carried out extensive analysis of its existing supports. The analysis is at an advanced stage and shows the existing in-work supports are effective, and work well in assisting individuals into employment.
- The Department is working on potential proposals as to the most appropriate approach to fulfil the requirements as outlined in the Programme for Government.

Guardian’s Payment Scheme (contributory and non-contributory)

- Guardian's Payment is a payment made to a person taking care of a child whose parents are dead, or who have abandoned and failed to provide for the child. It is not necessary for the guardian to be appointed by the Courts to qualify for payment.
- Guardian’s Payment can be contributory (based on PRSI contributions paid by the parent) or non-contributory (based on a means test of the child).
- At the end of 2016, there were 1,541 people receiving Guardian’s Payments in respect of approximately 2,000 children (1,047 contributory and 494 non-contributory). The overall number of people receiving Guardian’s Payments does not vary much year on year.
- The rate of Guardian’s Payments (contributory and non-contributory) was increased by €15 a week, from €161 to €176 in Budget 2017, with effect from 17 March 2017.
- Expenditure for 2016 was €18m (€12.2m contributory, €5.8m non-contributory).
- Guardian’s Payments applications usually take a number of weeks to decide as the involvement of a Social Welfare Inspector is usually required, along with, in some cases, a Social Worker.

Back to School Clothing and Footwear Allowance Scheme

- The Back to School Clothing and Footwear Allowance (BSCFA) scheme is a non-statutory scheme which provides a once-off payment to eligible families to assist with the costs of school clothing and footwear when children start school each autumn.
- €37.4 million has been provided for the BSCFA scheme in 2017. More than 154,000 families with some 283,000 children benefitted from the scheme during 2016.
- The allowance is €100 for children between the ages of 4 and 11 years and €200 for children between 12 and 22 years. Children aged over 18 must be attending second level education to qualify.
- Arrangements are being put in place to administer the 2017 scheme which will be paid week ending 14 July. Similar to arrangements in previous years, the majority of entitlements will be processed automatically.

School Meals Programme

- The School Meals Programme provides funding towards the provision of food services to some 1,460 schools and organisations and benefits over 200,000 children. The projected cost in 2017 is €47.5m.
- The programme is operated through two schemes:
- The Urban School Meals Scheme is a statutory scheme that is operated in conjunction with Local Authorities and is available to national school children. DSP jointly funds the food costs on 50/50 basis with the Local Authorities, who are responsible for the administration and operation of the scheme. Over €1m was spent on this scheme in 2016.
- The School Meals Local Projects Scheme is an administrative scheme which is operated directly by DSP and provides funding to primary and secondary schools, local groups, voluntary organisations and community-based not-for-profit preschools which operate their own school meals projects. Projects must be targeted at areas of disadvantage or at children with special needs. This is by far the more substantial element of the programme, with expenditure of some €37m in 2016.
- The School Meals Local Projects Scheme provides funding to assist schools and local and voluntary groups with the food costs involved in running school meals projects. The administration and associated costs are the responsibility of the schools/organisations.
- Funding is strictly for food items only which must be of suitable nutritional quality. Funding under the scheme is based on a maximum rate per child per day, depending on the type of meal being provided (e.g. €1.40 per child per day where lunch is being provided). There is a particular focus on the provision of breakfast clubs which provide

very positive outcomes for vulnerable children in terms of their school attendance, punctuality and energy levels.

- Priority for funding under the scheme is given to schools which are part of the Department of Education and Skills' initiative for disadvantaged schools, 'Delivering Equality of Opportunity in Schools' (DEIS). From September 2016 additional funding is available to all DEIS schools to provide breakfast and lunch to the majority of pupils. Budget 2017 funding also provides for the inclusion in the scheme, from September 2017, of up to 240 new schools and 47,000 children. This includes support to schools being brought into DEIS and the extension of the scheme to breakfast clubs in non-DEIS schools, which is the first time in many years that increased funding for school meals is available to non-DEIS schools.

Domiciliary Care Allowance (DCA)

- DCA is a monthly payment to parents of children with a significant disability in recognition of the burden of providing the required level of additional and continuous care. The DCA scheme transferred from the HSE to the Department in 2009.
- The scheme is not means tested and is paid at the rate of €309.50 per month. The Carer's Support Grant is also automatically payable to DCA recipients. Nearly 60% of recipients of DCA are also in receipt of the Carers Allowance.
- The cost of the scheme in 2016 was €133m (plus €56m on the associated Carer's Support Grant). At 31/12/2016, there were 31,960 customers in receipt of DCA, in respect of some 34,627 children.
- Claim volumes are up; in 2016 7,434 claims were received, 1,012 more than in 2015 and 1,691 more than 2014. Following the full application process (i.e. the initial application, the provision of further medical information by the applicant, revised decisions and appeals) over 80% of applications are allowed.
- The processing target is to decide 70% of claims within 15 weeks. Currently it is taking up to 17 weeks to process a claim, largely due to revised decision processes originally introduced in 2014 and which have had to be further revised recently as a result of a number of legal challenges, the most recent a High Court ruling in 2016.

Suspension of eligibility reviews

- Following the transfer of the DCA scheme from the Department of Health to the DSP in 2009, there was considerable negative comment from advocacy and parent groups on the level of applications being disallowed. This intensified when reviews of claims awarded by the DSP commenced in mid to late 2011. The perception (not backed up by the statistics) was that children on the autism spectrum were being assessed particularly

severely and that the assessment process overall was much stricter than had been the case before it was administered by DSP.

- While the percentage of successful applications did drop following the transfer of the scheme to DSP, this is most likely attributable to the fact that the scheme is now administered with a consistent nationwide approach to medical assessments. This may not have been a feature of the previous arrangements.
- However, given that 3 years had passed since the scheme transferred it was considered appropriate (in 2012) to review the operation of the scheme to ensure that it was operating in as fair and transparent a manner as possible. The Minister announced a review of the operation of the DCA scheme in the Dáil in May 2012 and a suspension of eligibility reviews pending completion of this review.
- The report of the review group, chaired by Ms. Sylva Langford, retired Director-General of the Office of the Minister for Children, was published in April 2013. The key administrative changes recommended – focused on securing as much relevant information as possible at the initial claim stage to enable better decision-making – have been implemented.
- On the basis of this review and following a number of court cases, successfully defended by the Department, a number of changes were introduced to the decision process for DCA claims in 2016. These changes require the Department's medical assessors to provide more detailed opinions for the benefit of deciding officers. With the benefit of this more detailed opinion deciding officers are in a position to set out more detail in decision letters to claimants setting out the strengths and challenges of the child as they consider them in making their decision. It is hoped that these revised procedures will withstand any further litigation.
- When these revised processes bed in the Department will look to reinstate the review programme on a small scale and review its operation in consultation with the DCA Implementation group (comprising representatives of Government departments and advocacy groups).

(ii) Working Age (including Redundancy & Insolvency schemes)

- The Department provides a range of working-age payments for people, aged between 18 and 66, who meet the required contingency (e.g. unemployment, parenting alone, maternity etc.) at an estimated cost in 2017 of some €3.6 billion.

Jobseeker's Allowance

- Jobseeker's Allowance (JA) is a social assistance scheme. To qualify, a claimant must be unemployed (for at least 4 days out of 7 consecutive days), be capable of work, be available for and genuinely seeking full-time work, satisfy the means test and meet the habitual residence condition.
- The table beneath details the rates of payment under the JA scheme. Reduced rates for young JA recipients were first introduced in 2009 and have been extended on a number of occasions since then. JA recipients under 26 years of age who are entitled to an increase in respect of a qualified child are not subject to the reduced rates. A jobseeker in receipt of the reduced JA rate who participates in an education or training programme will receive a higher weekly payment of €160 (as an incentive towards participation in activation programmes). This rate will be further increased to €193 per week from September 2017.

Jobseeker's Allowance Rates - 2017

	26 years or over Pre 3/17; Post 3/17	25 years Pre 3/17; Post 3/17	18 - 24 years Pre 3/17; Post 3/17
Maximum Personal Rate - no children	€188.00; €193	€144.00; €147.80	€100.00; €102.70
IQA Increase for a Qualified Adult	€124.80; €128.10	€124.80; €128.10	€100.00; €102.70
IQC Increase for a Qualified Child	€29.80; €29.80	N/A	N/A

- Expenditure on JA in 2016 amounted to some €2.45 billion and the provision for 2017 is €2.16 billion.

Jobseeker's Benefit

- Jobseeker's Benefit (JB) is a weekly payment to insured people who are out of work. It is a non-means tested payment and it is paid at the same rate as the JA scheme. Reduced rates for those aged under 26 do not apply to the JB scheme.

- To qualify a claimant must be unemployed, be available for and genuinely seeking work, have had a substantial loss of employment and, as a result, be unemployed for at least 4 days out of 7.
- JB is paid for 9 months (234 days) for people with 260 or more PRSI contributions paid or for 6 months (156 days) for people with less than 260 PRSI contributions paid.
- Expenditure on JB in 2016 amounted to some €385.5m and the provision for 2017 is just under €343m.
- There were 9,985 jobseeker claims awaiting a decision on their claims at the end of May 2017 equating to 3% of the total claimload.
- 94% of JB claims are processed within the target of 3 weeks and 92% of JA claims were processed within the target of 6 weeks. The average time to process a jobseeker claim at the end of April 2017 was under 2 weeks.

At the end of May 2017, the claimload in offices was as follows:

- | | |
|--|-------------------|
| • Jobseeker's Benefit | 38,994 claimants |
| • Jobseeker's Allowance | 214,083 claimants |
| • Jobseeker's Credits Only (no payment) | 32,156 claimants |
| • Jobseeker's Allowance Transitional (JST) | 14,761 claimants |

One-Parent Family Payment

- The One-Parent Family Payment (OFP) is a means-tested payment for persons who are bringing up a child/ren without the support of a partner.
- A claimant must be one of the following: widowed, a surviving civil partner, separated, divorced, have a dissolved civil partnership, be unmarried, a person who is not party to a civil partnership, or a prisoner's spouse or civil partner.
- The person must also have the main care and charge of at least one child under the age of 7 who is residing with them, must not be co-habiting with someone and have made efforts to seek maintenance for the child/ren.
- Expenditure on OFP in 2016 amounted to just under €501m and the provision for 2017 is just over €501m.
- The OFP claimload was 41,750 at the end of May 2017. Overall, 1,115 claims were awaiting a decision equating to 2.7% of the claimload.

Reforms of the One-Parent Family Payment

- The Social Welfare (Miscellaneous Provisions) Act 2010 provided for significant reforms to the One-Parent Family Payment with effect from 27th April 2011.
- Previously, OFP provided lone parents with long-term income support, until the children were aged 18 (or 22 if in full-time education), without any requirement for them to engage in employment, education or training. Such long-term welfare dependency and passive income support to individuals of working age is not considered to be in the best interests of the recipient, his or her children, or society generally.
- The reforms aimed to maximise the opportunities for lone parents to enter into and increase employment by providing them with enhanced access to the wide range of education, training, and employment supports that make up the Department's Intreo services.
- A key reform saw the age of the youngest child for receipt of the OFP being reduced to 7 years over the period 2013 to 2015 (This is in line with European norms). The final phase of this reform was implemented from 2nd July 2015 when the cut off was set at the youngest child reaching 7 years and some 25,500 customers transitioned from the OFP scheme, of these;
 - 13,600 (or 54%) moved to the Jobseeker's Transitional Payment (JST);
 - 2,500 (or 10%) moved to the Jobseeker's Allowance (JA) scheme, and
 - 8,100 (or 32%) moved to the Family Income Supplement (FIS) scheme.
- Of the 8,100 former OFP recipients who transitioned to FIS, approximately 3,000 are new FIS recipients, indicating that they entered into or increased their employment as a result of the reforms. These new recipients are also eligible for the Back to Work Family Dividend (BTWFD- see beneath) and gain an increase in their overall income when they transition from OFP to FIS and the BTWFD. This will contribute to the reduction in household and child poverty rates
- In total over the period 2013 to 2015 approximately 40,000 customers transitioned from the OFP scheme to alternative income supports.

Independent Review of the OFP Changes since January 2012.

- During the passage of the Social Welfare Act 2016, the Minister for Social Protection accepted an amendment which required the Department to commission an independent report to examine the financial and social effects of the amendments to the OFP scheme made since 1 January 2012, taking into account the poverty rates and welfare dependency of those impacted by the reforms. The amendment requires that the report be completed and laid before each House of the Oireachtas within 9 months of the passing of the Act. The legislation was enacted on 19 December 2016.

- The Department undertook a procurement process within the Office of Government Procurement framework to commission this review. The successful bidder was Indecon International Research Economists and work commenced in April. The report is scheduled to be complete by the end of August 2017. This remains an extremely ambitious timeframe. Every effort is being made adhere to the timeframe set out in the legislation.

Jobseeker's Transitional Payment (JST)

- The Jobseeker's Transitional Payment (JST), which was introduced in 2013, is available to customers who lose their entitlement to the OFP payment, who have a youngest child aged 7 to 13 years inclusive, and who continue to parent alone. These customers are exempt from the JA conditions that require them to be available for, and genuinely seeking, full-time work. As a consequence, no lone parent with a youngest child under 14 years of age is required to take up employment in order to receive income support from the Department.
- Recipients of the JST can also move into education and/or employment, including into part-time employment, if they so wish, and still receive payment, subject to a means test. The JST allows these customers to balance their work and caring responsibilities and, significantly, reduces their requirement for child care. The payment also offers a tapered support to these customers as their children get older.
- This scheme recognises parental choice with regard to the care of young children, but with the expectation that parents will not remain outside of the labour force indefinitely. As a result, it includes an expectation of participation in education, training and employment initiatives, with the appropriate social welfare supports provided in this regard.
- JST customers who are engaging with the Intreo service will receive a one to one meeting with a case officer who will assist them to produce a personal development plan and guide them towards appropriate education, training and employment opportunities. This support is not limited to the 12 month engagement that applies for other jobseekers from the date of their one to one meeting. Through the JST, lone parents with children aged between 7 and 13 years are provided with a very long transition period of seven years within which to engage with the Intreo service.
- Former OFP recipients who moved to a Jobseeker's Allowance (JA) Payment i.e. those with a youngest child 14 year of age or older, are subject to the standard activation process. Former OFP recipients who are not working and are on a JA payment will be invited to group engagement with a case officer.
- Budget 2017 provided that the Jobseeker's Transitional payment means test would be more closely aligned with the OFP means test. Since January 2017, the means test for JST customers now includes an earnings disregard of €110 per week (up from €90 per week) with 50% of the balance of earnings is assessed.

- There were 14,836 claimants receiving a JST payment at end May 2017.

Activation and Lone Parents

- All lone parents on a Jobseeker's Allowance or Jobseeker's Transitional Payment have access to activation supports.
- The activation of Jobseeker's Transitional Payment (JST) recipients has commenced. These customers are being identified and called for a one to one engagement with a case officer.
- Of all JST recipients (approx. 14,500) over 9,000 have been activated as of January 2017. This includes
 - over 6,000 in an Activation phase i.e. they have already been selected for activation and have been case managed, are scheduled for an engagement or are waiting an appointment time,
 - over 3,000 who have been fully case managed which means they have met with a case officer and have agreed a personal plan and are progressing with this plan, and of these 3,000 approximately 1,600 have moved into some form of education and training, ranging from personal development, to childcare to third level education.
- Former OFP recipients who moved to a Jobseeker's Allowance (JA) Payment i.e. those with a youngest child 14 year of age or older, gained access to the Intreo supports via the standard activation process for jobseekers commencing with a group engagement with a case officer.

Department of Education and Skills research on Barriers for lone parents to Third Level

- The Programme for Government included a commitment to prepare an independent report on the barriers to lone parents accessing higher education (HE). The Department of Education and Skills (D/ES) was responsible for delivering this commitment. Following a procurement process Dr. Delma Byrne of NUI Maynooth was engaged to conduct the review in July 2016. It was due for completion on 31st August 2016 but the deadline was extended to allow the research to be more informed. The report was overseen by a steering committee chaired by D/ES with this Department and the Department of Children and Youth Affairs (D/CYA) as members. The title of this research is "*An independent review to identify the supports and barriers for lone parents in accessing higher education and to examine measures to increase participation*" and it is expected that it will be published shortly.

Budget 2017 and lone parents

- Budget 2017 increased expenditure on lone parents by €34 million in a full year. This included an increase in the rate of the One-Parent Family Payment and Jobseeker's

Transitional Payment of €5 per week, a new €500 Cost of Education Allowance per annum for parents, including lone parents, in receipt of Back to Education Allowance, an increase in the Income disregard for parents getting the One-Parent Family Payment and the Jobseeker's Transitional Payment from €90 to €110 per week and a Christmas Bonus of 85%, which was paid in early December 2016.

- The increase in the National Minimum Wage to €9.25 an hour may also benefit some lone parents working outside the home.
- The Single Affordable Childcare Scheme being provided by the Government and currently under development in the Department of Children and Youth Affairs will also significantly reduce the cost of childcare for lone parents and is a step change in state support for childcare in Ireland. This will assist lone parents in low income employment.

Back To Work Family Dividend

- The Back to Work Family Dividend (BTWFD) scheme was introduced on January 5th 2015. It allows JA/JB recipients who have been jobseekers for 12 months or recipients of the One-Parent Family Payment to retain their full Increase for Qualified Children (IQC) for the first year in employment, tapering to 50% in the second year. BTWFD is payable at a rate of €29.80 per relevant child – up to a maximum of €119.20 for 4 children. BTWFD is a legislative scheme with a sunset clause of 30th March 2018.
- Expenditure on BTWFD in 2016 amounted to some €28.45m.
- The number of recipients of BTWFD was 12,521 at the end of March 2017.

Farm Assist

- Farm Assist is a means-tested payment for low income farmers/smallholders. The Farm Assist scheme is very closely aligned to the JA scheme and effectively mirrors how self – employed people are supported under the JA scheme.
- It features a more generous means test, which takes account of the specific nature of farming and, unlike JA, farmers claiming this payment do not need to be available for work outside of the farm in order to qualify.
- Budget 2017 introduced new measures in relation to the assessment of means for Farm Assist. These include that 70% of farm income is assessed as means, down from 100% being assessed as means (which is a 30% income disregard) and an additional annual means disregard of €254 for each of the first two children and €381 for the third and subsequent children. These measures fully reverse the cuts to the farm assist means test that were introduced in Budgets 2012 and 2013. The measure came into effect from March 2017. It is estimated that the measure will cost €8.5 million in 2017.

- Expenditure on the scheme in 2016 amounted to some €78.8m and the provision for 2017 is just under €83m. There were 7,740 Farm Assist claimants at the end of May 2017.

Maternity Benefit

- Maternity Benefit is a payment made for 26 weeks to employed and self-employed women, who are eligible for Maternity Leave (under the remit of the Department of Justice and Equality) and who satisfy certain PRSI contribution conditions on their own insurance record.
- The rate of payment was standardised at €230 per week from 6th January 2014 and this rate was increased to €235 in Budget 2017 with effect from March 2017. A person in receipt of certain social welfare payments will receive half-rate maternity benefit. Maternity Benefit has been treated as taxable income since 1 July 2013, but Universal Social Charge and PRSI are not payable.
- In 2016, the total cost of maternity benefit was €266 million, which was paid in respect of 41,406 claims. The provision for 2017 is just over €266m.
- Customers apply up to 6 weeks in advance of commencement of maternity. The Department's target is to process 90% of these claims in advance of the first payment due date (i.e. in advance of commencement of maternity). In 2016, in excess of 89% of claims were processed in advance of the customer commencing their leave.

Processing Maternity Benefit Claims

- Maternity benefit section is currently experiencing some difficulty with processing all claims in advance of their maternity leave commencement date. Corrective actions have been taken, including the assignment of additional staff and overtime working, and progress is being made. However, there are still a number of mothers that will receive their first payment up to 3 to 4 weeks after they commence their maternity leave. The number has reduced to 700 at 29 May, down from 1,100 based on a count at 22 May.
- It should be noted that once a claim is awarded, any arrears payments due issue immediately along with the first payment. It should also be noted that where a claim is made online, it is decided immediately providing that the conditions are met and the necessary documentation is attached. Efforts continue to be made to promote online applications and expectant mothers should be encouraged to avail of this facility and the focus remains on ensuring that all claims are processed as quickly as possible.

Extension of Maternity Benefit Period in cases of Premature Births

- Deputies Catherine Martin and Eamon Ryan tabled a Private Members Motion which was discussed by the Dáil on 5 April 2017. The motion called on the Government "to extend the period of statutory maternity leave and maternity benefit for mothers of

premature babies, by the length of time between the delivery date of the baby and either the date the baby would have been delivered if full-term or the date of the baby leaving hospital, whichever is later". The Government did not oppose the motion, but in responding, signalled its intention to address the substantive issue in the context of the Family Leave Bill, which is being developed by the Tánaiste and Minister for Justice and Equality. This Department will be consulting closely with the Department of Justice and Equality, the Department of Health and others in the formulation of precise legislative proposals.

Paternity Benefit

- Budget 2016 announced the introduction of a Paternity Benefit scheme which was introduced from 1 September 2016. The PRSI contribution conditions are the same as those for Maternity Benefit.
- The rate of payment of Paternity Benefit was €230 per week and this rate was increased to €235 in Budget 2017 with effect from March 2017. Paternity Benefit is treated as taxable income but Universal Social Charge and PRSI are not payable.
- In 2016, the total cost of Paternity Benefit was €5 million, which was paid in respect of 5,013 claims and the provision for 2017 is €16m. In 2016 in excess of 57% of claims were processed in advance of the customer's due date.
- Approximately 12,750 paternity benefit claims have been awarded since the commencement of the scheme in September. This would indicate a take up of approximately 19,000 in a full year. However, there were approximately 7,500 paternity benefit claims awarded in the first four months of this year from the 1st January 2017 to the 26th April 2017. This would indicate a take up of approximately 22,500 in a full year. It should be noted that these figures do not account for the fact that fathers can take their paternity leave up to 6 months after their child is born. For example fathers whose child was born on the 28th February 2017 can take their leave at any time up to 1st September 2017. As such the above figure for paternity benefit claims awarded does not include fathers who will apply and take their leave in the remaining months available to them. Given the flexibility afforded to fathers and the scheme cycle it will be 18 months from the commencement of the scheme before the Department will have an accurate figure for the take-up of paternity benefit in a full year.

Adoptive Benefit

- Adoptive Benefit is a weekly payment made for 24 weeks from the date of placement of the child to an adopting parent who is on adoptive leave from work and covered by social insurance. Application is normally made 6 weeks before commencement of adoptive leave or 12 weeks in the case of a self-employed person.
- The rate of payment was standardised at €230 per week from 6th January 2014 and this rate was increased to €235 in Budget 2017 with effect from March 2017. A person in

receipt of certain social welfare payments will receive half-rate Adoptive Benefit. Adoptive Benefit has been treated as taxable income since 1 July 2013, but Universal Social Charge and PRSI are not payable.

- In 2016, the total cost of Adoptive Benefit was €270,000, which was paid in respect of 51 claims. Expenditure on Adoptive Benefit has declined significantly since 2011 in line with the reducing numbers of adoptions.

Health and Safety Benefit

- Health and Safety Benefit is a weekly payment for employed women who are pregnant or breastfeeding, and who are granted health and safety leave by their employer. To qualify for Health and Safety Benefit, claimants must meet certain criteria and social insurance (PRSI) contribution conditions. An employer pays the normal wage for the first 21 days (3 weeks) of the health and safety leave and the Department pays Health and Safety Benefit for the remainder.
- In 2016, the total cost of Health and Safety Benefit was €500,000, which was paid in respect of 189 claims.

Detailed Reviews

- On foot of commitments contained in *Pathways to Work* and commitments given as part of the Social Welfare Bill 2017 Committee Stage debates, a large number of reviews are required to be undertaken. These reviews are as follows;
 - a. Review of JB Duration and part time seasonal workers;
 - b. Review of JB and Subsidiary employment;
 - c. Review of Reduced JA for under 26s;
 - d. Focussed Policy Assessment on the Back to Work Family Dividend; and
 - e. Statutory Independent Review of OFP changes (dealt with in chapter on Child Income Support)

Redundancy Payments scheme

- The purpose of the redundancy payments scheme is to compensate employees for the loss of their jobs where the employer is unable to pay statutory redundancy due to financial difficulties or insolvency. Redundancy payments are paid from the Social Insurance Fund.
- Payments are based on the employee's length of reckonable service and reckonable weekly remuneration, subject to a ceiling of €600 per week. Payment is two weeks per year of service, plus one bonus week.
- The Minister becomes a preferential creditor against the assets of an employer in respect of payments under the redundancy payments scheme.

- In 2016, 4,347 claims were processed at an estimated cost of €31 million. Fully completed claims are processed well within the target of 6/8 weeks.
- Claimload and expenditure has fallen by c.90% since 2011. This is due to the abolition, from 2013, of the rebate to employers who could pay statutory redundancy as well as to a reduction in the level of redundancies in the economy.

Insolvency Payments Scheme

- The purpose of the insolvency payments scheme is to protect certain outstanding pay-related entitlements due to employees in the event of the insolvency of their employer. These include wages, holiday pay, sick pay, payment in lieu of minimum notice and certain pension contributions. Payments are made from the Social Insurance Fund.
- Various other statutory awards made through the Workplace Relations Commission and the Courts are also covered by the scheme.
- Payments are based on the employee's reckonable earnings subject to a limit of €600 per week. Arrears of wages, sick pay, holiday pay and minimum notice are limited to 8 weeks.
- The Minister becomes a preferential creditor against the assets of an employer in respect of most amounts paid under the insolvency payments scheme.
- In 2016, 4,239 claims were processed with an estimated expenditure of €7.4 million. Fully completed claims are processed well within the target of 6/8 weeks.
- Claimload and expenditure has fallen by c. 50% since 2011.

Employer debt management, recoveries and write-offs

- A debt is raised against the employer when the Department makes a redundancy or insolvency payments. The total employer debt to the SIF at 31 December, 2016 stood at €459 million (provisional figure). Almost two-thirds of employer debt originated during the recession years of 2008-2013.
- A total of €10.7 million in employer debt was recovered by the Department in 2016. A total of €12.8 million was written off during 2016.
- A dedicated debt management unit is responsible for recovering as much debt as possible in line with the Department's debt management policy. The unit seeks repayment of debt either directly from the employer (typically by means of an agreed repayment schedule) or from any liquidator that may be appointed to wind up the affairs on an insolvent business.
- The majority of employer debt relates to insolvent companies. In company insolvencies, the Minister for Social Protection is a preferential creditor, along with the Revenue Commissioners. The amount recoverable depends on a funds being generated during

the liquidation process. Given these circumstances, the Department estimates that up to 90 per cent of employer debt is unlikely to be recoverable.

- The Department is currently reviewing its employer debt policy and practices, taking into account the best practice guide for collection of debt by public bodies published by the Department of Public Expenditure and Reform in January 2017.

Employee access to insolvency payments schemes in cases of informal insolvency

- The insolvency payments scheme does not cover employees in situations where employers have ceased trading without engaging in any formal wind-up process and money is owed to their employees.
- In February 2017, the Court of Appeal ruled in the Glegola case that the failure by the State to provide a procedure whereby an employee can access the insolvency payments schemes in a situation where an employer is insolvent but available assets are insufficient to warrant the appointment of a liquidator, was in breach of the EU Directive on the protection of employees in the event of employer insolvency, and accordingly awarded the claimant damages of almost €17,000.
- The Department has appealed this judgement to the Supreme Court.

(iii) Illness, Disability & Carers Payments and Supports

Main Illness & Disability payments – overview

- The Department provides a range of income support payments to address the contingency of falling ill or having/acquiring a disability. The primary objectives of these supports are:
 - To provide income support to address the income contingency faced by people of working age who are unable to engage (either fully or partially) in economic activity arising out of a health related condition, and
 - To encourage and assist people with disabilities and long-term illnesses to identify and take up available employment, training, educational and other self-development opportunities, where appropriate.
- The main payments are as follows (further details below):
 - Illness Benefit (Short term illness up to 2 years – PRSI contribution based)
 - Invalidity Pension (Long-term scheme – PRSI contribution based)
 - Disability Allowance (Long-term scheme – means tested)
 - Occupational Injuries Benefit
 - Blind Person's Pension
 - Partial Capacity Benefit

(There is no short term means-tested illness scheme for people who do not satisfy social insurance contribution requirements. However, Supplementary Welfare Allowance (SWA) is generally payable in such cases.)

- Combined spending on these schemes (excluding SWA sickness related payments) in 2017 will amount to some €2.8 billion.
- The Department also provides a wide range of work-related supports for people with disabilities, which play an important role in supporting increased participation in the labour force by people with disabilities. These include the Wage Subsidy Scheme, the Reasonable Accommodation Fund for People with Disabilities and a supported employment programme, EmployAbility. Responsibility for a number of these programmes transferred from FÁS to the Department in 2012. The cost of DSP employment support programmes for people with disabilities is estimated to be in the region of €54 million in 2017. This is an increase of over 150% in the period since 2012.
- Illness and disability related payments are made to a very diverse group who have widely different needs. At one end of the range are those with short-term illness, who may need promptly paid income support for a brief period until they can return to

work. At the other end, there are people with profound disabilities who will have a range of income support and service needs.

Illness Benefit

- Illness Benefit is a payment for people who cannot work due to illness and who satisfy prescribed PRSI contribution conditions. One of the PRSI conditions is that a person must have a minimum of 39 reckonable contributions paid or credited in the governing contribution year. Claims made in 2017 will normally be governed by the 2015 tax year and only PRSI Classes A, E, H, and P are reckonable for Illness Benefit purposes.
- Expenditure on Illness Benefit in 2016 amounted to some €597million in respect of almost 210,000 claims. The estimates provision for 2017 is just under €590 million.
- The Department's target is to process 90% of IB claims within 7 days of receipt. In 2016, over the course of the full year, the target was achieved.
- The administration of the IB scheme is currently delivered through a 20 year old IT system (ISTS) with most of the processes and procedures heavily reliant on paper. A major project to move IB on to the latest technology platform (BOMi) is currently underway with a view to developing on-line certification by GPs and web self-service by clients in the future. Processes will be fully automated where possible. The redevelopment of IB is part of a major programme covering seven different schemes. The project is due to be completed in Q1 2018.

Invalidity Pension

- Invalidity Pension (IP) is a payment for people who are permanently incapable of work because of illness or incapacity and who satisfy the PRSI contributions conditions.
- Some 55,532 IP claims were in payment at end-December 2016 and expenditure on the scheme in 2016 was €647million. €661,580 million has been provided for 2017.
- At the end of December 2016, there were 2,133 IP claims on hands awaiting a decision. Some 200 new claims are received each week.
- There are two elements involved in establishing entitlement to IP - PRSI contributions and medical eligibility. The process to establish medical eligibility can be time consuming which adds to the overall claim adjudication process.
- As over 90% of IP applicants are in receipt of Illness Benefit at the time of submitting an application, a process was implemented in 2014 to automate transfer of suitable candidates to IP. Most such claims are desk assessed by Medical Assessors to provide deciding officers with an opinion in relation to medical suitability.

Invalidity pension claims received, cleared and pending

Year	Number of Claims Received	Number of Claims Cleared ²	Pending Year end
2010	8,774	7,614	2,701
2011	14,621	12,829	6,814
2012	11,510	17,775	3,662
2013	9,640	18,792	2,013
2014	9,240	13,561	2,034
2015	9,454	13,800	1,559
2016	9,134	12,348	2,133

- The increase in numbers applying for Invalidity Pension in 2011 onwards arises from the change to Illness Benefit (IB) conditionality in 2009, when entitlement to that payment's duration was capped at 2 years. The first cases affected by this change began applying for IP in 2011.
- The number of applications for Invalidity Pension has increased by 17% year on year, with 4,437 applications received up to end of May 2017 compared to 3,803 for the same period in 2016. Processing of Invalidity Pension applications continues to improve. In May 2017, 72% of all claims were processed within 10 weeks (with an average time of 7 weeks to award). This improved from January 2017, in which 63% were processed within the target time-frame.
- While many new claims are straightforward and can be decided within a matter of days, the average time is skewed by the fact that some claims - notably EU & bilateral cases - have a significantly longer processing time.
- The extension of eligibility for IP to self-employed PRSI contributors was announced in Budget 2017 and will come into effect from December 2017. The ancillary IT and business change work associated with the implementation of this Budget measure is on target.
- Currently in order to qualify for IP, a claimant must have at least (i) 260 (equivalent to 5 years) paid PRSI contributions since entering social insurance and (ii) 48 (weekly) contributions paid or credited in the last complete tax year before the date of claim. It is necessary to adjust the second of these conditions to enable self-employed contributors to qualify, since data on their contribution record for the year immediately preceding the lodging of a claim for IP will not be available to the Department of Social Protection in the time-frame required. To address this situation, legislative changes

² The number of claims cleared recorded from 2012 onwards includes not only all first-time decisions, but also any subsequent decisions made in relation to the same claim e.g. following a review (typically when the claimant provides additional information) or a formal appeal. As a result, the number of claims recorded as cleared significantly exceeds the number of claims received. It is not currently possible to disaggregate these figures.

were included in the Social Welfare Act 2016 to provide that the second condition will be met where a claimant has 48 (weekly) contributions paid or credited in the last or second last complete tax year before the date of claim. This will apply to both employees and to the self-employed.

Disability Allowance Scheme

- Disability Allowance (DA) is a means-tested payment for people with a specified disability who are aged between 16 and 66. The disability must be expected to last for at least one year and the allowance is subject to a medical assessment, a means test and a habitual residency test.
- The scheme was introduced in 1996, replacing the Disabled Person's Maintenance Allowance (DPMA) which had been administered by the Health Boards.
- At the end of April 2017, there were 128,382 people in receipt of DA. This compares to 120,826 at the end of April 2016, an increase of over 6%.
- A total of 23,804 applications for DA were received in 2016, an increase of 5.6% over 2015 levels. As at end-April 2017, there were 5,991 applications awaiting a decision. The corresponding number awaiting decision at the end of April 2016 was 5,455. The average time taken to award new DA applications in 2016 was 12 weeks and this has remained the same in 2017 to date.
- The volume of DA claims continues to increase each year. Expenditure over the 5 year period from 2012 to 2016 has grown by over 24% and numbers in receipt of DA have grown by some 24% over the same period.
- Expenditure (provisional) on the DA scheme in 2017 is estimated to be in the region of €1.4 billion.
- The processing time for individual DA claims vary in accordance with their relative complexity in terms of the three main criteria – medical condition, means, and habitual residence. It is a feature of the scheme that persons who are disallowed (particularly on medical grounds) will typically send in additional evidence and request a review. There are also a high number of appeals.

Expenditure and number of recipients on DA

Year	Expenditure (€ 000)	Number of recipients
2011	1,089,178	102,866
2012	1,087,513	101,784
2013	1,140,916	106,279
2014	1,238,470	112,097
2015	1,281,589	119,042
2016	1,357,989 (provisional)	126,203

Occupational Injuries Benefit Scheme

- The Occupational Injuries Benefit Scheme is a group of benefits for insured workers who are injured or incapacitated by an accident at work or while travelling directly to or from work. The scheme also covers people who have contracted a disease as a result of the type of work they do.
 - Injury Benefit provides income support for a maximum period of 6 months. The total number of Injury Benefit claims registered in 2016 was 13,708. In 2016, Injury Benefit expenditure amounted to €18.69million (provisional outturn). In 2016, an average of 85% of injury benefit claims was processed in one week.
 - Medical Care covers the cost of certain medical expenses that are not covered by the HSE or the Treatment Benefit scheme. The total number of medical care claims processed in 2015 was 1,127 with expenditure of some €95,000.
 - Disablement Benefit may be paid where an insured employee suffers a loss of physical or mental faculty because of an accident at work, an accident travelling directly to or from work, or where s/he contracts a prescribed disease as a result of work. Payment is made where the level of disablement following the accident or disease is assessed at 15% or more. Payment may be in the form of a gratuity, a non-taxable lump sum or by way of a weekly pension.
- Where a customer is found to be incapable of work as a result of their occupational injury or disease and does not qualify for another weekly social welfare payment, they may be entitled to an Incapacity Supplement which is paid as an increase on their Disablement Benefit.
- Where an applicant suffers a 50% or greater loss of faculty as a result of an occupational injury or disease and they require constant attendance to help with their personal needs, they may be entitled to a Constant Attendance Allowance (CAA).
- Disablement Benefit is not affected by any other social welfare payments, other than Occupational Injury Benefit, and is not affected by any other income a customer may have.
- At the end of December 2016, Disablement Benefit was in payment to 14,619 people. Of these 856 were in receipt of an Incapacity Supplement.
- From its introduction in 1967 until 2012, Disablement Benefit was payable for loss of faculty assessed from 1% to 100%. Since 2012, for new claims, payment is made only for loss of faculty of 15% or more. Expenditure in 2016 was €78m.

- Death Benefit may be paid where an employee dies as a result of an accident at work, an accident travelling directly to or from work, or a prescribed disease contracted at work. It also may be paid where, immediately before death, the deceased was in receipt of a Disablement Pension for a 50% or greater loss of faculty.
- Death Benefit is generally paid in the form of a weekly pension to a surviving spouse or civil partner. This pension is paid instead of the Widow's, Widower's or Surviving Civil Partner's (WWSCP) Pension and is payable at a higher rate than WWSCP pension. Alternatively, where there is no surviving spouse or civil partner, Death Benefit may be paid in the form of a weekly pension to any orphan(s) of the deceased.
- Death Benefit may be paid in the form of a grant for funeral expenses to the personal representative of the deceased or any next-of-kin.
- At the end April 2017 there were 714 customers in receipt of a Death Benefit WWSCP Pension. Expenditure in 2016 was €8m. The average claim processing time in 2016 was 6 weeks.

Blind Pension

- Blind Pension is a means tested payment paid to blind people and certain people with low vision, aged between 18 and 66 and who are habitually resident in the State. This pension was introduced in 1920.
- The number of Blind Pension recipients has been in decline with 1,481 recipients in April 2012 compared with 1,260 in April 2017. Estimated expenditure for 2017 is €13.4m and outturn for 2016 was €13.6m.
- On average it takes 10 weeks to award a Blind Pension application.

Partial Capacity Benefit (PCB)

- The Partial Capacity Benefit scheme was launched in 2012. Its aim was to address a limitation of the welfare system by explicitly recognising and responding to the reality that some people with disabilities will have a capacity to engage in open market employment while continuing to need some income support from the State. The scheme is designed to incentivise such people to return to the workplace without fear of loss of their disability related social welfare benefits.
- The scheme is open to people who currently;
 - are in receipt of Illness Benefit (IB) for a minimum of six months, or
 - are in receipt of Invalidity Pension (IP).

- PCB allows a person to return to work (if they have reduced capacity to work) and continue to receive a payment from the Department. There is no restriction on earnings or number of hours they can work and participation in the scheme is voluntary.
- When a person applies for PCB, a DSP medical assessor assesses the restriction on their capacity for work. A person will qualify for PCB if the restriction on their capacity for work is assessed as moderate, severe, or profound. If it is assessed as mild, they will not qualify and their continued eligibility for IB or IP will also be reviewed.
- The personal rate of payment is based on the assessment of the restriction on their capacity for work and the underlying welfare payment.

Medical Assessment	% of Personal Rate of Illness Benefit or Invalidity Pension Payment
Moderate	50%
Severe	75%
Profound	100%

- Any increase being paid in respect of a qualified adult or of qualified children will not be affected. Subject to the normal reviews, payment of PCB will continue as long as the person has an underlying entitlement to payment of IB or IP.
- A recipient of PCB can opt to revert to IB or IP if, for example, their employment ceases or they find they cannot continue to work. There are some 2,000 people currently in receipt of PCB.
- A review of the PCB scheme was completed in 2015. The review found that the outcomes for PCB clients have been largely positive.

Work-related supports and services for persons with disabilities

- In line with the overall objective of ‘encouraging and assisting people with disabilities and long-term illnesses to identify and take up available employment, training, educational and other self-development opportunities, where appropriate’, DSP provides a number of supports and services to assist persons with disabilities to seek and take-up employment opportunities.

Intreo Service - People With Disabilities

- The Department has rolled out its full activation support service to people with disabilities who wish to avail of the service on a voluntary basis. The service is now available in 60 Intreo service centres.
- Training has also been delivered to over 60 Case Officers to provide specialised support to people with disabilities presenting at Intreo Centres.

- The Department is also currently developing proposals for utilising the next round of available European Social Fund (ESF) monies to enhance engagement with people with disabilities through the Intreo service, building on the learning from the previous ESF operational programme, which finished in 2015.

EmployAbility Service

- The EmployAbility service is a nationally provided employment service dedicated to improving employment outcomes for job seekers with a disability. The service currently comprises 23 limited companies, each with a specific geographical remit and each fully funded by the Department. Budget 2017 provides €9.67 million to run the service.
- An evaluation of the EmployAbility Service, undertaken by Indecon International Economic Consultants, was completed in January 2016. The review concluded that the service faces a number of challenges in responding to increased demand and maximising progression outcomes in a cost-effective manner.
- In general, the report was welcomed by the EmployAbility service and there has been a largely positive interaction with the Department. The representatives of the EmployAbility service are engaging with the Department in progressing the implementation of the recommendations, starting off by focussing on those relating to indicators and performance reviewing.

Wage Subsidy Scheme

- The Wage Subsidy Scheme (WSS) is an employment support to the private sector for the employment of people with disabilities. The purpose of this demand-led programme is to encourage employers to employ people with disabilities and so increase the numbers of people with disabilities participating in the open labour market.
- The number of employees participating in the scheme currently stands at around 2,300, having increased by almost 20% over the course of 2016. Budget 2017 provides almost €26 million for the running of this scheme.
- A review of the scheme's operational guidelines was conducted by an internal departmental working group during 2016. The primary focus of the working group was to review the operational procedures and enhancing the control processes for the scheme. The group also considered a range of policy issues which required clarification, particularly issues relating to the payment of DSP schemes in conjunction with the WSS.

European Social Fund – Disability Activation

- €10 million is available under the Programme for Employability, Inclusion and Learning (PEIL) operational programme, 2014-2020, (PEIL, 2014 – 20) for Disability Activation (DACT) activities. Half of this funding will come from the ESF and matching funding will be provided from the Exchequer.

- This activity follows on from an earlier DACT programme under the previous ESF operational programme (HCIOP, 2007-13). The Disability Activation (DACT) programme, jointly funded by the European Social Fund and Department of Social Protection.
- Commencing in 2017, a range of activities are being planned including:
 - The setting up of a pre-activation and training programme delivered by community groups. This programme is to be merged with the pre-activation supports measure, outlined below, so as to enhance the effectiveness of the programme.
 - The development of a number of Intreo centres into “centres of excellence” where people with disabilities would be provided with a formal service coordination or case management support service to assist them to progress into employment or other appropriate services.
 - the development of a toolkit for employers for workplace psychological health.

Pre-activation Supports for People with Disabilities

- Budget 2017 provides funding of €2 million for projects which will deliver pre-activation supports for people with disabilities in 2017. This will allow for the adoption of innovative approaches in addressing issues around the employability of people with disabilities.
- This is a new scheme, the objective of which would be to help bring people with disabilities who are not work-ready closer to the labour market through engagement in training and personal development activities, which would be followed by an incremental exposure to work.
- The processes required for the operation of this programme are currently being worked out by the Department with the assistance of Pobal. In this regard, it is intended to merge this measure with the ESF funded pre-activation and training programme, so as to enhance the effectiveness of the two programmes.

Other supports

- The Department also provides a range of grants under the Reasonable Accommodation Fund and the Disability Awareness Training Support Scheme to assist employers in the private sector to take appropriate measures to enable a person with a disability/impairment to have access to employment. Take up of these schemes is low.
- Through the Discretionary Fund for Innovative Projects, the Department funds two significant disability projects directed by the Association for Higher Education Access and Disability:
 - WAM (Willing Able Mentoring) – a programme that builds on the experience and confidence of graduates with disabilities and employers through a mentored, paid (by the employer) work placement programme.

- Get AHEAD – a training programme and forum for students and graduates with disabilities to discuss their experiences of education and employment.

Comprehensive Employment Strategy

- The Comprehensive Employment Strategy (CES) for People with Disabilities (2015-2024) was developed in consultation with Government Departments, State Agencies, the National Disability Authority, the Disability Stakeholder Group and the National Disability Strategy Implementation Group, and adopted by Government in October 2015.
- The ten year strategy is a cross-government approach co-ordinated by the Department of Justice and Equality and provides a roadmap to ensure that people with a disability who are able to and want to work are supported and enabled to do so.

Actions in the Strategy are built into the mainstream national employment strategy (Pathways to Work).

- DSP is committed to over 20 actions under the CES. These include the following:
 - Expanding the Intreo service as a gateway to employment activation on a phased basis to cater for people with a disability
 - Enhancing engagement with people with disabilities (drawing on profiling analysis etc.)
 - Devising early intervention strategies to address drift into long-term ill-health
 - Leading and supporting an interdepartmental group on Making Work Pay (see next section below).
- Progress in implementing these actions is regularly reported by the Department to the Comprehensive Employment Strategy Implementation Group. The Chair of this Group, Mr Fergus Finlay, presented his first progress report in March 2017 to the Minister of State with responsibility for Disability. The report notes the work advanced by the Department of Social Protection to build the capacity of its Intreo service to better support persons with disabilities who want to pursue further education, training or work opportunities and the progress being made in upskilling staff to better support claimants with disabilities.

“Make Work Pay” – report of interdepartmental working group

- A key strategic strand within the Comprehensive Employment Strategy is to ensure that work pays for people with disabilities. The Department of Social Protection established an interdepartmental expert group, with an independent chair, to examine the complex interaction between the benefit system, including the medical card and the net income gains in employment.

- To further inform consideration of these proposals, a survey of Disability Allowance customers was conducted in November/December 2015. The specific research objective of this survey was to inform the design of supports and interventions which will assist people with disabilities in receipt of Disability Allowance to participate in the labour force according to their capacity.
- The results provide data on education levels of the sample of Disability Allowance customers surveyed and their interest in pursuing further education. Recent employment history and employment type is captured and part-time and full-time employment ambitions are explored. In terms of those in receipt of Disability Allowance who are already working part-time or full-time (some 10% of the Disability Allowance cohort) the survey findings report that for a majority of recipients that work has been a positive experience.
- The survey identifies the top supports which would assist in achieving their employment ambitions. In addition, the survey identifies barriers to achieving their employment ambitions. Issues such as family support, retention of the medical card and transport have all been identified as important factors in helping to achieve employment ambitions. The survey also explores specific health issues and level of difficulty conducting everyday tasks.
- The group's report was launched by the Ministers for Health and Social Protection and the Minister of State with Special Responsibility for Disabilities in April 2017. The report identified the main barriers stopping people with disabilities from achieving their employment ambitions and made 24 recommendations covering a range of Government departments. Selected key recommendations included:
 - Raise the Medical Card earnings disregard from its current level of €120 per week for people on Disability Allowance or Partial Capacity Benefit associated with Invalidity Pension;
 - Retention of free travel pass for three years for people with disabilities moving on to work;
 - Fast-track reinstatement of social welfare payments and Medical Card for people with disabilities who have returned to work, and have subsequently had to leave their job within one year;
 - Reconfigure the Disability Allowance scheme for new entrants;
 - Support for 16-18 year olds with significant support needs, which is currently paid by means of Disability Allowance, to be paid via Domiciliary Care Allowance up to 18 years of age;
 - Between the ages of 18-22 the Department of Social Protection should consider reform of the structure of the Disability Allowance to focus on

participation in education, training and/or social inclusion according to individual capacity;

- Develop and strengthen the capacity of the Intreo service to support people with disabilities.
- A Government decision of 21 March 2017 noted, inter alia, that:
 - the Minister and the Minister of State propose consultation with stakeholders on the recommendations of the Report commence shortly after publication; and
 - the matter would also be considered by the Cabinet Committee on Social Policy and Public Service Reform.
- Under the recently launched “Make Work Pay” Report, the Department will start by exploring possibilities for the reform of the structure of the Disability Allowance for those between the ages of 18-22 to focus on participation in education, training and/or social inclusion according to individual capacity. The Department is currently engaged in consultation with disability representative groups on the implementation of this commitment and will consider any suggestions on this topic that may arise as part of that consultation process.

Recovery of Certain Benefits and Assistance

- The Social Welfare and Pensions Act 2013 included provisions which enable the Department to recover the value of certain illness-related social welfare payments from compensators³. The Recovery of Certain Benefits and Assistance scheme was formally introduced in 2014.
- Under the legislation, a compensator must apply to the Department for a statement of recoverable benefits before making any compensation payment to an injured party. Once the request has been received, the Department must issue a statement of recoverable benefits to the compensator and the injured person within 28 days (a proposal to amend to 25 working days has been initiated).
- In 2016 the total number of applications for a statement exceeded 61,000 (including renewals and additional compensators for an existing case). The scheme brought in €22.7m in 2015, with an overall total of €57.7m to April 2017.

Medical Referral & Assessment

- The Department has its own medical assessment service with a Chief Medical Officer, Deputy Chief Medical Officer and 32 Medical Assessors (MA) for the provision of

³ A ‘compensator’ is the person who is liable to any extent in respect of a personal injury suffered by another person. Typically, the ‘compensator’ will be the insurance company paying the compensation

medical opinions to assist Deciding Officers in the assessment, processing and review of applications and claims for its short-term and long-term illness and disability schemes.

- The provision of medical opinions relate to:
 - the assessment of disease/injury with regard to its severity, resulting degree of disability, probable duration and/or resultant care requirements.
 - the assessment of disabilities relevant to occupational injuries and disease and the evaluation of the resultant loss of faculty.
- These medical opinions are based on an evaluation of relevant information provided by the client and/or by his/her own doctors and the application by the MA of the DSP medical protocols.
- Medical opinions are arrived at in one of two ways. Those derived solely from document-based evidence are referred to as “at desk” assessments. Those which involve a “face to face” meeting between the MA and the client are referred to as “in-person”. The “in-person” assessments are conducted in dedicated DSP medical centres.
- The majority of medical assessments are conducted at desk. In 2016 some 84, 500 desk assessments and 8,266 in-person assessments were recorded.

Carers payments and supports

- The Department provides a range of supports to those who are caring for people who are incapacitated either due to illness or disability. They aim to provide an income support for those who cannot work-full time as a result of their caring responsibilities; to enable carers to remain in touch with the labour market to the greatest extent possible and to empower carers to participate fully in economic and social life.
- The Carers income supports include the following (further details below):
 - Carers Benefit
 - Carers Allowance
 - Carers Support Grant
- Total Expenditure on carers (Carers Benefit, Carers Allowance, Domiciliary Care Allowance and Carers Support Grant) has increased from just under €752 million in 2010 to estimated €1,046 million in 2017. This is an increase of €294 million or 39%.

Carers Benefit (CARB)

- Carers Benefit is a social insurance payment for carers who have to leave the workforce or reduce their hours of work to 15 hours per week or less. It can be paid for up to 104 weeks for each person being cared for. The benefit may be claimed as a single continuous period or in any number of separate periods up to a total of 104 weeks.

- Payment is made at a set weekly rate of €210.00. Where a person is caring for two or more care recipients, the rate of payment is increased by 50%.
- At the end of 2016, there were just over 2,710 people in receipt of Carer's Benefit; an increase of 16% on the end of 2015 figure.
- Claims received in 2016 (3,108) have increased by 38% over the 2015 figure (2,254). The average time taken to award a new CARB claim in 2016 was just under 11 weeks.
- Expenditure on CARB in 2016 was €30m, up 25% on 2014 (€24m). Almost €34m has been provided for 2017.

Carers Allowance (CA)

- Carer's Allowance is a means-tested payment for people who are providing full-time care and attention to one or more persons who need this level of care. Applicants for CA must satisfy the habitual residence condition.
- Where a person is caring for two or more care recipients, the rate of payment is increased by 50%. CA is also payable in cases where two carers provide care on alternate weeks or where a carer provides care on alternate weeks while the care recipient attends a residential institution every other week. In these instances, the allowance is halved.
- At the end of 2016, there were just under 70,500 people in receipt of Carer's Allowance; an increase of 12% on the end of 2015 figure. These carers were getting qualified child increases in respect of 42,124 children.
- Claims in payment have increased by 12% in 2016 over 2015. Expenditure in 2016 was €653m. €694m has been provided for 2017.
- Carer's Allowance continues to receive increasing numbers of applications. Claims received in 2016 (22,722) have increased by 20% over 2015 (18,929). Up until the end of May 2017, 10,377 applications were received compared to 8,786 for the same period in 2016. This represents an increase of over 19% year on year. The processing target set for carer's allowance is to award 70% of eligible cases within 12 weeks.
- In determining entitlement to the allowance there are, in certain cases, unavoidable time lags involved in making the necessary investigations and enquiries to enable appropriate decisions to be made. In certain instances people applying for the allowance do not supply all the necessary information in support of their claim, leading to delays in claim processing.
- A half-rate Carers Allowance can be paid to carers in some cases in addition to their primary social welfare payment. Similarly, where the carer is a qualified adult on a welfare payment, the Qualified Adult Increase may be retained in addition to half rate Carer's Allowance.

Carers Support Grant

- Carers Support Grant is automatically payable to people in receipt of Carer's Allowance, Carer's Benefit and Domiciliary Care Allowance on a specified date (normally the first Thursday in June). This Grant (formerly called Respite Care Grant) amounts to €1,700 in respect of each care recipient.

Consultation/The National Carers' Strategy

- The Department actively engages with carers' representative groups, including Family Carers Ireland (formed following the merger of the Carers Association and Caring for Carers).
- The Government's commitment to supporting carers in their caring role is recognised in the National Carers' Strategy (published in 2012) which aims to ensure that carers are recognised, supported and empowered in their caring role.
- While the Department of Health has overall responsibility for the strategy, specific actions for which the Department has responsibility include: hosting the Annual Carers' Forum, which provides carers with a voice at policy level and which last took place in April 2017; recognising the needs of carers by the provision of income supports; supporting carers to remain in touch with the labour market to the greatest extent possible.
- Budget 2017 changes include a €5 increase in the payment rate and a measure that extends the payment of carer's allowance to 12 weeks following the permanent admission of the care recipient to a nursing home and the end of the full-time caring role. This builds on Budget 2016 improvements including extending the period when CA can be paid following the death of a care recipient from 6 to 12 weeks and increasing the carer's support grant to €1,700.

Dormant Accounts Funding (Carers)

- The Department has provided funding, through the Dormant Accounts Action Plan (2014/2015), for a measure to support training for carers. In excess of €900,000 has been provided to 16 groups, including €300,000 to Family Carers Ireland.

Treatment Benefits

- The Treatment Benefits scheme consist of three separate benefit types:
 - Dental Benefit
 - Optical Benefit
 - Medical Appliance (Hearing Aid) Benefit

- The scheme offers assistance towards the provision of dental/optical treatment to those who satisfy certain qualifying PRSI conditions and to their dependent spouses/partners under certain conditions.
- Prior to Budget 2010, a wide range of dental treatments were available and optical benefits included either free glasses or a contribution to more expensive frames. Since 2010 in the case of dental and optical, the treatments available have been significantly restricted, with a consequent reduction in expenditure on the scheme from some €86m in 2009 to €22m in 2016. The estimated expenditure in 2017 is €48m due to the extension of the scheme to the self-employed from 27 March and the re-introduction of certain treatments on the Optical and Dental schemes from October 2017. Some 494,000 claims were paid in 2016. HSE re-imburement for dual-qualified customers paid in 2016 was €8.9m.
- The audiological scheme continues to offer a 50% grant for hearing aids subject to a fixed maximum amount of €500 (reduced from €750 in 2012) for each hearing aid (maximum of two) every 4 years.
- Services carried out under the Treatment Benefit Scheme are delivered by a panel of private practitioners under agreements entered into with the Minister. There are approximately 1,988 Dental practitioners, 430 Optical practitioners and 103 Hearing Aid suppliers on the Department's panel.
- In the context of the Financial Emergency Measures in the Public Interest Act 2009, the professional element of fees was reduced by 8% from 1st June 2009. As the professional fee element is estimated to comprise 60% of the total fee, the net reduction is in the order of 5%.
- Fees increase for both the Optical exam and the Dental scale and polish treatment have been approved, to take effect from October 2017.
- The Department has experienced an increase in the number of eligibility queries across all three schemes (dental, optical, hearing aids) averaging 20% over the months of April and May. In the main this is attributed to the extension of treatment benefits to self-employed contributors, but may also have been impacted by an advertising campaign undertaken in March 2017.
- Regulations to simplify some of the qualifying conditions for Treatment Benefit are currently being drafted, against a background of moving the administration of the scheme to a new IT platform.

(iv) Older People

- The Department provides a range of income support payments for older people and for widows/ widowers/surviving partners:
 - The contributory state pension where payments are based on a person's record of social insurance contributions. This is known as the State Pension Contributory (SPC)
 - The means-tested state pension, known as the State Pension Non-Contributory (SPNC)
 - Widows, Widowers & Surviving Civil Partner's Contributory Pension (WSCPCP)
 - Widow/Widower' & Surviving Civil Partner's Non-Contributory Pension
- Older people (as well as some other welfare claimants) are also supported through a number of other schemes:
 - Free Travel
 - Household Benefits Package
 - National Fuel Allowance
 - Widowed or Surviving Civil Partner Grant
- State pensions account for the single largest block of social welfare expenditure. In 2017, €7.269 billion will be spent on pensions, which represents 36.6% of the Department's total current expenditure. Expenditure on pensions is increasing by approximately €1 billion every five years because of demographic pressures.
- The Department has policy responsibility for the pensions' system in Ireland which comprises, on one hand, the contributory and non-contributory (means-tested) State pensions and, on the other, voluntary supplementary pensions provided through a variety of arrangements and regulated by the State⁴. These take the form of pensions sponsored by the employer, or personal pensions such as Retirement Annuity Contracts (RACs) and Personal Retirement Savings Accounts (PRSAs).
- The overall objective of the Irish pensions' system is to provide an adequate basic standard of living through direct state supports and to encourage people to make supplementary pension provision to improve the level of their income on retirement.

⁴ Occupational pensions policy is underpinned by the provisions of the Pensions Act 1990 (as amended) and associated regulations.

Pension Age

- Increasing pension age, to moderate the increase in pension duration, is a means by which pensions can be made sustainable in the context of increasing longevity. Towards this end and to facilitate a longer working life, legislation was passed to increase the State pension age in three separate stages. In 2014, the State pension age was standardised at 66. This will be increased to 67 in 2021 and 68 in 2028⁵. At this level the State pension age will still be lower than that which prevailed in the 1970s (when the state pension age was 70).
- There is no statutory retirement age in the State, and the age at which employees retire is a matter for the contract of employment between them and their employers, whether they are in the public or private sector. Discrimination on grounds of age is, subject to certain factors, illegal. Responsibility for enforcing the law in respect to non-discrimination rests with the Department of Jobs, Enterprise & Innovation.

Recent Changes to Legislation Governing Defined Benefit Schemes

- The Social Welfare and Pensions (No.2) Act 2013 provided for a fairer and more equitable distribution of scheme assets in the event of the wind up of an underfunded scheme. It also facilitates a greater sharing of the risk between all the beneficiaries when a scheme is underfunded, while still providing for priority protection of pension benefits.
- The purpose of these measures was to address difficulties in defined benefit schemes and the exposure of the State under the Insolvency Directive (2008/94/EC) since a European Court of Justice ruling in April 2013. The ECJ ruled that when both the employer and pension scheme are insolvent, the State was required to put measures in place to provide at least 49% of the pension benefits expected.
- Further changes to the legislation governing defined benefit schemes are included in the Social Welfare Bill 2017 (see part A of the Brief).

State Pension (Contributory)

- State Pension (Contributory) (SPC) is a social insurance payment for people aged 66 or over, who satisfy certain social insurance contribution conditions. The pension (personal rate) is not means-tested, or affected by any other income a claimant may have, such as ongoing earnings or an occupational pension.
- Expenditure on the SPC in 2016 was some €4.662bn and the estimated cost in 2017 is €4.844bn.
- There are currently 382,903 primary recipients of SPC, plus an additional 66,747 adult dependants (spouse/civil partner/cohabitant) who are beneficiaries of a means-tested increase

⁵ Section 7 of the Social Welfare and Pensions Act 2011 provided for increasing the pension age to 67 in 2021 and to 68 in 2028. These provisions will not come into operation until 2021 and 2028 respectively.

for qualified adult (IQA) on those pensions. The number of primary recipients has grown by an average of 5% per annum over the past 5 years.

- Approximately 40,000 SPC cases are processed annually.
- The monthly performance target for new domestic SPC claims is set at 90% by date of entitlement (the applicant's 66th birthday). The average achieved for 2016 was 94%.
- For SPC EU & International claims, the processing target is 90% awarded within 16 weeks of receipt of the application. The average achieved in 2016 was 98%.

State Pension (Non-Contributory)

- State Pension (Non-Contributory) (SPNC) is a means-tested payment for people aged 66 or over, who do not qualify for State Pension (Contributory) based on their record of social insurance contributions.
- There were some 94,739 customers in receipt of SPNC at 31st May 2017.
- Expenditure on the SPNC in 2016 was some €982m. The estimated cost in 2017 is €972m.
- The number of customers receiving SPNC has reduced over the last few years from 97,000 to 95,000. This is likely to reflect the larger workforce and employment levels in the last 20 years with more people now having an entitlement to the State Pension (Contributory) as a result of contributions paid during their employment or self-employment.
- The processing time for new SPNC applications is approx. 10 weeks in cases where all the requisite information and documentation required to establish a person's means is submitted when requested.
- SPNC is a means-tested scheme. Customers are required to provide details of all income and assets at application stage, and also notify, at any time after they are awarded pension, changes in circumstances which may affect their entitlement. There are many reasons why customers do not keep the Department advised of such changes and this can include a certain reluctance to fully disclose all of their assets. The Department is currently undertaking a major review project on foot of a data matching exercise with Revenue which, by reference to the level of D.I.R.T. tax paid by SPNC recipients, indicated that they potentially had means in excess of the maximum weekly threshold for SPNC eligibility. This is likely to lead to significant control savings as it is progressed.

Widow's, Widower's and Surviving Civil Partner's Contributory Pension

- Widow's, Widower's & Surviving Civil Partner's Contributory Pension (WSCPCP) is a social insurance based payment, payable to both men and women, on the death of their spouse or civil partner. It is not means-tested and entitlement is not affected by any other income a person may have.

- The pension was introduced for widows on 1 January 1936, extended to widowers in 1994 and extended to surviving civil partners on the introduction of civil partnership in December 2010.
- At the end of 2016, there were just over 120,000 people receiving WSCPCP. Approximately 85% of recipients are female and 15% are male.
- Expenditure on the WSCPCP in 2016 was some €1.44bn, with a similar estimate for expenditure in 2017.
- The weekly rate of WSCPCP increased by €5 for those over age 66 with effect from 10th March 2017 and from 17th March for those under age 66.
- The number of people receiving WSCPCP increases by about 1,000 each year. The average processing time for a new WSCPCP application is approximately 2 weeks, where all the requisite information and documentation is available to the Deciding Officer.

Widowed or Surviving Civil Partner Grant

- The Widowed or Surviving Civil Partner Grant is a once-off payment of €6,000 automatically paid to a person in receipt of Widow's, Widower's Or Surviving Civil Partner's Contributory Pension, following the death of their spouse or civil partner, who is entitled to an increase on their pension for a qualified child.
- The Grant was introduced on 1 December 1999 and extended to surviving civil partners on the introduction of civil partnership in December 2010.
- In 2016, 1,023 people were paid a Widowed or Surviving Civil Partner Grant.
- Expenditure for 2016 was €5.7m with an estimate of €6m for 2017.

Widow/Widower's non-Contributory Pension/Surviving Civil Partner's Non-Contributory Pension

- This is a means-tested payment payable to a widow or widower or surviving civil partner up to age 66 who does not satisfy the contribution conditions for the equivalent contributory pension (WSCPCP).
- This pension is not payable where the applicant has dependent children. In such cases, the more appropriate payment is the One-Parent Family Payment. Estimated expenditure for 2017 is €13.6m and outturn for 2016 was €14.5m.
- On 1 January 2017, there were 1,539 customers receiving the Non-Contributory Pension. The number of recipients continues to decline reflecting the fact that most widows and widowers now qualify for a contributory pension.

- On average it takes 10 weeks to award a Widow/Widower's Non-Contributory Pension or Surviving Civil Partner's Non-Contributory Pension.

In addition to the primary pension payments the Department's pensions area also pays Deserted Wife's Benefit and Deserted Wife's Allowance, two payments now closed to new applicants.

- Deserted Wife's Benefit is a social insurance payment made to a woman deserted by her husband. Entitlement to payment is based on social insurance contributions paid by the wife or by her husband.
- Deserted Wife's Benefit scheme was closed off to new applications with effect from January 1997, when the One-Parent Family Payment was introduced.
- A person whose payment of Deserted Wife's Benefit had been terminated (being under 40 years of age with no qualified child/ren) can apply to have payment restored when she reaches 40 years of age.
- On 1 January 2017 there were 6,646 customers receiving Deserted Wife's Benefit. Estimated expenditure for 2017 is €71m and outturn for 2016 was €74.3m.
- As the scheme is closed there are no new applicants and the number of claimants reduced by approx. 221 in 2016.
- Deserted Wife's Allowance is a means tested payment made to women under the age of 66 years who have no dependent children, who were deserted by their husband and who do not qualify for Deserted Wife's Benefit.
- Deserted Wife's Allowance was closed off to new applications with effect from 2 January 1997 when the One-Parent Family Payment was introduced.
- Former Deserted Wife's Allowance recipients who had been transferred to Lone Parent's Allowance (now One-Parent Family Payment) in 1990 and who cease to be eligible for One-Parent Family Payment because they no longer have a dependent child, may re-qualify for Deserted Wife's Allowance once they are aged 40 years or over.
- On 1 January 2017, there were 161 customers receiving Deserted Wife's Allowance.
- Estimated expenditure for 2017 is €1.2m and outturn for 2016 is €1.7m.
- As the scheme is closed there are no new applicants and the number of customers receiving Deserted Wife's Allowance continues to decline.

Free Travel

- The free travel scheme was established in 1967 and is available to people over 66 years, to carers and to people in receipt of certain disability type payments. Under the recently announced "Make Work Pay" initiative, people with a long-term disability

payment, who move off the payment to get a job after 6th April, 2017, will retain their free travel pass for a period of five years.

- The scheme permits travel for free on most CIE public transport services, Luas and some 80 private operators. Free travel is also available on cross border journeys and within N. Ireland (if over 66).
- There are currently in excess of 882,000 customers in receipt of Free Travel. Between 2007 and 2017 the number of Free Travel recipients has increased by 38%, from 637,312 to 882,106.
- Funding for the free travel scheme was increased by €3m in Budget 2016 to allow more operators into the scheme and the total budget for 2017 is €80m.

Review undertaken of free travel scheme

- In 2012, the then Minister for Social Protection and the Minister for Transport, Tourism and Sport established an interdepartmental working group to review the free travel scheme.
- The review was carried out at a time of fiscal constraint, to examine and report on the operation, sustainability, effectiveness and future development of the free travel scheme.
- By the time the report was finalised in October 2014, the economic position had improved significantly and the report and its recommendations were not considered by the then Ministers or the Government.
- The report has recently been made available on the Department of Social Protection website for information purposes only - it does not represent Government policy.

Payments under the Free Travel Scheme in 2016

- The Department makes a block payment to the CIÉ group and the apportionment of payment between the three constituent companies, Bus Éireann, Bus Átha Cliath and Iarnród Éireann is a matter which the CIE Group determines. This payment reflects a range of factors negotiated over the years including fare increases, peak time access to free travel, service improvements, changes and enhancements. A discount of 40% is applied to reflect the fares foregone nature of the scheme.
- Payments to private travel operators participating in the scheme, new operators wishing to enter the scheme, or existing operators seeking an increase in payment are determined by way of a survey of their passenger numbers. An average fee is agreed on foot of surveys undertaken over a six month period and based on the operator's own fare charges. This is then discounted by 30% to reflect the fares foregone nature of the scheme.

- The following is a breakdown of payments made in 2016:

	€ million
CIE	61.4
Private Operators	8.5
NTA / POBAL Rural Transport Programme	1.5
Luas / Transdev	3.9
Cross Border Travel/ All Ireland Free Travel	1.8
Total	77.1

Freeze on funding under national recovery plan

- Under the National Recovery Plan 2011 – 2014 funding for the free travel scheme was frozen at 2010 levels of expenditure i.e. €77m per annum for the duration of the plan. The rate of payment prior to the introduction of the cap on expenditure in 2010 was reviewed regularly and adjusted on the basis of changes in rates of fares. As a result of the cap, the fare increases announced by the NTA from January, 2012 have not been implemented.

PSCFT – Public services card free travel

- Since May 2015, the paper based free travel pass is no longer being issued, and is being replaced by the Public Services Card Free Travel (PSCFT) which was introduced in December 2013.
- Currently over 80% of all Free Travel customers nationally have received their PSCFT and the remainder of customers who wish to continue to avail of free travel have to be registered for the PSCFT and then the paper pass will be fully withdrawn.
- In terms of free travel, the PSCFT offers the Department of Social Protection and travel operators many advantages, including the ability to quickly identify if a card holder has a free travel entitlement or not, and reducing the opportunity for free travel fraud and pass misuse due to customer's photo digitally displayed on PSCFT.

Discussions regarding future funding of free travel scheme

- This Department, the Department of Transport, Tourism and Sport and the National Transport Authority are reviewing the overall funding mechanisms underpinning the scheme to ensure equity, consistency and transparency in approach to all participating commercial travel operators. They are also looking at the discounting levels applied

across operators and manner in which private operators are surveyed. These discussions are ongoing and it is expected that matters will be brought to a conclusion in the near future. The outcome will feed into preparations for Budget 2018.

Household Benefits Package (HHB)

- The Household Benefits Package (HHB) comprises the Electricity/Gas Allowance (€35 per month) and the Free Television Licence Scheme (€160 per year) – with a total value per year of €580. Budget 2014 abolished the telephone allowance of €9.50 per month from 1st January, 2014 resulting in a saving of €48.1m at that time.
- The HHB package is available to those -
 - aged 70 or over regardless of means and household composition;
 - in receipt of Carer's Allowance who are living with the person they are caring for;
 - aged between 66 and 70 and in receipt of a qualifying payment (e.g. State Pension Contributory, State Pension Non-Contributory) from the Department or who satisfy a means test and who live alone or only with certain exempted persons;
 - aged under 66 and in receipt of a disability related qualifying payment (e.g. Invalidity Pension, Disability Allowance) who live alone or with certain exempted persons.
- The HHB Package is paid to some 423,000 customers, mostly elderly and disabled. The package is either paid as a €35 credit on the customers' utility bill if they are customers of Electric Ireland or Bord Gáis or as a cash payment if they are with other providers.
- The 2017 annual provision for the HHB Package is €232.2million. Funding for the TV licence scheme was frozen by the previous government at 2010 levels until the end of 2014. Budget 2014 reduced funding from €59.17 million to €54.17million, without affecting customers' entitlement. In Budget 2017 an additional €1 million was made available to increase the payment made to the Department of Communications, Climate Action and Environment (DCCEA) for the TV licence. Given the extent of the freeze and cut imposed since 2010, that Department will be seeking further increases for the scheme in the context of preparations for Budget 2018.
- There was an increase in the number of Household Benefit applications in 2016, with 72,826 registered in 2015 rising to 75,443 in 2016, an increase of 4%. The average number of weeks to award a claim has improved by 35% in 2016, taking 2 weeks to award in 2016 compared with 3 weeks in 2015
- It is estimated that up to 185,000 households receive both the Fuel Allowance (€585 per annum) and Household Benefits (€580 per annum) or a total of €1,165 per annum towards these costs. The 2011 Programme for Government contained a commitment to put the Household Benefits Package out to tender, so that the Exchequer would benefit

from reduced prices. Based on advice from the Chief State Solicitors Office, the Commission for Energy Regulation and the Competition Authority, it was not possible to put this commitment into effect, because while the Department pays for these allowances, it is not viewed as the actual customer.

- In 2013, the arrangements governing the electricity/gas allowance were changed from a unit based allowance to a credit based allowance. Customers can now get the electricity/gas allowance as a credit on their bill (and can require the supplier to refund any unused portion of that credit) or as a monthly cash payment. As a consequence, customers are no longer tied to a specific supplier and can now more readily switch between suppliers to take advantage of the best value in the market. At the time of the change there were some 328,000 customers receiving their allowance as a credit on their bill with some 77,000 receiving a cash payment. Since the change, customers receiving credit have reduced to some 288,000 while customers in receipt of cash have increased to 135,000. This indicates that the change may have facilitated some level of customer switching.

National Fuel Allowance Scheme

- The Fuel Allowance Scheme is means tested and assists pensioners and other welfare dependent householders with meeting the cost of their heating needs during the winter season. The allowance represents a contribution towards a person's normal heating expenses. It is not intended to meet those costs in full.
- The scheme currently operates over the winter season (currently 26 weeks). The allowance is €22.50 per week and was increased from €20 per week in Budget 2016.
- Only one Fuel Allowance is paid to a household. It is payable to those who are in receipt of a long-term social welfare payment (i.e. those in receipt of, for instance, Illness Benefit or Jobseeker's Allowance for less than 15 months are ineligible), who satisfy a means test, and who are either living alone or only with
 - a qualified spouse/ civil partner / cohabitant or qualified child(ren);
 - A person in receipt of a qualifying payment who would be entitled to the allowance in their own right;
 - a person in receipt of Carer's Allowance or Carer's Benefit in respect of providing full time care and attention to the applicant or their qualified spouse / civil partner / cohabitant or qualified child(ren); or
 - a person receiving short term Jobseeker's Allowance or the Basic Supplementary Welfare Allowance
- An applicant in receipt of a means-tested qualifying payment is automatically deemed to have satisfied the means test for the Fuel Allowance.

- At the end of the fuel season 2016/2017 there were some 376,000 customers in receipt of the Fuel Allowance. As the live register decreases for long term unemployed the number of fuel recipients has decreased from 407,000 in March 2015.
- The Fuel Allowance scheme is estimated to have cost €226.2 million in the 2016/ 2017 fuel season.
- The fuel season was reduced from 32 weeks to 28 weeks for the 2011/2012 fuel season and to 26 weeks for the fuel season of 2012/2013. However, the Minister subsequently decided to extend the 2012/2013 season by one week to 27 weeks in light of the exceptionally cold weather conditions experienced at that time at an additional cost of €8 million in that year.

(v) Supplementary Welfare Allowance

- The Supplementary Welfare Allowance (SWA) scheme offers a “*safety net*” within the overall social welfare system by providing assistance to those whose means are insufficient to meet their own needs and those of their dependants.
 - The main purpose of the scheme is to provide immediate and flexible assistance to people in certain circumstances. This assistance is generally provided to those people with a specific contingency which is not covered by payments under other state schemes or who are awaiting a decision in respect of a payment on another scheme.
 - SWA can consist of a basic primary weekly payment (known as BASI) and/or a weekly/monthly supplement in respect of certain expenses a person may not be able to meet (e.g. rent).
 - The SWA scheme also encompasses once-off payments to help with the cost of any exceptional needs of a once-off nature (e.g. purchase of a household appliance) and urgent needs (e.g. arising from a flood or fire in a person’s home). Supplements may also be paid in respect of other needs such as heating.
 - The SWA scheme is administered by the Community Welfare Service following its transfer from the Health Service Executive to the Department in October 2011.
 - As at 31 December 2016, there were some 73,790 SWA claims in payment:*
- | | |
|---------------------------------|--------|
| ○ Basic primary weekly payments | 16,190 |
| ○ Rent Supplements | 48,041 |
| ○ Mortgage Interest Supplements | 2,082 |
| ○ Diet Supplements | 3,417 |
| ○ Other payments | 4,060 |

** This figure will include some people who are in receipt of more than one form of SWA payment e.g. basic weekly payment plus rent supplement.*

- In addition, there were approximately 100,100 once-off exceptional needs payments made during 2016.

Basic Supplementary Welfare Allowance

- The Basic Supplementary Welfare Allowance (BASI) is a weekly allowance paid to people who do not have enough income to meet their needs and those of their families and is payable at the weekly rate of €191 personal rate, €128.10 for a Qualified Adult and €29.80 for a Qualified Child.

- €85.4m has been provided to meet the costs of BASI in 2017. There are currently (end-April 2017 figures) approximately 16,260 BASI recipients. Expenditure in 2016 was some €89 million.
- BASI may be paid to customers awaiting the outcome of a claim or an appeal for a primary social welfare payment. The practice is that payments issued under the SWA scheme are fully recouped, where possible, from the primary social welfare scheme on award.
- Apart from a number of excluded categories, anyone in the State who satisfies a habitual residence condition (HRC) and a means test, has registered for employment (unless they have a physical or mental disability) and can prove unemployment may qualify for SWA.
- The integrated decision-making which is a key feature of the Intreo service and which leads to quicker decisions on claims for primary payments for jobseekers serves also to reduce the level of recourse to an interim payment of BASI.

Reduced Rate payments for those under 26

- Payment rates for persons under 26 mirror those of the Jobseeker's Allowance scheme.

Age	Maximum personal rate	Increase for a qualified adult
Aged 26 and over	€191.00	€128.10
Aged 25	€147.80	€128.10
Aged 18-24	€102.70	€102.70

Rent Supplement

- Rent supplement is a demand-led scheme, the purpose of which is to provide short-term income support to assist with reasonable accommodation costs of eligible people living in private rented accommodation. The budgeted outturn for 2017 for rent supplement is €253 million, with the scheme supporting some 43,600 recipients. Expenditure under the scheme for 2016 was some €275 million.
- At the end of April 2017, approximately 14,227 rent supplement recipients were on the Live Register – representing 5.3% of the total Live Register.
- The strategic policy direction of the Department is to return rent supplement to its original purpose of being a short-term income support scheme. Under the Housing Assistance Payment (HAP) scheme, responsibility for the provision of rental assistance to

those with a long-term housing need is transferring to Local Authorities, under the auspices of the Department of Housing, Planning, Community and Local Government.

- People in receipt of rent supplement for over 18 months are being requested to contact their Local Authority to have their housing needs assessed, thus beginning the transfer process to HAP. As of end-March there were 44,800 rent supplement recipients, 35,000 (78%) who were in receipt of the support for over 18 months. As of 29 May 7,029 HAP tenancies (31.5% of the total) were transfers from rent supplement.

Rent Limit Review

- Rent supplement is subject to a statutory limit on the amount of rent that an applicant may incur. The Department carried out a review of the rent limits in line with the commitments contained in the Programme for a Partnership Government. Increased limits for rent supplement were introduced in all areas of the country with effect from 1 July 2016 at a cost of up to €12 million in 2016.
- The rent limit review represents a realignment of the maximum rent limits with agreed rents generally benchmarked against the 35th percentile of those rents registered with the Residential Tenancies Board. The review's methodology is evidenced based and reflects the pressures on rental properties in each location. In Dublin, the limits were increased by a weighted average of some 30%, whilst in Cork; Limerick and Galway increases of over 20% were provided. Outside the main urban area counties, the rate of increases varies in line with market trends with the highest increases of 25% in Roscommon and Laois.

Ongoing flexibility in rent supplement administration

- In recognition of the ongoing difficulties in the rental market, the Department continues to implement a targeted, flexible, case-by-case approach where rents may exceed the maximum limits. The Protocol arrangement in place with Threshold continues to operate in the areas where supply issues are particularly acute covering Dublin, Cork, Meath, Kildare and Wicklow and Galway City.
- Since the introduction of this flexibility in 2014, c. 11,600 persons at imminent risk of homelessness have been supported through increased rent supplement payments.

Mortgage Interest Supplement

- The original purpose of the mortgage interest supplement (MIS) scheme was to provide short-term support to eligible people who are unable to meet their mortgage interest repayments in respect of a house which is their sole place of residence. The most appropriate way in which customers experiencing mortgage difficulties can be supported is through on-going engagement with their lender to explore sustainable solutions.

- This scheme was discontinued to new entrants from 1st January 2014.
- Customers availing of this support prior to 1st January 2014 have been able to retain entitlement to the scheme up to 1st January 2018. There are currently approximately 1,800 people in receipt of MIS and the budget estimate for the scheme in 2017 is some €4.1 million.
- It is expected that over the remaining period of the scheme, existing MIS beneficiaries will continue to exit the scheme through sustainable solutions being put in place with their lenders; securing employment; or exit strategies sponsored by the Department of Housing, Planning, Community and Local Government, such as the Mortgage to Rent Scheme.

Exceptional Needs Payment

- Under the SWA scheme, the Department can make a single exceptional needs payment (ENP) to help meet essential, once-off expenditure, which a person could not reasonably be expected to meet out of their weekly income. Those who qualify for an ENP are normally in receipt of a social welfare payment.
- The Government has provided €31.5 million for the Exceptional and Urgent Needs schemes in 2017. The Department issued a total of some 100,100 ENPs in 2016 at a cost of €32.2 million (provisional outturn).
- There is no automatic entitlement to a payment or pre-determined amounts under the scheme. ENPs are payable at the discretion of the officers administering the scheme taking into account the requirements of the legislation and all the relevant circumstances of the case in order to ensure that the payments target those most in need of assistance. Recommended guidelines amounts are provided to ensure a consistent service but do not affect the statutory discretion available to officers administering the scheme in issuing an ENP to assist an individual or household in any particular hardship situation which may arise.
- The main items eligible for assistance under the scheme include household appliances, house “kit out” items, bedding, clothing, travel and child related items such as cots and prams and assistance with funerals and burial costs.
- Support is also available to assist persons under this scheme towards rent deposits or rent in advance. In 2016, the Department made a total of some 2,800 payments of rent deposits/rent in advance at a cost of almost €1.8 million

Urgent Needs Payments

- An Urgent Needs Payment (UNP) is a once-off payment made to persons who would not normally qualify for Supplementary Welfare Allowance but who have an urgent need which they cannot meet from their own resources or an alternative is not available at that time.
- There were 253 payments in 2016 at a cost of €115,000.
- An example of a situation where such assistance may be provided would be in the aftermath of a domestic fire where the immediate needs, such as for food, clothing, fuel and household goods, of the people affected may be met by a UNP. Consideration is given to whether such people have access to commercial credit, (e.g. a credit card or an overdraft facility) or insurance cover.
- Persons in full-time education, in full-time employment, or directly involved in a trade dispute do not qualify for SWA payments including ENPs. Urgent Needs Payments may however be considered in these situations.
- The legislation allows for the recovery of all or part of the UNP, depending on the circumstances, particularly where the UNP is made to persons in full-time remunerative employment, or where insurance policies exist.

ENP & UNP Payments and Expenditure 2011-2016

Year	No. of Payments	Expenditure	Reduction in payments %	Change in expenditure %
2011	226,000	€62.6m		
2012	197,000	€52.7m	-13%	-16%
2013	133,000	€35.7m	-32%	-32%
2014	107,000	€30.1m	-20%	-16%
2015	101,000	€30.9m	-6%	+4%
2016	100,000	€32.2m (provisional outturn)	-1%	+4%

Other Supplements

- Under the SWA scheme, a weekly or monthly supplement may be paid to assist people whose means are insufficient to meet their needs in certain circumstances.
- Some €4.56 million has been provided for these schemes in 2017. Expenditure in 2016 was some €6.7 million.

- The main supplements paid are Diet supplement; Heating supplement; Travel supplement and Crèche supplement.
- **Diet Supplement** may be paid to qualifying persons who have been prescribed a special diet as a result of a specified medical condition. Following the outcome of a review of the costs of healthy eating and specialised diets by the Irish Nutrition and Dietetic Institute commissioned by the Department during 2013, the scheme has been closed to new applicants from 1 February 2014.
- The research showed that the average costs of the 4 diets⁶ supplemented under the scheme could be met from within one third of the current rate of personal social welfare payments.
- It was decided to allow existing recipients to continue to receive the diet supplement at the current rate of payment for as long as they continued to have an entitlement to the scheme or until there was a change in their financial circumstances.
- In cases of specific need, additional supports are still available to customers including travel and other supplements and exceptional needs payments (ENPs).
- The numbers in receipt of the supplement have been decreasing steadily in recent years. There were almost 12,000 recipients in 2006, 6,000 at end 2012 and currently there are approximately 3,170 recipients.
- **Heating Supplement** may be paid to a person who lives alone or only with a qualified adult or child(ren) and who has exceptional heating needs due to ill health or infirmity. There are currently (May 2017) approximately 1,540 people in receipt of this payment.
- **Travel Supplement** may be paid in exceptional situations where the circumstances warrant. There are currently approximately 790 people in receipt of this payment.
- **Crèche Supplement** may be paid to assist with the cost of childcare where there is a proven and verified ongoing need due to individual circumstances, usually where a child may be in difficult circumstances, and would benefit by attending a community crèche. There are currently approximately 300 people in receipt of this payment.

Humanitarian Assistance Scheme

- The Department of Housing, Planning, Community and Local Government is the lead Department for severe weather emergencies and the Office of Public Works has responsibility for capital flood relief activities. However, DSP has an important role to play in assisting households in the immediate aftermath of flooding.

⁶ Low-lactose milk-free, gluten-free, high-protein high-calorie and altered consistencies (liquidised) diets

- The humanitarian assistance scheme, administered by the Department, can be activated in order to assist affected householders following severe flooding to restore their home to a habitable condition. DSP activated this scheme most recently in early December 2015.
- Since December 2015 payments have been made to almost 590 households with expenditure of over €2.02m (to end-April 2017). The main counties where households have been supported include Galway, Cork, Westmeath, Mayo and Tipperary.
- In dealing with events of this nature, DSP generally adopts a three stage approach:
 - Stage 1 is to provide emergency income support payments (food, essential clothing, personal items, hiring dehumidifiers and fuel to heat homes/maintain water pumps) in the immediate aftermath. A relatively small amount of financial assistance is provided initially with payments ranging from €100 to €500.
 - Stage 2 generally involves the replacement of white goods, basic furniture items and other essential household items.
 - Stage 3 is to identify what longer term financial support or works are required when houses have dried out which could take several months. Works can include plastering, dry-lining, relaying of floors, electrical re-wiring and painting.

Irish Refugee Protection Programme (IRPP)

- On 10 September 2015 the Irish Government approved the establishment of the Irish Refugee Protection Programme and agreed that Ireland would accept up to 4,000 persons seeking protection under the EU Relocation and Resettlement programmes.
- DSP is represented on the IRPP Taskforce and continues to engage with officials in the Department of Justice and Equality to support the implementation of the programmes.
 - Under the **Resettlement Programme**, people arriving in Ireland will already have been selected under the UNHCR resettlement programme and granted refugee status.
 - Under the **Relocation Programme**, people will arrive in Ireland from other EU member states before their status is determined, i.e. the Department of Justice & Equality services will process their claims for international protection/asylum.
- Both groups will be accommodated initially in reception/accommodation centres provided by the Department of Justice and receive full board, meals and other services.
- The Department provides financial support to persons arriving in Ireland under the Direct Provision Allowance (DPA) or through the relevant social welfare payment once

refugee status is granted. DSP also provides registration for PPSNs and Public Services Cards.

- DPA is paid to all asylum seekers on an administrative basis by the Department on behalf of the Department of Justice & Equality, at the rate of €19.10 per adult and €15.60 per child (increased from €9.60 with effect from 7 January 2016).
- In the case of people who have been granted protection (either before arrival in Ireland or afterwards), the person may apply for any social welfare payment appropriate to their circumstances, subject to the rules of the particular scheme. While the person is resident in a reception/accommodation centre provided by the Department of Justice, the value of the non-cash benefits which they receive, i.e. accommodation, food and other services, are assessed in the means assessments for the various social welfare schemes, subject to the legislation governing the means test for each scheme. Once a person moves into the community, the rate of payment they receive would generally increase.

B. Activation

Pathways to Work 2016-2020

- The Pathways to Work (PTW) strategy, initiated in 2012, complements the Action Plan for Jobs.
- PTW 2016-20 builds on progress made under PTW 2012-2015 to modernise and integrate the State employment services with the State's welfare services (Intreo) but reflects a changed labour market. By the first quarter of 2017, the level of employment (seasonally adjusted) had reached 2.045 million – up by 208,900 from the lowest level reached in 2012.
- The first objective of the PTW 2016-2020 strategy is to continue to consolidate the progress made to date, with an initial focus on working with unemployed jobseekers, in particular people who are long-term unemployed and the young unemployed. It sets out additional activation, training and related measures, to ensure that as many as possible of the jobs created are taken up by unemployed jobseekers.
- In the medium term, the second objective is to extend the approach of labour market activation to people who, although not classified as unemployed jobseekers, have the potential and the desire to play a more active role in the labour force. This includes qualified adult dependants of job-seekers, lone parents, those with a disability and carers, when their caring activities are coming to an end.
- The success of PTW 2016-2020 will be measured against the actions and targets contained in the strategy document. The Labour Market Council⁷ also has a role in reviewing the progress of PTW and will issue periodic commentaries on it.
- Quarterly status reports on progress on all *Pathways to Work* actions are published on <http://www.welfare.ie/en/Pages/LMC-Pathways-to-Work-Publications.aspx>.
- From 2017, quarterly updates on progress on all *Pathways to Work* metrics and targets will be published on <http://www.welfare.ie/en/Pages/LMC-Pathways-to-Work-Publications.aspx>.
- Q1 2017 PTW status report and metrics report will be published shortly.

Labour Market Activation

- The establishment of a locally delivered, fully integrated "one stop shop" benefits and public employment service (as provided for in PTW) has been progressed through the

⁷ The Labour Market Council, chaired by Mr. Martin Murphy, MD of HP Ireland, and comprising industry and policy experts, was established in September 2013 to drive the implementation of the Pathways to Work strategy to tackle unemployment.

ongoing conversion of Social Welfare Local Offices (DSP) and Employment Services offices (formerly FÁS) to the Intreo service delivery model.

- The service delivered by Intreo to jobseekers has three main objectives:
 - Provide Income Supports: To help sustain people who experience unemployment.
 - Activation: To provide a professional employment service to help unemployed jobseekers secure and sustain employment.
 - Control: To help minimize fraud and error in the payment of income supports.
- As part of the Intreo service, entitlement to jobseeker payments is dependent on participation in the activation process.
- The activation process comprises a number of elements, including:
 - Automatic registration, as part of the one-stop-shop model, of jobseeker claimants with the public employment/activation service.
 - Profiling of all new jobseeker clients to determine their Probability of Exit (PEX) from the Live Register within a 12 month period. The Probability of Exit (PEX) scores facilitates segmentation of those who join the LR into Low, Medium and High risk cohorts and engagement with those who need most employment service type supports as early as possible.
 - Completion of a Record of Mutual Commitments (Social Contract) between all jobseeker claimants and the State at the point of making a claim for a jobseeker payment
 - Prompt scheduling of new jobseeker clients for a group information meeting (typically within 1 – 2 weeks) to outline the nature and purpose of the activation process and provide information on the range of supports available to clients to support their progression to full-time employment.
 - Following the group information meeting clients are, dependent on profile score, scheduled for an individual activation meeting with a Case Officer to agree and complete a Personal Progression Plan (PPP). The PPP sets out a series of jointly agreed undertakings and actions to advance and/or enhance the employment prospects of the client.
 - Regular Activation Review Meetings with the Case Officer to review progress against agreed PPP actions. The frequency of scheduled review meetings is in accordance with the PEX score of the client, with separate engagement frequencies applying to High, Medium or Low PEX.
 - Referral to appropriate employment and training supports – e.g. ETB programmes, Community Employment, JobClubs etc.

- A person's weekly rate of jobseeker payment is linked to their participation in this process. The payment may be reduced in circumstances (specified in legislation) as follows:
 - Failure to attend information and activation meetings (group or individual).
 - Refusal or failure to participate in suitable education, training or development opportunities and prescribed employment programmes and schemes.
- Activation of jobseekers is not confined to Case Officers operating in the network of Intreo Centres. Activation services are also provided, under contract, by JobPath providers and by the Local Employment Service network.

JobPath

- JobPath is an activation initiative which aims to support long-term unemployed people and those most at risk of becoming long-term unemployed to secure and sustain paid employment or self-employment. It is in effect a model of contracting-in case-officer resources to augment the activation efforts of the Department.
- JobPath services are provided by two companies:
 - Turas Nua: a joint venture between FRS Recruitment (based in Roscrea) and Working Links (a UK-based provider of employment services) and
 - Seetec (a UK-based provider of employment services).
- The roll-out of JobPath began on a phased basis in July 2015. To date over 120,000 jobseekers have been referred to the service.
- The first jobseekers exited JobPath in July 2016. Statistical reports following those who were referred to the service in two cohorts from July to December 2015 have been published. The initial results are encouraging with a particular impact on those unemployed for over three years. The statistical reports are published on a quarterly basis.
- The department is conducting a preliminary econometric review of JobPath which is expected to report in July – August 2017. The Department will commission a full econometric review in early 2018.
- Jobseekers participate on JobPath for 12 months, during which time they receive intensive support and guidance to assist them to obtain and sustain employment. Supports, while in employment, may continue for a period of up to 12 months.
- JobPath contracts stipulate a significant number of requirements that both companies are required to meet. For example, the contracts have an in-built "Service Guarantee"

which means that each jobseeker will be guaranteed a baseline level of service. Jobseekers can also participate in further education and training while on JobPath.

- DSP selects jobseekers on a random basis for referral to JobPath and participants retain their Jobseeker's payment. Participation on JobPath is mandatory. Jobseekers referred are expected to attend meetings with their JobPath personal advisor and avail of any reasonable offer of further support and assistance. Failure to co-operate may, as is the case with other activation supports provided by the Department, result in payment sanctions. All decisions about client welfare entitlements are taken by DSP officials.
- JobPath is a payment by results model; the two companies are paid a combination of Client Registration Fees and Job Sustainment Fees. Job Sustainment Fees will be paid retrospectively for each 13 week period of accumulated employment (of at least thirty hours per week) subject to a maximum of 52 weeks.
- The set-up and operational costs of JobPath were borne entirely by the companies and the companies will not be able to fully recover their costs until they place sufficient numbers of jobseekers into sustainable jobs. The overall cost of JobPath will therefore be determined by the number of people who participate and the number whom the contractors successfully place into sustainable employment.
- JobPath contracts have mechanisms designed in the form of price discounts, minimum performance levels and retention fee arrangements to incentivise performance and restrict excessive profits being earned by contractors.
- The contracts allow for discounts on fees to be applied on foot of employment growth as measured by the Central Statistics Office. Discounts range between 4 and 16 percent over the course on the contracts. The employment figures published in Feb 2017 allowed the Dept. to apply 8% discount to fees going forward from March 2017.
- Given that jobseekers spend 12 months on JobPath, and may spend periods of time on further education and training programmes and up to 12 months in employment, a jobseeker could be engaged with JobPath for up to 30 months.
- JobPath is being delivered in two contract areas that are based on the Department's current divisional structure. Seetec mainly operates in Dublin and the northern half of the State and Turas Nua in the southern half.

Local Employment Services (LES)

- In 2012, following the dissolution of FÁS, the Department of Social Protection took over responsibility for Local Employment Services (LES) and has continued to contract with local organisations for the provision of employment services to those most distant from the labour market.

- For 2016, the Department contracted for the provision of LES in 26 locations with 23 different contractors (20 local development companies (LDCs) and 3 community organisations) in a network of offices and outreach clinics located in designated areas.
- There are approximately 293 full time equivalent posts in the LES of which circa 170 are Mediator posts. It is the role of these Mediators to provide career/vocational guidance and support to clients of the service.
- Services provided include
 - assisting persons referred under the DSP activation processes to return to employment through the provision of placement services and vocational/career guidance and the referral of clients onto education/training programmes within the context of an agreed Career Action Plan
 - assisting those most disadvantaged in the labour market into employment by the provision of specialist high quality support and locally responsive services. These supports include guidance, education/training and employment supports and mediation.
- The LES have been contracted to work more intensively with clients increasing the frequency of engagement with a LES Mediator from once every two/three months, depending on the category of the client, to once every month for all clients.
- The LES have a target of 30% of all case closed clients to be placed into employment of 30 hours+ per week.

Job Clubs

- The purpose of Job Clubs is to assist job-ready⁸ jobseekers to obtain employment in the open labour market, to facilitate the exploration and follow-up of employment opportunities as well as meeting the labour market requirements of employers and to support the PTW Programme and the Intreo service provided by DSP.
- The Department has contracted for the provision of 48 Job Clubs with 44 different contractors (local development companies and community organisations).
- Contracts are valid for a maximum of one year only (January to December). There are approx. 94 full-time equivalent posts in the Job Clubs of which 48 are Job Club Leaders.
- The services provided include formal workshops which can vary from 1 to 4 weeks and individualised support which allows jobseekers to avail of practical and personal support on a one to one basis e.g. pre-interview support.

⁸ Job-ready is defined as “a person who has the necessary training, education, motivation to pursue work in the open labour market”

- CV Preparation and a drop-in service, which allows jobseekers to avail of the facilities of the Job Club (e.g. internet, telephone, photocopying) is also provided.

Youth Guarantee

- Government policy to reduce unemployment, including youth unemployment, is twofold. First, through policies set out in the Action Plan for Jobs, to create an environment in which business can succeed and create jobs; and second, through Pathways to Work to ensure that as many of these new jobs and other vacancies that arise in our economy are filled by people taken from the Live Register, including young people.
- As many of the elements of a Youth Guarantee were already in place in Ireland prior to the EU Recommendation, the implementation of the Irish Youth Guarantee focused on enhancing processes and policies for assisting young unemployed people to find and secure sustainable jobs. To this end there is monthly engagement by case officers with all young unemployed to facilitate their return to employment.
- For those who do not find employment, additional offers are provided for, on a range of education, training and employment programmes.
- Places on most of these programmes are demand led, and take-up by young people has fallen in line with the substantial fall in youth unemployment. The number of young people entering the programmes was 23,000 in 2014 and 19,000 in 2015. Final figures for 2016 are not yet available, but are expected to show a further fall on the 2015 level.
- This figure does not include some 24,000 places provided for young people through PLC courses and apprenticeships. These PLC and apprenticeship places, together with the wide range of vocational third-level courses provided for the young, although not reserved for unemployed jobseekers, nevertheless contribute to the spirit of the guarantee.
- Pathways to Work 2016-2020 continues to prioritise measures for the young unemployed and further commits to a number of additional measures. These include increasing the share of workplace-based interventions for youth unemployed; ensuring that monthly engagement, at a minimum, is consistently applied and maintained; restructuring the First Steps programme; and implementing the Defence Forces Skills for Life programme.
- Of the 54,600 young people entering “full” unemployment in 2015, 28,400 had exited to employment by June 2016, while an additional 9,800 exits were to unknown destinations, of which a significant proportion are likely to be to employment. An additional 3,700 took up education while 11,600 took up training opportunities. The expectation is that most of those taking up education and training opportunities will find employment on completion of the programmes involved.

- Annual expenditure on the core programmes identified in the Youth Guarantee Implementation Plan was estimated at approximately €336 million for 2014, with a further expenditure on other relevant programmes (Apprenticeship and PLC courses) of €192 million. This expenditure is supported in part by the EU through the Youth Employment Initiative (YEI) and European Social Fund (ESF). The YEI is being delivered in Ireland as a dedicated priority axis within the ESF Operational Programme for Education, Inclusion and Learning (PEIL) 2014-2020, for which the Irish Managing Authority is the Department of Education and Skills.
- DES state the total amount of EU funds allocated to YEI under PEIL from 2014-2020 is €136.3 million. This allocation is comprised of €68.15 million of specific EU funding for YEI, with a matching amount from Ireland's ESF allocation.
- Young people under 25 with disabilities are not excluded from the Youth Guarantee and have a number of additional supports and services should they wish to seek employment. It is not a condition of their payment to engage in activation measures.

European Semester and EU activation and employment policies

- *Europe 2020* is the EU's ten-year jobs and growth strategy. It was launched in 2010 to create the conditions for smart, sustainable and inclusive growth. It sets out five agreed headline targets in the areas of employment; research and development; climate/energy; education; social inclusion and poverty reduction, to be achieved by 2020. All Member States have committed to achieving the Europe 2020 targets and have translated them into national targets.
- The EU Commission has set up a yearly cycle of economic policy coordination called the European Semester. Each year, the Commission undertakes a detailed analysis of EU Member States' plans of budgetary, macroeconomic and structural reforms and provides them with Country Specific Recommendations (CSRs) for the next 12-18 months.
- The Joint Employment Report (JER) is one of the key documents that launch each round of the Semester. The analysis it contains is based upon employment and social developments in Europe; the implementation of the Employment Guidelines; the examination of the National Reform Programmes (NRP) that led to the CSRs adopted by the Council at the end of the previous semester (in April) and on the assessment of their implementation so far.
- A major input into the Joint Employment Report is the Employment Performance Monitor (EPM), analysing progress on the EU 2020 Employment target and key indicators on labour market performance to identify key employment challenges (KECs) and Good Labour Market Outcomes (GLMOs).
- The Employment Committee (EMCO) - (along with its two sub-groups on policy analysis (PAG) and indicators (EMCOIG)) - is the main advisory committee in the employment

field for Ministers in the Employment and Social Affairs Council (EPSCO). It signs off on the annual Joint Employment Report. The EMCO, PAG and EMCO IG each meet approximately 10 times per annum.

Labour Market Research, Evaluation and Data Analysis

- As part of the Pathways to Work (PtW) 2015 strategy, the Government committed to undertaking a multi-annual rolling programme of econometric evaluations of PtW reforms, with the support of an independent expert advisory body, the Labour Market Council. The most recent strategy, for the period 2016-2020, commits to 'use evidence to inform the development, implementation and reform of activation services and programmes'.
- Two evaluations have been published: of the Back to Education Allowance (BTEA) (ESRI), 2015; and JobBridge (Indecon), 2016. The following table provides an update of in progress and planned evaluations.

Project	Overview	Expected End Date
Intreo Process Evaluation	Counterfactual Impact Evaluation (CIE) of Intreo Process vs. NEAP services model (contracted to ESRI)	July 2017
JobPath Interim Evaluation	Preliminary CIE of early phase of JobPath services (in-house)	July 2017
BTWEA Evaluation	CIE of BTWEA (in-house)	June 2017
JobPath + Jobseekers Satisfaction Survey	Satisfaction survey of jobseekers experience of the Intreo process and JobPath providers (contracted to W5)	Ongoing twice yearly
BTEA Qualitative Review	Follow-up focus groups and interviews of BTEA participants, providers and employers (contracted to BMG)	June 2017
OFP-JST Evaluation	Review of OFP-JST policy changes since 2012 (contracted to Indecon)	August 2017

Under the PtW Evaluations Programmes, a large-scale Customer Satisfaction Survey (CSS) of Jobseekers (JS) was initiated in 2015. The survey was repeated in 2016, to include JobPath

(JP) clients. An on-line wave of the JS/JP CSS was completed in March 2017 and the next annual round (on-line and telephone) will be in the field in October 2017.

Working Age - Employment Supports Schemes

Community Employment (CE)

- DSP assumed responsibility for the Community Employment (CE) Programme (and Job Initiative – JI) from FÁS in January 2012.
- The aim of CE is to enhance the employability and mobility of disadvantaged and unemployed persons by providing occupational activity, work experience and training opportunities for them within their communities. It also helps long-term unemployed people to re-enter the active workforce by breaking their experience of unemployment through a return to work routine. The referral point for entry to CE programmes is through the Department's Intreo centres.
- CE schemes are typically sponsored by voluntary and community organisations wishing to benefit the local community. As the employers, these sponsoring organisations contract with the Department, on an annual basis, to provide job seekers and other vulnerable groups with good quality work experience and training qualifications to support their progression into employment. CE participants work an average of 19.5 hours per week. Virtually all CE participants are engaged in some element of service support and delivery - e.g. amenities management, arts and culture, sports, tidy towns, childcare and health-related services.
- At the end of December 2016, there were 22,356 CE participants and 1,377 CE Supervisors/Assistant Supervisors (23,733 overall) on 962 CE Schemes.
- The CE Programme had an annual budget of €376.5m in 2016 and 25,300 budgeted places (inclusive of participants and supervisors). The budget for 2017 is €353m. A €5 weekly increase in the participant allowances came into effect from 13th March 2017.
- Since 2012, the CE programme has been subject to major programme changes which have resulted in significant savings, greater accountability by sponsoring organisations and improved oversight by the Department.
- The re-structuring of CE into sectors began in 2013 with the childcare sector and brings the service element into closer alignment with mainstream services that are currently being supported. This new training programme gives CE participants access to a QQI Level 5 qualification in childcare – the basic entry point to employment in the sector.
- In addition, in the area of health and social care, a new programme provides a QQI Major Award at Level 5 in Health and Social Care. Overall, this approach offers the possibility for a more integrated service, improved synergies and economies of scale, and, in the long run, is more beneficial to the jobseeker and service provider.

- The new CE Drug Rehabilitation Programme Framework was implemented in January 2016 to facilitate the participation of individuals referred by drug addiction and treatment services. 1,000 CE dedicated drug rehabilitation places are allocated for participants in recovery. Participants have access to multiple supports and specialist inputs as required from social, education and health services, including the supports provided by the DSP. This integrated response is required to ensure effective outcomes for the participants. The programme provides access to recognised qualifications to support ongoing rehabilitation and re-integration into active community and working life. The DSP CE inter-agency Drugs Advisory Group continues to engage in this initiative. The new National Drugs Strategy 2017 to 2024 is currently being finalised – DSP were represented on the Steering Group.
- A pilot initiative was announced in December 2015 to enable those aged 62 and over, to remain on CE up to the State Pension age, subject to availability of places on the Service Support Stream. The pilot will be reviewed as part of the commitment given by Minister Varadkar to review the rules governing participation of older people on schemes generally – see below.

Recent changes – 2017

- As the economic recovery takes hold and the overall level of unemployment continues to fall, the Department recognised the need to adapt these schemes to the changing circumstances, opportunities and needs of jobseekers and others. An Analysis of the CE Programme was completed by the Department in late 2015 and published following Government approval in April 2017.
- The review looked at CE, TÚS, Gateway and the Rural Social Scheme (RSS). It was agreed by Government that overall number of scheme places available in 2017 will be 32,000. CE will continue to be the largest programme in 2017 with 22,400 places available in over 950 schemes across the country. The balance will be made up of placements in schemes such as the RSS and Tús.

The recommended numbers on schemes for 2017 is as follows:

▪ CE	-	22,400
▪ RSS	-	3,100
▪ Tús (including Gateway)	-	6,500
▪ Total	-	32,000

- In addition, it was agreed by Government to make a number of changes in the coming months which will widen the range of people who can take part in CE and that all CE places should be categorised into one of two strands, either activation, with a target progression of 50%, or social inclusion, with a target progression of 20%.

- Department officials are currently consulting with scheme sponsors and other stakeholders in preparation for the new arrangements.
- The changes approved by Government include:
 - The general qualifying age for CE places will be reduced from 25 to 21 years;
 - CE participants, working towards a major award, can seek to extend participation by up to two years;
 - Those over 55 years of age will be allowed to remain on CE for three years;
 - It will be easier for previous participants to re-enter a scheme or get an extra year as the base year is being moved forward from 2000 to 2007;
 - The social inclusion and activation categorisation will be primarily based on the work experience element of the place. Regard for local labour market conditions, training and education opportunities will also be a factor; and
 - A commitment to review the rules governing the participation of older people on schemes – within next three months.
- The issue of CE Supervisors' pension provision is currently being looked at by a Community Sector High Level Group which has been convened by the Department of Public Expenditure. The Department is represented on this group, as are IMPACT and SIPTU, the Department of Housing, Planning & Local Government and Pobal. The group last met on 7 April 2017 and their work is ongoing.

Tús

- Tús is a work placement scheme, which commenced operation in 2011. It aims to provide short-term quality work opportunities for those who are unemployed while also assisting in providing certain services of benefit to communities. While the scheme aims to contribute to the work readiness of the long-term unemployed, it also contributes to the management of the Live Register in highlighting those who are unemployed but may not be actively seeking work.
- Tús is delivered through 47 Local Development Companies (LDCs) and Údarás na Gaeltachta. The eligibility criteria require applicants to have been continuously unemployed for at least 12 months, in receipt of a jobseeker's payment for at least 12 months and to be currently in receipt of Jobseeker's Allowance. Persons in receipt of the Jobseeker's Transitional Payment (former One Parent Family Payment recipients) are also eligible (no qualifying period applies).
- Participation is mandatory, with 80% of participants randomly selected by the Department and the balance through assisted referrals. Participants work for an average of 19 ½ hours a week and the placement which lasts for 12 months is with local community or voluntary groups.

- The rate of payment relates to the customer's underlying Jobseeker's Allowance rate with a minimum payment of €215.50 p.w. Participants may receive increases in respect of a qualified adult and child dependents. Pobal is engaged as the contracted payroll provider on behalf of DSP for Tús.
- A budget of €124.82m is provided for Tús in 2017. Expenditure in 2016 was €119.54m.
- As the Live Register continues to fall, the Government has agreed that overall number of scheme places available in 2017 will be 32,000. The recommended number of places on the Tús programme will be 6,500. The number of participants on this scheme at week ending 12th May 2017 was 7,065 participants plus 397 supervisors.

Gateway

- Gateway is a work placement scheme designed to provide short-term work opportunities for unemployed people in Local Authorities. The scheme commenced in December 2013. To be eligible to participate on Gateway, a person must have been continuously unemployed for at least 24 months and receiving a Jobseeker's Allowance payment.
- Participation is mandatory and 80% of participants are randomly selected by the Department with 20% open to assisted referral. Participants work for an average of 19½ hours a week and the placement, which lasts for 22 months, will be exclusively with their Local Authorities. The rate of payment is linked to the customer's DSP payment with a minimum weekly payment of €215.50. Participants may receive extra allowances in respect of a qualified adult dependent and qualified child dependents.
- A budget of €7.25m is provided for Gateway in 2017. Expenditure on Gateway in 2016 was €21.3m.
- With the ongoing welcome reductions in the Live Register, it is intended that the Gateway scheme will be subsumed under the Tús scheme and will not continue as a standalone scheme. Discussions on this matter are ongoing. There were 316 participants engaged on the scheme on week ending 12th May 2017.

Rural Social Scheme (RSS)

- The Rural Social Scheme (RSS) is an income support initiative, which commenced in 2004, to provide part-time employment opportunities in the community and voluntary organisations for farmers or fishermen in receipt of certain social welfare payments and underemployed in their primary occupation. The work undertaken is primarily to support local service provision via community, voluntary and not-for-profit organisations, provided that this does not displace existing service provision or employment.

- RSS is delivered through 35 Local Development Companies and Údarás na Gaeltachta. Participants must continue to be actively farming/fishing and retain entitlement to an underlying qualifying DSP payment in order to retain eligibility for participation on RSS. Participation is by self-selection and is dependent on the availability of vacancies in the relevant locality. Participants work for an average of 19 ½ hours a week. The rate of payment is linked to the customer's DSP payment with a minimum weekly payment of €215.50. Participants may receive extra allowances in respect of a qualified adult dependent and qualified child dependents.
- Since 1st February 2017, all new participants commencing on the RSS have to be over 25 years of age and a 6 year overall participation limit also applies. The new measure ensures that places become available to provide opportunities for other farmers and fishermen to take part in the scheme. Income support will still be available to eligible farmers and fishermen who are not on the RSS in the form of Farm or Fish Assist.
- RSS participants who commenced on the scheme prior to 1st February 2017 will remain on the scheme as long as they continue to satisfy the eligibility conditions of the scheme.
- An additional 500 RSS places were announced in Budget 2017 and is being rolled out with effect from 1st February, 2017. This increases the overall number of participant places to 3,100.
- There were 2,618 participants engaged on RSS plus 128 supervisors on 12th May 2017.
- A budget of €47.66m is provided for RSS in 2017. Expenditure in 2016 on RSS was €42.65m.

Back to Education Allowance

- The back to education allowance (BTEA) scheme is a broadly targeted non-statutory second-chance education opportunities scheme for eligible people on certain social welfare payments. The main focus of BTEA is to assist those who are most marginalised to improve their qualifications and, therefore, improve their prospects of returning to sustainable employment.
- Progression from second chance education into employment is one objective for the scheme but longer term social impacts are also important – children in families where adults have higher levels of education will, themselves, do better in education and ultimately in employment.
- The number of participants on BTEA in 2016/17 academic year is 14,386, 45% lower than the highest level of participation in 2012/13 when there were 25,961 participants, reflecting the improved labour market since then. The majority of BTEA participants come from jobseeker schemes (c. 90%).

- The ESRI published a report in November 2015 setting out the results of a study comparing the employment outcomes of unemployed people who commenced a second or third level course in education under the BTEA scheme in 2008, with those of unemployed people who did not do so.
- The results show that unemployed people who took up a course of education in 2008 were less likely to be in employment in 2012 and 2014, than people who did not do so. In fact, people who took up a second-level course were 38% less likely to be in employment in 2012 and 30% less likely in 2014. The outcomes for people taking up third-level education courses were better but still negative. People taking up a third-level course were 23% and 14% less likely to be in employment in 2012 and 2014 respectively.
- The study has been reviewed by the Labour Market Council and it has recommended that the DSP commission further research to understand the reasons for the disappointing outcomes, that the evaluation be re-run to establish the longer term impacts and that DSP and education sector IT systems should be 'linked-up' to facilitate better tracking of participants. These recommendations are being acted on.
- Following the Labour Market Council's recommendation, a follow-up qualitative study of the drivers of negative employment outcomes was commissioned in 2015. The report will be published shortly
- The budget for 2016/17 academic year is of the order of €114m.

Back to Work Enterprise Allowance

- There are two schemes to assist people on certain social protection payments who wish to become self-employed - Short Term Enterprise Allowance (STEA) and the Back to Work Enterprise Allowance (BTWEA).
- The STEA provides immediate access to those who qualify for Jobseeker's Benefit wishing to set up a business. Payment under the scheme is at the same rate - and for the same duration - as their entitlement to Jobseeker's Benefit.
- The BTWEA is designed to provide a monetary incentive for people who are on social welfare payments to develop a business while allowing them to retain a reducing proportion of their qualifying social welfare payment over two years - 100% in year 1 and 75% in year 2.
- For BTWEA to be approved, the business plan must be developed with the support of and recommended by one of the Local Development Company (LDC). LDCs operate under the aegis of the Department of Environment, Community and Local Government with enterprise support funded under the SICAP Programme.
- Based on data collected by Pobal for 2015 and 2016, the highest number of businesses commenced were in the construction sector.

- The Department also administers the Enterprise Support Grant (ESG), which provides financial support to jobseekers who are approved for BTWEA and STEA. The business plan submitted as part of the Enterprise Allowance application must set out the rationale and requirement for the financial support sought. In total, 5,177 participants availed of this grant support in 2016.
- There are currently 409 people availing of the STEA and 10,978 people availing of the BTWEA. Of these, 5,601 were awarded in 2016.
- During 2016, a review of the BTWEA scheme was conducted which was published in early 2017. Overall, the review found that the scheme offers effective support for people who are long-term unemployed and who are interested in self-employment as a route to entering, or in some cases re-entering, the labour market. This is supported by the findings of the counterfactual review which demonstrated that the numbers returning to welfare from the BTWEA are low.
- The budget for the scheme in 2017 is €120m.

Community Services Programme

- The Community Services Programme (CSP) provides financial support to community companies that provide revenue generating services of a social inclusion nature. Many of these companies are also funded from other sources and generate revenue from the public use of their facilities and services. The CSP provides a contribution to the wage costs of the companies on the basis that the services are not fully self-financing or the cost of provision would be prohibitive on users. The Department does not set the wage rate but requires the payment of appropriate wage rates, consistent with local norms. At December 2016, 394 companies employing 299 managers & 1,679 full-time employees were directly supported by the CSP.
- The Department estimates that, at the end of 2016, some 83% of these employees were being paid above the level of the minimum wage, in keeping with the social inclusion and social benefit objectives of the programme. It should be noted that the CSP accounts for less than a third of the resources generated by these companies. Contracts of up to three years duration are provided for under the CSP.
- An additional €1m in CSP funding was announced in Budget 2017 and, arising from this, a targeted call for new CSP Stand 3 applications via SICAP Programme Implementers was announced in May 2017. An announcement on the successful applications will be made at the end of 2017.
- The level of resources available to the CSP in 2017 is just over €46m.

Activation & Family Support (AFSP)

- The objective of the Activation and Family Support Programme (AFSP) is to provide funding to enable the development of training and education initiatives, mainly in conjunction with other organisations and agencies. This is designed to assist people who are in receipt of social welfare payments to enhance their employability through education, training and personal development opportunities and to improve their quality of life.
- The application of the funding is largely in response to demand identified by local organisations who apply for funding for a project via the DSP Case Officer. The funding is designed to fund once-off projects. Funding applications come from a wide range of organisations including family resource centres, partnerships, community development companies and advocacy groups.
- There were 1,540 beneficiaries of this scheme in 2016. The budget for the scheme in 2017 is €0.8m.

Training Support Grant (TSG)

- This scheme permits quick access to short-term training or related interventions, to obtain/renew certification/permits for individual jobseekers who have identified work opportunities or where Case Officers have identified an immediate skills gap that represents an obstacle to taking up a job offer or accessing other activation interventions.
- It provides Case Officers with financial resources to respond to identified training needs of jobseekers that are focused on obtaining work, in line with their agreed personal progression plan, to fund interventions that assist jobseekers tackling obstacles in accessing work opportunities. Some 9,557 jobseekers are currently being supported by this scheme.
- The budget for the scheme in 2017 is €2.8m.

JobsPlus

- JobsPlus was introduced in July 2013. It is an employer incentive that encourages and rewards employers who offer employment opportunities to the unemployed. It is designed to encourage employers and businesses to focus their recruitment efforts on those who have been out of work for long periods, with a higher rate of payment for the recruitment of those out of work for more than two years.
- Under the scheme, monthly payments are made to qualifying employers to offset wage costs where they engage jobseekers. There are no limits to the number of eligible employees any one employer may hire under the scheme. The job must be a full-time position, be a minimum of 30 hours per week and span over at least 4 days in any 7 day

period and not displace any existing employee. Employees and employers can verify their eligibility for JobsPlus by applying on line at www.jobplus.ie.

- There are two levels of incentive paid to an employer
 - €7,500 over two years for a jobseeker who is:
 - Under 25 years of age and unemployed for at least 4 months (104 days) in the previous 6 month. This element is co-funded by the European Social Fund.
 - In receipt of Jobseekers Allowance Transitional Payment - no qualifying period.
 - At least 12 months (312 days) unemployed in the previous 18 months.
 - Former One Parent Family customers whose youngest child is 14 years of age or over who transfer to the Live Register. No qualifying period applies.
 - A programme refugee in receipt of Jobseekers allowance is eligible. No qualifying period applies.
 - €10,000 over two years for a jobseeker who is:
 - At least 24 months (624 days) on the Live Register in the previous 30 months.
- At the end of April 2017, 4,413 employers were approved to support 5,792 employees. Over 70% of employees were unemployed for two years or longer before commencing on JobsPlus.
- A budget of €20.4m is provided for JobsPlus in 2017.

Fund for European Aid to the Most Deprived (FEAD)

- The Department of Social Protection is the designated managing authority for the Operational Programme (OP) for the Fund for European Aid (FEAD) to the most deprived and has responsibility for the implementation of the programme in Ireland.
- FEAD support helps people take their first steps out of poverty and social exclusion. FEAD helps the most deprived people by addressing some of their most basic needs i.e. food and non-food for personal use e.g. sleeping bags, shampoo and other items for personal use, which is a precondition for them to be able to get a job or follow a training course. Implementation relies heavily on the engagement of the non-for-profit and voluntary sectors (mainly homeless NGOs and food banks).

- Effectively, the programme targets:
 - homeless persons including long-term rough sleepers;
 - children in low income/work intensity households;
 - victims of domestic violence in refuges and shelters;
 - persons suffering or recovering from addictions;
 - certain members of the Roma and Traveller communities;
 - vulnerable persons transitioning to independent living from emergency accommodation, institutionalized care settings or places of detention; and
 - any person without income, accommodation or means not otherwise defined above.
- The national food distribution operation is in place since July 2016. In 2016, approx. 55,000 individuals were assisted by the FEAD Programme. Some 112,000 food packs and 266,000 meals were distributed. One of the aims of this operation is to promote FEAD as a tool to support the charitable sector to continue assisting their communities and to increase the number and geographical spread of charities availing of the Fund.
- 120 charities in 23 out of 26 of Ireland's counties have access to the food element of the FEAD programme. These charities operate in a range of areas: family resource centres, addiction support programmes, community crèches, women's refuges, homeless support services, food banks, youth programmes and senior citizens' associations.
- Since the FEAD food distribution started in July 2016, charities in the FEAD programme have received 315,876kg of product through the FEAD programme. The products include breakfast cereals, canned vegetables, fish and fruit, rice, pasta, hot drinks and soups.
- Two operations for the distribution of material assistance are currently being planned:
 - The Irish Red Cross intends to use the FEAD Grant to purchase the contents of 3,500 welcome kits, 1,050 family hygiene kits, 5,250 individual hygiene kits, 2,625 dignity kits and 700 home starter kits. These kits will provide essential items to 3,500 refugees entering Ireland from Jan 2016 to Jan 2018 (over a 2 year period). The Irish Red Cross has sought €1,395,450 from FEAD over 2016/2017.
 - The second is a pilot operation (to be expanded from 2018) through Mid-West Simon supplying essential materials in a school start-up kit for families in need.

- Ireland can draw down €22.8m of European funding over the period up to 2020. The Exchequer commitment will amount to approx. €4m over the period bringing the total value of the Fund in Ireland to €26.8m approx.
- Applications can continue to be made – form available on www.feadireland.ie.

JobBridge

- JobBridge, the National Internship Scheme, was introduced in July 2011 in response to the unprecedented collapse of the economy and particularly the sharp and dramatic increase in unemployment. Its main aim was to help unemployed jobseekers to break the vicious cycle of ‘no experience no job, but no job no experience’. Over 19,000 Host Organisations have offered work placement opportunities to over 48,000 participants.
- JobBridge was independently evaluated by Indecon International Economic Consultants/London Economics. Its report (October 2016) found that JobBridge was a very effective labour market initiative that significantly improved employment outcomes.
- Nevertheless taking account of the improvement in labour market conditions and feedback from participants and host organisations, Indecon recommended that JobBridge be discontinued in its current form and be replaced with a new work experience scheme that would, among other things:
 - ✓ Be of shorter duration (3 months is suggested).
 - ✓ Include additional training requirements.
 - ✓ Require employers to make a contribution to the costs of the scheme.
- The Labour Market Council (LMC) produced a report entitled “A New Work Placement Programme Drawing on the Lessons from Job Bridge” containing its observations on the Indecon evaluation and its recommendations as to the design of a new work experience programme.
- It notes that the employment impact of JobBridge is significantly higher compared to those reported in other evaluations of similar work experience schemes in other countries and, in addition, that it is a rare example of an Irish activation programme that actually works relatively well in terms of achieving its principal objective for the unemployed.
- Accordingly the LMC believes that a State-sponsored Work Experience Programme similar to JobBridge should be offered to jobseekers, although it notes that the focus of any new scheme should be on work experience rather than training.

- Noting that the main criticisms of JobBridge related to level of payment received by the participants and the fact that the scheme is 'free' to employers, and taking into account the findings in the Indecon report and the views of the Labour Market Council, the Minister announced his intention to develop a new work experience programme to be launched in 2017, following a consultation process with key stakeholders.
- In order to arrange for an orderly transition to any proposed new scheme, the Minister announced the closure of JobBridge to new applications from 27th October 2016.
- The consultation process was recently completed and proposals on next steps will be prepared for consideration in the coming months.

First Steps - Youth Developmental Internship.

- Under the Youth Guarantee Implementation Plan, the Department committed to develop a work experience programme for young people, aged 18-24, identified as having significant barriers to gaining employment. First Steps, a variant of JobBridge, was launched in February 2015. The aim is to bring younger people closer to the labour market by providing them with a work placement which gives them the opportunity to develop basic work and social skills in organisations across the private, public, voluntary and community sectors.
- Take-up is significantly below the target of 1,500 placements. To date, 235 companies have offered 300 placements and 240 people have participated. There are currently 75 participants on the programme. Changes introduced in January 2016 in an effort to enhance the attractiveness of the scheme to employers and participants did not result in any increase in uptake. The future of the scheme will be reviewed within the context of the pending decision on any replacement for JobBridge.

C. *Employer Relations*

- Employers are a primary client group for the Department - they provide the “work” element of the Pathways to Work Strategy. The strategic objective in this area is to build effective relationships with employers with the aim of increasing recruitment activity and, in particular, increasing placements into employment of the Department’s clients.
- A dedicated Employer Relations Division (35 staff) leads and coordinates the Department’s relations with employers, representative bodies and other stakeholders, including other relevant Government Departments and agencies. In addition, each Division has a nominated employer engagement manager who co-ordinates the service at local level.
- DSP provides a wide range of services to assist employers in relation to their recruitment and employment support needs including
 - www.jobsireland.ie is a free online jobs site that enables employers to post job opportunities and jobseekers to search and apply for these opportunities online.
 - Intreo case officers assist employers to identify potential candidates and can provide pre-screening and interview facilities.
 - The Department has recently appointed 6 Account Managers along sectoral lines (Construction and Manufacturing, Financial and Professional Services, Hospitality and Food, ICT and Telecoms, Retail, Sales and Marketing, Sciences and Healthcare) who provide a high level of support to large companies to assist them to recruit from the Live Register.
 - EURES Advisers based in the Divisions provide an international recruitment service to Irish and European employers, and advice to job seekers who wish to work in the EU/EEA.
 - Financial incentives to recruit from the Live Register, e.g. **JobsPlus**

JobsIreland

- www.jobsireland.ie is a free online jobs site that enables employers to post job opportunities and jobseekers to search and apply for these opportunities online. It is managed by the National Contact Centre in Edenderry.
- At 20 years old, the original site was showing its age. For example, although it enabled jobseekers to search for job opportunities based on job type and location, it wasn’t possible for employers to search for suitable jobseekers on the site.
- Accordingly, the Department issued a tender for the development and implementation of a new service that would enable both employers and jobseekers to search for each other using competencies and skillsets as well as the traditional job-type classifications. As part of the new service, candidate profiles are automatically matched

to job specifications posted by employers and are notified of the matches made. Candidates can also use the site to apply for the jobs advertised. The system will also integrate with the Activation and Case Management system (ACM).

- Following the procurement process, a young Irish tech company is building and delivering the new service. The new site went live on 28th July 2016. The service is being implemented on phased basis which means, unfortunately, that there has been some service disruption while work is ongoing. There were some teething problems with the first phase implementation, but performance issues have largely been resolved. The Department continues to work with the supplier to enhance the service and to add new functionality over the coming months.
- All jobseekers will be required to register on the site, beginning in August 2017. This will enable case officers to monitor their job search activity and provide a greater level of support.

Employment & Youth Activation Charter (EYAC)

- The EYAC is an initiative sponsored by the Labour Market Council whereby participating employers commit to:
 - consider potential candidates from the Live Register as part of the recruitment process,
 - provide training/work experience opportunities to unemployed jobseekers, and
 - provide employability supports including information sessions for jobseekers and advice/guidance in relation to job search, CV preparation and interview skills.
- It was launched on 29 September 2014 and there are currently 420 signatories.

Feeding Ireland's Future (FIF)

- Feeding Ireland's Future is an initiative by the Fast-Moving Consumer Goods sector, in collaboration with DSP. Each year, companies from across the food and consumer goods industry provide a range of opportunities which enable young jobseekers (aged 18-24) to enhance their job-seeking skillsets through CV workshops, interview role-plays and Q&A sessions with HR managers.
- In March 2017, 24 companies provided over 600 opportunities for young people across 32 locations around the country, including Youthreach Centres.

National Development Finance Agency PPP (Social Clause)

- DSP works closely with the main contractors to identify suitable candidates to support implementation of the social clause of Public-Private Partnerships (PPP) construction projects (relating to the recruitment of jobseekers, graduates and apprentices) in respect of Primary Care Centres, the Courts and School Building Programmes.

Company/Business Specific Initiatives in association with Skillnets

- DSP works with Skillnets, IDA and Industry to support the upskilling of jobseekers for current and future careers in growth sectors, e.g. in the Biopharma and Medtech sector. Short-duration development programmes are followed by a 3-month paid placement for successful candidates.

“Learning for Life” with Diageo

- Learning for Life is a Diageo Ireland initiative, run in partnership with the Department of Social Protection that equips unemployed young people with the skills and experience needed to find work in the hospitality industry. The award winning programme, which was originally piloted in 2014 in Dublin 8, expanded to Dundalk, Cork, Waterford, Limerick, Kerry and Kilkenny in 2016. 225 participants have taken part in the programme to date, 72% of whom have gone into full time employment or education.
- The programme works with education and training partners in each region who are responsible for developing and co-funding an integrated training project, with a focus on the tourism and hospitality industry as well as upskilling in computer training and interview coaching. The 6-week intensive programme is supported and part funded through the Jobseeker Support Programme from the Positive to Work Skillnet and additional funding from Diageo.
- The Department for Social Protection identifies suitable young jobseekers and supports them throughout the process. After completing training, the participants may then be given an opportunity to take up a further work placement with a Diageo hospitality industry partner in a landmark pub, hotel or restaurant.

National Jobs Week

- Jobs Week is an annual event that provides an opportunity to promote the range of Intreo supports and services to employers and jobseekers. Jobs Week 2017 will run from 25-29 September 2017.
- Jobs Week 2016 saw 160 events nationwide attended by 600 employers and over 16,000 jobseekers. Over 2,000 invited unemployed jobseekers attended the Intreo Careers Fair in Dublin Castle. 50 employers ranging from multinationals to local SMEs were recruiting for over 500 jobs in accounts, construction, customer support, finance, hospitality, HR, management, marketing, sales and transport. 2,500 jobseekers attended the Mid- West Job Fair in Limerick, 2,800 in Buncrana and Letterkenny and 1,000 attended the Biopharma Graduate Fair in Athlone. Other events included briefing and networking sessions for employers and entrepreneurs, and CV clinics for jobseekers.

European Employment Services of the Department of Social Protection (EURES)

- EURES is a network for cooperation between the public employment services of Member States and the European Commission. Since 2014, a series of changes have been taking place in the EURES network across Member States, underpinned by new European legislation. The general objective of this legislation (Regulation (EU) 2016/589) is to develop and expand the EURES Network and make it an effective instrument for any job seeker or employer interested in intra-EU labour mobility.
- As well as organising various international recruitment projects, Jobs & Advice Fairs and online events on behalf of Irish and European employers, EURES Ireland works with significant European employers to source vacancies of interest to unemployed Irish workers and with Irish-based companies to help satisfy their specific skills needs in areas such as ICT, language skills or nursing/medical. In May 2017 as part of EURES Awareness Week, two major European Job Fairs took place in Ireland: A Jobs Expo in Dublin/Blanchardstown which attracted over 6,000 jobseekers and an Online European Job Day in Cork with 22 employers representing ICT and Business Service sectors, including Apple, Logitech, Dell, Voxpro etc.
- EURES Ireland coordinates and implements a 'Co-Sponsored Placement programme' under the Youth Guarantee and 'Your First EURES Job' & 'Reactivate' mobility schemes, which offer jobseekers support in taking up employment, work experience and training in other EU countries and provide financial support towards travel to an interview, re-location, language training etc. It also offers assistance to employers who are having difficulty recruiting staff with specific skills required to work in their company.

EURES Ireland/Northern Ireland Cross Border Partnership

- The EURES Ireland/ Northern Ireland Cross Border Partnership, established in 1993, is one of 12 such partnerships in Europe involving 19 countries. Partnership activities are 90% funded through the EU Programme for Employment and Social Innovation (EaSI). It addresses the obstacles that cross border workers, employers and jobseekers face by, for example, providing information on cross border taxation issues, social security benefits and medical services, and by opening up recruitment opportunities in the cross border region through cross border job fairs, work shadow placements and employability programmes.
- The Partnership activities are guided by a cross-border Steering Committee led by the Department of Social Protection and the Department for Communities Belfast Grant funding for the calendar year 2017 is circa €241,000 which includes the co-ordinators' salary, part salary for EURES Advisers and Partnership events and activities.

D. Supports for Delivery of Services

(i) Regional Divisions

- The Department delivers services locally through a nationwide network of Intreo Centres and Branch Offices. Intreo centres are operated and staffed by the Department. Branch Offices are operated by private sector Branch Managers who are contracted by the Department to deliver its services in locations where the Department does not have an Intreo Centre.
- Services throughout the country are managed in the Department through a divisional management structure. Currently, there are 11 divisional areas – see Appendix 1 and Appendix 2 for details.
- Each division is headed up by a Divisional Manager at Principal Officer level who, in turn, has responsibility for the delivery of localised services and all of the day-to-day operational issues for the provision of income support and employment & support services in a number of Intreo Centres and Branch Offices.

(ii) Regional Support Units

The Department's regional divisions are supported by a number of HQ units:

The Regional Support Unit (RSU) is the central support unit responsible for the development and coordination of operational policy with regard to welfare/income support services for the regions and divisions, and for the Social Welfare Inspectorate.

The Activation and Case Management Unit is the central support unit responsible for the development and coordination of operational policy with regard to employment/activation services for the regions and divisions.

The Intreo Services Development Unit is responsible for the specification, testing and implementation of new IT systems and tools for use in delivering and managing services through Intreo centres. It is also responsible for driving process and organisation change to realise the benefits of these developments both with respect to customer service quality and operational efficiency.

(iii) Digital Services Channel Division

- The Digital Services Channel Division is responsible for implementing and driving client use of a digital (i.e. online) services channel. The intention is to facilitate and encourage client use of online channels to access and utilise departmental services primarily via a new online portal – www.mywelfare.ie with secure authentication of customer identity via a specially developed portal MYGovID.ie.
- The role of the Division is to set out and lead the programme of extending MyWelfare.ie capability to the greatest extent possible Department and to promote MyWelfare.ie as the primary channel for client claim related services.
- The Digital Strategy will be launched internally and externally in June 2017.

This is a significant step forward in the modernisation of the Department's customer service as it adds new customer service delivery capability through which DSP can continue to deliver fast, convenient, quality services to customers.

MyWelfare.ie is designed to enable clients to access personalised DSP services by registering for, and creating a personal account. The portal has been operational since July 2015 and also allows customers to book PPSN and Public Services Card appointments.

Services currently available to customers on www.mywelfare.ie include:

- Make an appointment to get your:
 - Personal Public Service (PPS) Number
 - Public Services Card (PSC)
- Apply for:
 - Maternity Benefit
 - Paternity Benefit
 - Child Benefit
 - Jobseeker's Payment
 - Request a Contribution statement
 - Close your Jobseekers Benefit Claim
 - View Claims and Benefits Information
 - Request Payment Statement
 - Request a Jobseeker's Holiday
 - Submit work and skills details to a case officer

(iv) Communications & Customer Services Unit

- A new Communications and Customer Services Unit was formed in August 2016 to bring together key customer service and communications functions within the Department. This structural change supports the development and implementation of aligned communications and customer services strategies in the Department.
- Three aligned strategies for the period 2017-2019 were developed and approved by the Management Board in spring 2017. They comprise an External Communications strategy, Internal Communications strategy and Customer Services strategy. These strategies will guide the work of the communication unit in the years' ahead.

Communications Team:

- The team' work is guided by the recently completed External Communications strategy which addresses the communications needs of all external stakeholders. . This includes public/media relations, marketing, branding, public information campaigns, government relations, social media, events and other public engagements.
- The Communications team incorporates the Department's Press Office team and a small newly established team focusing on communication planning, advertising, design and branding, the design of DSP application forms, website development and the development of accessible communication formats for people with disabilities.
- The Department's branding was refreshed in late 2016. The DSP logo was updated and a new look and feel was adopted on all official publications. This was first rolled out on the Department's Customer Charter and Action plan. The communications team is working to deliver this new visual brand across all the Department's key external communications to create a strong, aligned and instantly recognisable DSP brand.
- The work of the Unit is also guided by the Internal Communications strategy which addresses the internal communication needs of the organisation, to ensure that information is shared and communicated appropriately and innovatively to meet business and front-line staff needs. The unit has a role in supporting internal change management through their internal communications advisory and supporting role. This is to ensure that staff communications needs are always considered as part of any project, announcement or change.
- A number of key advertising campaigns have taken place in 2017 including the launch of MyGov.Id, Treatment Benefits for the Self Employed and a Welfare Fraud Campaign. Further campaigns are planned for later in 2017 including Maternity and Paternity benefit online at www.mywelfare.ie, the "Fuel Lump Sum" payment option, self-employed benefits and general treatment benefits in the autumn. Ad hoc campaigns can be arranged.

- The Press Office team have a distinct role and are responsible for communicating the messages of the Minister and the Department to the media. The day-to-day work of the Press Office includes:
 - Monitoring press coverage – radio, television, newspapers, online and social media (Twitter).
 - Drafting press releases, statements and responses to the media. These are generally shared with the Minister’s Press Adviser and ultimately, the Minister when there is a political aspect to the statements and responses.
 - Consulting and working with the Minister’s Press Adviser on press strategy.
 - Organising and managing press events including press conferences, launches and media briefings.
 - Preparing briefing material required by the Minister in advance of interviews with the media. Coordinating briefing material for the Minister in advance of visits to Departmental offices throughout the country.
 - Liaising with management at all levels on media issues of the day.
 - Acting as spokesperson for the Minister and the Department across a range of media - newspapers, magazines, radio, and television as well as social media. This is done by the provision of statements as opposed to actual interviews.

Customer Services Team:

- The newly created Customer Services team incorporates the existing customer information phone team in Sligo and the existing corporate website management team (www.welfare.ie). The customer service team is also responsible for customer services policy, customer information events and comment/complaint handling.
- The team is responsible for implementing better customer service practices across the Department, in partnership with the various Departmental units and structures.
- The team offers an extensive range of information services to customers regarding Department’s schemes and services. The Information Services Contact Centre (Lo Call 1890 66 22 44) dealt with some 54,650 calls in 2016 and 25,800 e-mail responses, which were issued to customers who contacted the information section via info@welfare.ie
- In Autumn 2016, the Customer Services team (and wider communications team) undertook social media training and now provide customer service privately over Twitter using Direct Messaging (known as social customer service) - this represents a significant advance in customer services within DSP. This service has been extremely well received by customers.

- The teams' work also includes the development of "The Customer Charter and Customer Action Plan 2016-2018" which sets out the standards of service that people can expect in their dealings with the Department. A copy of the Action Plan can be found at <http://www.welfare.ie/en/Pages/Customer-Charter-and-Customer-Action-Plan.aspx>
- The team also manages customer comments and complaints. In 2017 work will commence to develop new customer satisfaction surveys to measure and monitor customer satisfaction with the services and supports offered by DSP.
- The team's work will focus strongly on gaining data rich insights into customer service in DSP by monitoring key customer service metrics (satisfaction/phone wait times). It is tasked with embedding a responsive 'customer first' culture within DSP and is also responsible for monitoring feedback from customers through the Department's Comments and Complaints system.
- The Customer services team also manage regular formal information sessions for customer representative groups to share information directly as regards new announcements/schemes/changes. This is an important source of customer feedback.
- The Customer service team regularly present on request to private organisations on key topics of interest - notably pre-retirement briefings - and they represent the Department at key events including the Ploughing Championships and Over-50's show. It is planned to increase the range of events at which the Department is represented over the next number of years to reach wider audiences in a face-to-face setting.
- This team is responsible for the management of the Department's website. In 2017, an invitation to tender for an in-depth review of the Department's corporate website and to make recommendations for its redevelopment from both a technical and design perspective. A company will be appointed within the coming weeks to undertake this work which includes stakeholder engagement workshops to identify key issues/problem with the websites current configuration and ensure all future needs are incorporated in any new design. The website redesign will commence in 2018.

CIB Liaison / Translation & Interpretive Services and Information Grants Unit

- The Unit is responsible for oversight and governance of the Citizens Information Board (see Section 5.D) which is responsible for supporting the provision of information, advice and advocacy on social services and for the provision of the Money Advice and Budgeting Service. CIB has a budget of €54.05 million in 2017
 - arranging for the provision of Translation and Interpretive services for DSP customers (Budget in 2017 is €450,000) and
 - -administration of a scheme of Grants for the Development and Promotion of Information and Welfare Rights (Budget €686,000 in 2017).

(v) Client Eligibility Services (CES)

- The CES division is responsible for:
 - The acquisition, update, maintenance and data quality of PRSI contribution records for all employees and self-employed contributors, with around 3.5 million records received annually from Revenue.
 - Working with EU/EEA Member States in relation to social insurance contribution records.
 - Collecting PRSI in respect of employees of Irish companies working temporarily overseas ('posted workers').
 - Modernisation projects in relation to contribution records and the development of systems to electronically capture means-related and other data and to share this with other State bodies.
- PRSI data is transferred to the Department by the Revenue Commissioners, which acts as the Department's collection agency in respect of employees engaged in insurable employment and self-employed contributors.
- The basis for the administrative and operational arrangements governing these data transfers between the two organisations is contained in primary legislation and implementation is governed by Memoranda of Understanding.
- CES also records details of credited contributions, which are awarded in respect of periods during which a person is unable to undertake insurable employment because of, for example, unemployment or illness.
- In addition, the Division maintains a register of 'Homemakers', who may be entitled to have periods spent caring for elderly or incapacitated adults and/or full time caring for children taken into account for pension calculation purposes.
- Data maintained by CES is made available, as appropriate, to other areas of the Department dealing with payment schemes ('scheme areas'), where the PRSI contribution history is a factor in determining entitlement.
 - Approximately 1 million of the claims processed by the Department each year depend on data (PRSI contributions & credits) held in CES.
 - Details of PRSI contribution history records are also made available on request to some 65,000 individual contributors annually.

(vi) Services deleivered for other Departments

Water Conservation Grant

- In November 2014, the Government approved the introduction of an annual €100 Water Conservation Grant (WCG) in conjunction with a package of measures on the financing of Irish Water, to be administered in 2015 by DSP on behalf of the Department of the Environment, Community and Local Government (DECLG). The grant would take the form of a single annual grant in respect of all principal private (primary) residences only, estimated to number 1.3 million households.
- The Water Conservation Grant on-line application system together with a customer call centre support service went live in mid-August 2015, the application period closing on 22nd October 2015. 890,107 applications have been processed to 22 May 2017.
- WCG payments totalling just over €89.0m. have issued to 890,107 householders to 22 May 2017. 85% of householders have been issued with EFT payments, 15% have been issued with cheques. Both scheme and administration expenditure is recouped from DECLG. Administrative costs of €5,995,762 were incurred on the Water Conservation Grant.
- The administration and payment of this grant was a significant project for the Department and required the development and implementation of new and innovative ICT systems and infrastructure, including the development of a customer self-service web service for the Water Conservation Grant. It is intended that the ICT infrastructure put in place for this project will be reused for the provision of other online services in the future. The project also involved the establishment of new customer support and communications services and channels.
- The Minister for Housing, Planning, Community and Local Government recently requested the approval of the Government for the drafting of a Water Services Bill, 2017. The Joint Oireachtas Committee on the Future Funding of Domestic Water Services, in their Section 6.3 of their report, stated the following:
 - “In respect of the most cost efficient mechanism of adhering to the principle of equity of treatment for those who have paid and have not paid water charges, the Committee recommends that, following consideration of payments made by the State to date through the water conservation grant and the most effective

refund methods, such households should be compensated in an equitable manner”.

- In response the former Minister welcomed the legislative proposals with respect to the refund of water charges paid, and the recommendation of the Joint Oireachtas Committee on the Future Funding of Domestic Water Services (JOCFFDWS) on the equitable treatment of households who did and did not pay those charges.
- There is engagement with the Department of Public Expenditure and Reform on the financial issues arising, and a separate Memorandum to Government will address these matters further.

Magdalen Commission Scheme

- The Magdalen Commission Scheme (MCS) was set up under the recommendations of the Magdalen Commission Report of Mr Justice John Quirke. The report recommended the immediate implementation of an ex-gratia scheme comprising a combination of a lump sum equivalent payment and weekly pension payments. DSP implements the scheme on behalf of the Department of Justice and Equality (DJE).
- Applications for eligibility under Restorative Justice/Magdalen Commission scheme are made to that Department and they decide on entitlement to payment under the scheme. The women are eligible for a lump sum equivalent payment of between €11,500 and €100,000 from DJE depending on the length of stay in a relevant institution. As recommended by Judge Quirke, the balance of lump sum equivalent payments in excess of €50,000 is paid by weekly instalments in order to provide an income spread over a longer period (lump sum equivalent payments).
- In addition, weekly pension payments up to €100 are made to those aged under 66 years and up to €238.30 for those aged over 66 years.
- 823 applications have been received by DJE to date. It is estimated that the total number of customers will eventually be in the region of 1000. Customers will be transferred from DJE on an ongoing basis as their entitlement to payment is established. Applications are still being accepted by DJE. It is unlikely, however, that numbers on this scheme will increase significantly beyond estimated levels.
- Since 2014, DSP has received details from the Department of Justice and Equality (DJE) of 643 customers who are deemed eligible under the scheme to date i.e. these 643 customers had received a lump sum restorative justice payment from DJE.

- There are currently 411 customers receiving a weekly payment from DSP under the scheme. 353 are receiving payments under the administrative pension scheme and 180 are receiving a lump sum equivalent payment (122 are in receipt of both payments).
- 169 customers currently have no entitlement to weekly payments under the administrative scheme as they are already on an equivalent or higher rate of DSP payment. These cases are kept under review so that payments can be commenced if customer circumstances change.
- 60 customers have passed away since the scheme was introduced. 3 customers have chosen not to receive payments.
- In respect of 2016, DSP made weekly payments totalling €2,208,635 and lump sum equivalent payments of €784,612.74.

Local Property Tax Deduction at Source

- The Finance (Local Property Tax) Act 2013 allows for a person who is liable for the local property tax, and who is in receipt of certain social protection payments (long term more stable schemes e.g. pensions), to have local property tax (LPT) deducted from their payments. Deductions cannot be taken from a customer's Social Protection payment where this would reduce their weekly personal rate below the Supplementary Welfare Allowance (SWA) personal rate currently set at €191.00 per week.
- LPT deductions can be made from the following schemes and deductions to date have been made from scheme payments where the customer opts to do so and there have been no mandatory deductions.
 - State Pension (Contributory);
 - State Pension (Non-Contributory);
 - Widow/widower's or Surviving Civil Partner's Contributory Pension and Non-Contributory Pension;
 - One Parent Family Payment;
 - Invalidity Pension;
 - Carer's Allowance;
 - Disability Allowance;
 - Blind Pension.

- As of May 2017, there are approximately 25,700 customers availing of the deduction at source facility to make payments towards their LPT liability from their weekly DSP payments. This is a significant increase on when the scheme commenced in July 2013, when there were only approximately 11,350 customers with deductions.
- In 2016, approximately €6.17 million was deducted at source from customers DSP payments towards LPT liability.
- Based on current levels it is estimated that €6.9 million will be deducted at source from 25,700 customer's payments toward their LPT liability in 2017. The average weekly deduction amount for Local Property Tax from a customer is currently €5.20.

2 COMPLIANCE AND ANTI-FRAUD STRATEGY

- The Department processes around 1.7 million applications and claims for support each year. Some 82 million payments are made annually in respect of 1.2 million individuals and their families. The vast majority of people who are supported by the Department are exercising their legal entitlements and receiving the appropriate income/other supports.
- Social welfare fraud undermines public confidence in the entire social protection system as well as being unfair to other recipients of social welfare payments and to taxpayers. Given that social welfare payments are equivalent in value to c 40% of all tax receipts, the control of fraud and the prevention of abuse of the social welfare system are critically important to sustaining public confidence in the system and ensuring that funds voted by the Oireachtas are properly disbursed to the purposes intended.
- The Department's approach in this area – set out in the Compliance and Anti-Fraud Strategy 2014-2018 - lays a strong emphasis on minimising the risks of fraud and eliminating incorrect payments. This involves appropriate checks at the point of claim, strengthened by systematic reviews of claims in payment and verification that the conditions for entitlement continue to be met, including means, residency and medical reviews. The Department implements an annual programme to enhance its efforts to prevent fraud and error from entering the system in the first place.
- Under the Compliance and Anti-Fraud Strategy, the Department publishes an Annual Report and an Annual Target Statement. The 2016 Report will be published shortly. Headline results for 2016 and targets for 2017 are set out in appendix B3.
- Control work is an integral part of the day-to-day operations of the Department. Staff who are involved in the administration of social welfare schemes are acutely aware of the need to implement appropriate controls at every stage of the process of administering claims from receipt through to payment.
- In addition the Department aims to conduct some 950,000 claim reviews, inspections and investigations during 2017. This work is overseen and monitored by the Control Division (based in Carrick-on-Shannon). The Management Board also receives quarterly reports on progress towards achieving targets.
- Some 350 social welfare inspectors are specially assigned with powers to investigate claims and inspect employers. In addition, there are 110 trained investigators in the Special Investigation Unit (includes 19 Gardaí). Separately, 40 staff work in the central control area, 22 staff deal with identity services and a further 44 staff are assigned to overpayment administration and recovery.

- The Central Control Division is based in Carrick-on-Shannon and has responsibility across the Department for directing general control policy and activities, awareness and specific anti-fraud training for the Department as a whole. The Unit is also responsible for:
 - monitoring activity and reporting to the Minister, Management Board and externally
 - dealing with Good Citizen Reports received from the public and supporting anti-fraud campaigns (*see details below on 2017 fraud campaign*)
 - data matching with external agencies for control purposes;
 - provision of a specialised and dedicated National Decisions/Support Unit for Special Investigation Unit cases
 - co-ordination of the Department's fraud and error survey programme
 - processing all criminal prosecutions involving employers and social welfare recipients
 - developing and implementing the Department's debt management policy and managing the Department stock of overpayments;
 - operating the Maintenance Recovery Scheme which aims to recover some or all of the monies being expended on social welfare payments for lone parents and their children from the persons who are liable to maintain them, the (former) spouses or parents.

Special Investigation Unit

- The Special Investigation Unit (SIU) comprises 110 officers (including 19 Garda secondees). Its exclusive function is to investigate and report on social welfare fraud and non-compliance. Its remit involves a broad range of management, liaison, enforcement, investigative and intelligence gathering duties. The Unit carries out a wide range of control activities and projects. The SIU works closely with Revenue staff in the Joint Investigation Unit, and with other enforcement and compliance agencies. Work carried out by the Unit includes monitoring and compliance activity associated with sectors where tax compliance and social welfare fraud and abuse are common.
- The secondment of Gardaí to the Department to assist the SIU with fraud investigation work took effect, initially on a pilot basis, in early 2015. The secondment is continuing for 2017 and will be placed on a formal footing through the completion of a Memorandum of Understanding between DSP and AGS – expected to be completed by end June 2017.

- The key priorities of the Unit are to:
 - Ensure a national and strategic response to high risk sectors and social welfare schemes where fraud and non-compliance is prevalent;
 - Identify those sectors of the economy and conduct comprehensive investigations where the risk of concurrent working and claiming social welfare payments is most prevalent; and
 - Undertake a series of targeted national projects aimed at the prevention and detection of social welfare fraud in high risk sectors, schemes and client cohorts.
 - The SIU, in undertaking social welfare fraud investigations, underpins its control activity within the three main pillars of the Department's control strategy i.e. prevention, detection and deterrence. The emphasis of SIU activities is on direct intervention and engagement, with the Unit undertaking high visibility operations on a regular and systematic basis. Specific projects undertaken by the SIU in 2016 included:
 - Dealing with referred good citizen reports
 - Shadow Hidden Economy (specific sectors)
 - Non residency/Airports
 - Multiple claiming & identity fraud (PSC)
 - Construction sector (public procurement)
 - Data matching projects
 - Undisclosed financial assets
- Among the outcomes that were achieved in 2016 were:
 - control savings of €70.6m generated from the Unit's control activities;
 - 4,451 case investigations resulting in payments being stopped or reduced;
 - 1,840 cases with overpayments (to the value of €27.8m); and
 - a total of 344 cases referred for consideration of prosecution.

Scheme/Regional Division Control Staff

- Each major scheme section has a dedicated control unit which initiates, undertakes and co-ordinates all control activities within their respective areas. The scheme control units

are mainly involved in data-matching projects in order to select cases for review. While some 'desk review' work is carried out at the scheme control units, the detailed investigations are sent to Inspectors, including the SIU.

- Each regional division has its own cohort of social welfare inspectors. These inspectors undertake reviews on behalf of the divisions (mainly Jobseeker and One Parent Family claims and employer PRSI inspections). In addition they undertake reviews on behalf of the centralised scheme areas and the SIU.

Control Savings

- A key measure of the Department's control activity is the value of control savings achieved by the Department on an annual basis. Control savings are an estimate of the value of various control activities across schemes in payment. They include both the actual value of past overpayments identified and the estimated value of expenditure that would have been incorrectly incurred were it not for the control activity identifying the fraud and error. The Department had a target of achieving €510m in control savings in 2017 (similar target for 2015 & 2016). In 2016, reported control savings were €506m resulting from some 950,000 individual reviews/investigations of entitlements across all scheme areas.

Prosecutions

- Where the Department encounters serious fraud cases, it is policy to ensure that such cases come before the courts. While the Department can take such prosecutions under social welfare legislation, in cases where serious cases of identity fraud or multiple claiming occur, these are generally referred to the Gardaí for prosecution under criminal justice legislation.
- During 2016, 181 criminal and 18 civil cases were referred to Chief State Solicitor's Office (CSSO) for criminal prosecution. An additional 160 cases were referred by the SIU/An Garda Síochána to the DPP for direction.
- Some 600 cases are currently in the courts system (i.e. on hand with the Chief State Solicitor/Local State Solicitor) and at various stages of the legal process.
- The number of cases sent for prosecution has increased steadily in recent years - see table overleaf.

Cases referred for prosecution: 2012 to 2016

	2012	2013	2014	2015	2016
Social welfare Act	158	198	201	202	181
Criminal Justice Act	84	68	115	151	160
Total	242	266	316	353	341

- The Department finalised 188 cases which were prosecuted in Court during 2016 (these related to offences committed under the Social Welfare (Consolidation) Act 2005 and does not include cases referred to the DPP for prosecution under the Criminal Justice (Theft and Fraud Offences) Act 2001).
- The value of overpayments in these cases was just over €3 million. Of the 188 cases finalised, the following outcomes are noteworthy:
 - A prison sentence was imposed in 4 cases;
 - Suspended sentences were imposed in 17 cases;
 - Fines of varying amounts were imposed in 108 cases, ranging from €50 to €7,500;
 - The Probation Act was imposed in 36 cases where the overpayment has been repaid in full;
 - Payments to charities or the poor box was ordered in sixteen cases ranging from €200 to €5,000

Overpayments/DSP Debt

- At the end of December 2016, customer debt, arising from overpayments, was valued at €482.5 million in respect of 191,660 individual debts involving some 174,000 people. A quarter of the outstanding debt is less than 2½ year old while one-third is more than seven year old.

Outstanding customer overpayments - end December 2016

Overpayments raised	Individual Debts	Value Outstanding at end of 2016	Share
During 2015 & 2016	62,420	121.2m	25%
Between 2010 and 2014	79,848	198.6m	41%
Before 2010	49,392	162.6m	34%
Total	191,660	482.5m	100%

- Recent legislative changes have given the Department enhanced powers to recover debt where a person has been overpaid their social welfare entitlement. A person in receipt of a payment can be required to make instalment arrangements of up to 15% of the value of the personal rate payment (up to €28.95 per week). In general, the Department does not make an involuntary deduction of this magnitude unless there is manifest non co-operation by claimants. Regular instalment arrangements range between €5 per week and €25 per week with a small number of customers opting for higher value instalments to clear overpayment quickly.
- The Department has a power to make attachment orders both to cash balances held in bank accounts and to earnings. To date, the Department has used this power sparingly, preferring to enter into voluntary arrangements to avoid the risk of delays, possible legal challenges and the use of staff time in managing the process.
- Part of the reason the stock of older debt is so high is related to the prohibition on the Department to recover amounts overpaid until legislative changes were introduced in 2014. Previously, the maximum that could be deducted from social welfare payments in most cases was €2 per week.
- The value of debt recovery has increased significantly in recent years. In 2015 and 2016, €82m was recovered. The target for 2017 is to recover €90m.

Predictive Analytics

- With a view to improving the systems and methods it employs to address the risk of non-compliance across its schemes, the Department is using predictive analytics modelling to enhance the existing control programme. Separate models have been built for the three main working age schemes (Jobseekers, One Parent Family Payment & Disability Allowance) with a view to enhancing the Department's ability to predict which claims are more likely to be non-compliant.

- Details of control savings yielded using the predictive analytics model thus far are provided in tabular format:

Scheme Model	Savings Recorded
One Parent Family	€6.77m
Disability Allowance	€2.42m
Jobseeker's Allowance	€5.72m
SIU Projects	€3.57m
Total	€18.48m

Data matching

- The Department conducts a number of systematic data matches with a range of agencies. Some 800-900,000 individual records are received and cross-referenced each year against the Department's own data. Data is received securely from agencies such as the Revenue Commissioners (regarding commencement of employment, PRSI and related income data, and payment of DIRT); the Irish Prison Service (regarding prisoner data), the Higher Education Authority (in respect of student grants and records), the Commission on Taxi Regulation, Health Services Executive (mainly related to the Fair Deal Scheme). Information is also received from the Department's equivalent in Northern Ireland and the UK. Other less frequent and systematic data matches are undertaken with agencies such as the Personal Injuries Assessment Board, the Private Residential Tenancies Board and the Private Security Authority.

Fraud & Error Surveys

- The Department is committed to conducting a number of fraud and error surveys annually. These surveys estimate the level of fraud/error at a point in time on the scheme surveyed. Three surveys were completed in 2016 covering Farm Assist, Family Income Supplement and Household Budget Package. A survey of the State Contributory Pension was completed in May 2017 and is due for publication in June. A survey of Supplementary Welfare Allowance is currently being finalised and will be published in late summer. Detailed field work has commenced on a survey of Carer's Allowance with the report due to be completed in the autumn.

- Separately, surveys of the Back to Work Enterprise Allowance and the State Pension (Non-contributory) are expected to commence in late summer/early autumn 2017.

Public Services Card

- The Public Services Card (PSC) was introduced to enable individuals gain access to public services more efficiently and with a minimum of duplication of effort, while preserving privacy and security. The PSC considerably reduces the potential for identity theft, forgery and fraudulent use through the inclusion of a photograph, signature and better security features.
- The PSC offers significant protections against welfare fraud as it represents a robust identity registration process involving documentary evidence, background database checks, face-to-face questioning, biometric capture and facial image matching.
- Facial matching software has been in use since March 2013; it assists in detecting and deterring duplicate registrations by matching customer photographs against existing photographic records to identify if a person has already registered with the Department. Where a match or a potential match is identified, an investigation can be mounted.
- Up to end-May 2017, 166 possible match cases have been detected and referred for investigation. These cases are at various stages of the investigation process. To date, the Department has prosecuted 21 cases, with 18 people receiving custodial sentences.
- The Department, together with the Department of Public Expenditure and Reform, is engaged with multiple public bodies on the programme of registration and issue of the PSC and will continue to do so.

Welfare fraud campaign - 2017

- The “Welfare cheats cheat us all” publicity campaign, launched in mid-April 2017, was designed to:
 - Demonstrate that the Government and Department takes the issue of social welfare fraud very seriously and that it will investigate and prosecute fraud, where this is found to be warranted;
 - Increase awareness among claimants of the need to keep the Department informed of any change in their personal circumstances that might impact their entitlement to a payment, or the rate of payment;
 - Promote discussion on the topic of social welfare fraud and challenge the perceptions of those who see it as a victimless crime;

- Encourage reporting of suspected/known social welfare fraud. It afforded an opportunity to increase awareness of the Department's fraud reporting contact numbers and online reporting options;
- and
- Demonstrate that the Department is very conscious of its obligations, as one of the largest spending Departments in the State, and the importance of protecting the integrity of the social welfare system.
- The delivery of the campaign was designed to achieve a balance of coverage across all demographics and regions and incorporate print, national and regional radio stations, digital and outdoor advertising. The national and regional radio, print and outdoor advertising ran for a period of two weeks, with a longer timeframe of 4 to 6 weeks for digital/online advertising.
 - The cost of the advertising campaign is €165,988 excluding VAT. It includes all design and advertising costs associated with the campaign (print advertising, national and regional radio advertising, outdoor and online/digital advertising). No additional costs arise in staff resources, website development or the provision of the telephone reporting facility.
 - Control Division had set no specific savings targets for this campaign. An overall savings target of €510 million has been set for 2017 and additional reporting from members of the public will support the Department in achieving this target. Up to close of business on Monday 29th May, 3,681 reports had been received – compared to 2,298 in 2016 in the same period – an increase of over 60%. These reports are now being examined and will be referred to the appropriate scheme area for follow up action, if so warranted, given the information provided.

Impact of the Anti-Fraud Campaign on the Number of Reports of Fraud Received.

Week	Carrick by Phone:	Sligo by Phone:	On-line facility:	Letter :	Daily total:	Comparable period 2016
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Week before campaign

10-17/4/17	16	0	243	0	259	--
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Since launch on 18/04/17

18 - 23/4/17 <i>Tue to Sun</i>	65	16	419	0	500	367
24 - 30/4/17 <i>Mon to Sun</i>	195	15	454	34	698	390
1/5 to 7/5/17 <i>Mon (BH) to Sun</i>	150	21	434	64	669	370
8/5 to 14/5/17 <i>Mon to Sun</i>	154	1	461	34	650	432
15/5 to 21/5/17 <i>Mon to Sun</i>	170	0	405	52	627	345
22/5 to 28/5/17 <i>Mon to Sun</i>	124	0	297	23	444	353
29/5	22	0	64	7	93	32
Totals	880	53	2534	214	3681	2289

3. CORPORATE AND CENTRAL FUNCTIONS

A. Legislation

Legislative Programme

- The Department is responsible for the legislation underpinning the social welfare code and for a number of other areas of legislation, as follows:
 - Occupational and Private Pensions Legislation
 - Civil Registration and Gender Recognition Legislation
 - Redundancy and Employer's Insolvency Legislation
 - Citizens Information Board/Comhairle Legislation
- The Department's normal legislative cycle involves the enactment of two or more Social Welfare Bills each year:
 - (a) a Bill in December to implement the annual social welfare changes announced in the October Budget, and
 - (b) a Bill in spring/early summer to provide a legal basis within the social welfare code for policy, administrative and operational changes (and Budget measures, if required).
- The Pensions Act 1990 is also amended on a regular basis to provide for changes in the regulatory and supervisory structures to reflect developments in pensions and financial environments.
- The Civil Registration Act 2004 has also been significantly amended in recent years.

Recent Social Welfare Legislation Enacted

- Three Bills were enacted in each of the years 2014 and 2015. One Bill was enacted (following the Budget) in 2016.
- The Social Welfare and Pensions Bill 2017 is currently being drafted. See Part A of the Brief. The General Scheme of the Bill, as published on 9th May 2017 can be accessed at <http://www.welfare.ie/en/pressoffice/Pages/pr090517.aspx>

Social Welfare and Pensions Act 2014

- The primary purpose of this Act was to give further effect to EU Directives on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity. Amendments were made to both the Social Welfare Consolidation Act 2005 and the Pensions Act 1990.

Civil Registration (Amendment) Act 2014

- This Act provided for a wide range of issues relating to the registration of life events (births, marriages, civil partnerships and deaths) in the State in response to representations and recommendations made. It also introduced amendments designed to streamline the service to the general public.

Social Welfare and Pensions (No. 2) Act 2014

- This Act gave effect to changes in the rate of Child Benefit as announced in Budget 2015 as well as to changes in the means test for the One-parent Family Payment. It also introduced amendments to the Pensions Act relating to pensions schemes of insolvent companies.

Social Welfare (Miscellaneous Provisions) Act 2015

- This Act provided the legislative basis for the introduction of the Back to Work Family Dividend, as announced in Budget 2015, to help jobseekers with families and lone parents to return to work. Consequential changes to the Taxes Consolidation Act 1997 are also included.
- Other provisions included changes associated with the reform of the One-parent Family Payment, identity authentication issues and the recovery of benefits in personal injury cases.

Gender Recognition Act 2015

- This Act provided for the formal legal recognition of the preferred gender of transgender people. This recognition is for all purposes, including dealings with the State, public bodies, and civil and commercial society. The Act also provided for consequential amendments to the Civil Registration Act 2004.

Social Welfare and Pensions Act 2015

- This Act gave legislative effect to a range of social welfare measures announced in Budget 2016 which largely came into effect in January 2016. The measures included increases in a range of social welfare schemes including the Old-Age Pension (Contributory and Non-contributory), the Carer's Support Grant (previously the Respite Care Grant), Family Income Supplement and Child Benefit. It also provided for changes to the PRSI system.

- The Act also provided for changes to the Pensions Act 1990 to provide that the person who holds the office of Financial Services Ombudsman may also be appointed as the Pensions Ombudsman.

Social Welfare Act 2016

- This Act gave legislative effect to a range of social welfare measures announced in Budget 2017. The measures included increases to the maximum weekly pension payments with proportionate increases for those on reduced rates of payment and qualified adult dependants. Increases were also provided for in the maximum weekly rate of Maternity/Paternity/Adoptive Benefit, Illness Benefit, Blind Pension, Carer's Benefit, Carer's Allowance, Disability Allowance, Invalidity Pension, One Parent Family Payment, Jobseeker's Benefit, Jobseeker's Allowance and Farm Assist, together with proportionate increases for those in receipt of reduced rate payments. Provision was also made for proportionate increases for qualified adult dependants.
- The Act extended eligibility for Invalidity Pension and Treatment Benefit to persons paying the class S (self-employed) rate of PRSI and provided for the addition of Paternity Benefit to the list of schemes for which class S contributions are reckonable.

Secondary Legislation

- 28 Regulations and Orders were made in 2015 and 22 in 2016. To date 10 Regulations and Orders have been made in 2017.

Legal Advisers

- The Department has two Advisory Counsel on secondment from the Office of the Attorney General, for the purpose of providing independent and objective legal advice. One of these posts is currently vacant (awaiting replacement from the AGO).

Planning Secretariat

- The Planning Secretariat administers the process of circulating Memoranda for Government and the subsequent compilation of Ministerial observations. It also provides an administrative support service to the Department's corporate functions based in Aras Mhic Dhiarmada primarily to the legislative and budget/estimates divisions.

B. General Register Office (GRO) Policy

- The function of GRO Policy Unit, established in 2012, is to develop policies with regard to civil registration and to prepare legislation to support the operation of these new policies. It works closely with the General Register Office on these matters. (See Section 5 concerning the GRO).
- The Civil Registration Act 2004 (CRA), which is the legislation under which the Civil Registration Service operates, provides for the registration of births, deaths, marriages and civil partnerships in the State and for matters relating to the operation of the General Register Office. GRO Policy Unit has progressed three significant pieces of civil registration legislation, which amend the CRA, through the Oireachtas, as follows:

Civil Registration (Amendment) Act 2012

- This Act provides that secular bodies may nominate persons for inclusion in the register of marriage solemnisers. Previously, only the Health Services Executive and religious bodies could apply for registration in the register.

Civil Registration (Amendment) Act 2014

- The main provisions of the Act deal with the compulsory registration of fathers' names on birth certificates, combatting marriages of convenience and the recording of the deaths of Irish citizens who die while abroad.

Gender Recognition Act 2015

- This Act provides that transgender people may obtain formal legal recognition of their preferred gender and allows them acquire a birth certificate showing their preferred gender.

Proposed legislation for 2017

- Further minor amendments, which are technical in nature, to the Civil Registration Act 2004 are included in the Social Welfare and Pensions Bill, 2017.

Underage Marriage Exemption

- It is also proposed to amend the Family Law Act 1995 in relation to the underage marriage exemption. The Minister for Social Protection and the Minister for Justice and Equality received Government approval to proceed to draft Heads to remove the exemption which currently enables persons under 18 to marry. The proposal would require the amendment of the Family Law Act 1995 and the Civil Registration Act 2004.
- Subject to legal advice, it is proposed to amend section 2(2) of the Civil Registration Act 2004 to make it an absolute impediment to marriage that a party to the intended

marriage is under 18, and to repeal section 33 of the Family Law Act 1995, thereby removing age as one of the criteria from which a party to a marriage can obtain an exemption. The Department of Justice and Equality will have responsibility for the legislation with input from this Department.

C. *EU & International Affairs*

Legal responsibilities through our membership of the EU

- The Department's main legal responsibility from membership of the EU relates to co-ordination of social security rights for migrant workers. This has given rise to a complex set of Regulations concerning social protection for persons moving within the Union (Regulations 883/04 and 987/09). These regulations do not harmonise the different social security legislations of the current 28 Member States, but instead co-ordinate them to ensure that social security rights are protected in the event that a person exercises their right to free movement within the European Economic Area (EU plus Norway, Liechtenstein and Iceland), as well as Switzerland.

Policy exchanges at EU level

- Apart from the co-ordination of social security for workers moving between Member States, the EU has limited legal competence in social protection issues. The Open Method of Coordination (OMC), however, offers an agreed mechanism for achieving co-operation between the Member States and the Commission in the policy areas of social protection, social inclusion, health and long-term care. The implementation by Member States of policy objectives, agreed at European Council level, in these areas is monitored by the Social Protection Committee on which the Department is represented.

Participation at EU Ministerial Councils

- EU business (both legislative and non-legislative) falls for debate/decision at the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). Usually, there are two formal Council meetings and one informal Council meeting during each 6-month Presidency. The Employment and Social Affairs items can cover matters relating to employment, social inclusion, equality, as well as social protection issues. These areas span three different Departments. The Minister for Social Protection attends the Council meeting where significant debates on issues in his/her remit are signaled.

European Semester

- The European Semester is the EU's annual cycle of economic policy guidance and surveillance. The Semester begins around November each year with the publication of two key economic reports: the Annual Growth Survey which analyses the progress that the EU has made towards its long-term, strategic priorities; and the Alert Mechanism Report which is an early warning report to detect and address economic trends or imbalances that could be detrimental to individual Member States. Following a series of bilateral discussions and detailed fact-finding exercises with individual Member States and the production of individual Country Reports, the Commission brings forward a series of Country-Specific Recommendations (CSRs) for budgetary, economic and social

policies in May of each year. The various EU Committees discuss the CSRs which are finally endorsed by the European Council in June-July. The Commission has brought forward three CSRs for Ireland in 2017 including one which contains areas of specific relevance to the Department of Social Protection that requires the State to: *deliver an integrated package of activation policies to increase employment prospects of low-skilled people and to address low work intensity of households*. Work is ongoing in the Department to address this aspect of the CSR.

Bilateral Relations with other Countries

- Ireland, via the Department, has concluded bilateral agreements on social security with several non-EU countries including Australia, Canada, New Zealand, Quebec, Switzerland, USA, South Korea and Japan. The agreements are limited to certain social welfare benefits, mostly pension-related, and generally follow the format of EU Regulations on the coordination of social security.

North-South Co-operation

- The Department is represented at meetings of the inter-departmental North-South coordinators group, chaired by the Department of Foreign Affairs and Trade.
- In the context of Brexit, efforts continue to encourage engagement in the practical exchange of information at Departmental level with the Department for Communities

Other International Commitments

- The Department fulfils Ireland's obligations relating to minimum social security standards under UN and International Labour Organisation (ILO) Conventions, the Council of Europe Revised European Social Charter and the European Code of Social Security.

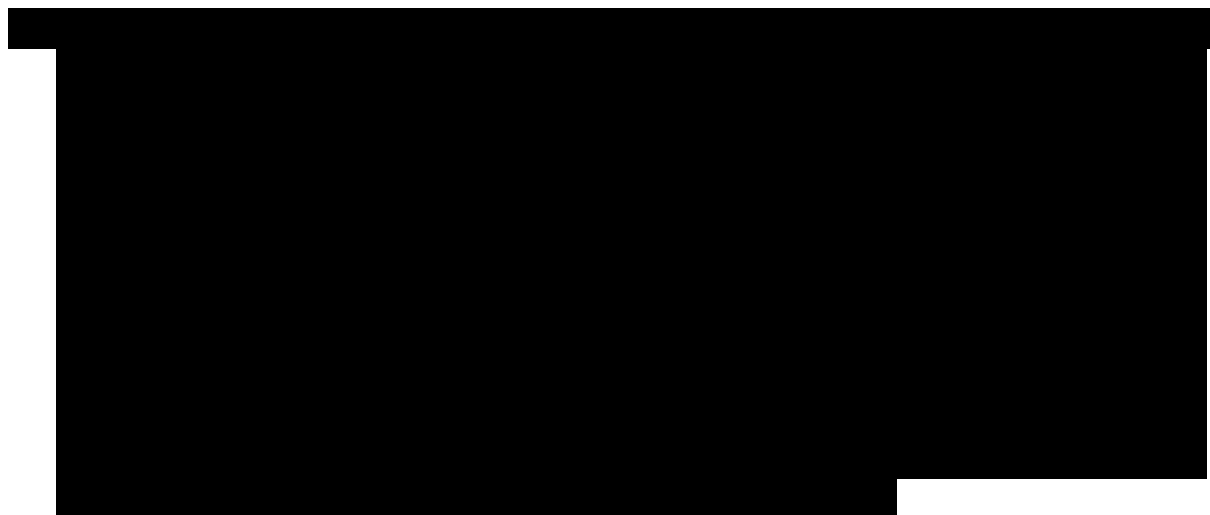
Revision of EU Regulations on Social Security Coordination

- EU Regulations 883/2004 and 987/2009 on the coordination of social security systems have been amended on a number of occasions since they came into force in May 2010 to take account of the accession of new Member States, to clarify certain rules in the light of the operation of the amended provisions contained in these Regulations and to take account of changes to national legislation. In order to continue the process of modernisation of the EU law on social security coordination, the European Commission launched a more substantial revision of a number of the provisions of these EU Regulations in December 2016 relating, in the main, to –
 - Economically inactive EU citizen's access to social benefits,
 - Long-Term Care Benefits,

- Unemployment Benefits,
 - Family Benefits, and
 - Posting issues.
- The overall objective of the proposal is the modernisation of the rules of social security coordination by ensuring legal clarity, a fair and equitable distribution of the financial burden amongst institutions of the Member States involved and administrative simplicity and enforceability of the coordination rules.
 - The Maltese Presidency is progressing the changes relating to the access to social benefits for economically inactive EU citizens and posting issues and it is intended that future Presidencies will progress the other elements of this package of revisions.

Proposed Commission Infringement Proceedings

- The EU Commission is proposing to refer Ireland to the Court of Justice of the EU (CJEU) as it considers that the State is in breach of EU Regulations on the coordination of social security systems by not paying Carer's Allowance to people who are outside the jurisdiction. The Commission's case is that the Carer's Allowance is a sickness benefit for the purposes of the social security regulations and should be exportable.
- Since 2004 Ireland has treated the non-contributory Carer's Allowance as a social assistance payment which placed it outside the scope of the EU social security regulations. It is therefore payable only in Ireland and in accordance with our domestic legislation. This treatment of Carer's Allowance was agreed and supported by the EU Commission in 2004 in the context of negotiations on revisions to the social security regulations at that time. Ireland already meets its obligations in this area by exporting the contributory Carer's Benefit.



Interventions in cases before the European Court of Justice

- Ireland has intervened in four cases before the European Court of Justice, all involving the binding nature of certificates issued in posting situations or where a person is working in more than one Member State. These interventions arise primarily from the experience of certain Irish companies with regard to the payment of social security contributions in two Member States in respect of their employees, when it had already been determined that social insurance was payable in Ireland. All four cases relate to the admissibility of documents and other supporting evidence which are provided in accordance with the EU Regulations by the social security authorities in one Member State to the social security authorities in another Member State indicating that a worker continues to be liable for social security contributions in the first Member State. The European Court of Justice has recently ruled in the first of these cases to be heard and upheld the position held by Ireland that, as long as it is not withdrawn or declared invalid by the institution which issued it, the relevant certificates are binding on the institutions and courts of the host Member State.

EU/UK Relations: Brexit

- The operation of the current arrangements for social security between Ireland and the UK, and between the EU27 and the UK, has not changed. At present, all social welfare payments made by DSP, including pensions and Child Benefit, continue to be paid as normal.
- Citizens' Rights are to the forefront of the Phase 1 negotiations between the EU27 and the UK. These include protecting the social security rights and entitlements of expatriate citizens in the EU and Britain respectively. There is broad recognition, both in the EU and UK, of the need to reach an early settlement on safeguarding people's rights and entitlements. However, the issues are extremely complex. Given that free movement of EU workers and citizens was one of the central issues involved in the debates leading up to the UK vote to leave the EU, the social protection implications are intrinsically linked to issues involved in the free movement of EU workers and citizens.

- The Government has made clear that the retention of Common Travel Area [CTA] arrangements is a priority. This has been acknowledged by the EU leaders while the British Government has indicated its strong desire to maintain operation of the CAT. Various reciprocal bilateral arrangements governing social security have been in place between Ireland and the UK – the current one dating from 2007.

[REDACTED] DSP's key aim is to ensure that the current reciprocal arrangements for social insurance (which includes pensions) and social assistance (means tested schemes linked to residency rights) and child benefit, which currently exist for Irish and UK citizens moving within the island of Ireland and between Ireland and Britain can be safeguarded.

Habitual Residence Condition (HRC)

- In the context of the enlargement of the European Union from 15 to 25 Member States in 2004, Ireland (along with the UK and Sweden) was one of the few Member States who did not impose any restrictions on the numbers of people from the new Member States who wished to come here and work. Some restrictions were subsequently imposed by Ireland on Bulgaria and Romania on their accession to the EU in 2007. In order to minimise the risk of so called "welfare tourism", the Government introduced a habitual residence condition. This is an additional requirement for entitlement to social assistance payments and to Child Benefit, aimed at restricting access to such payments by people who are not economically active and who have little or no established connection with Ireland.
- The HRC is provided for in Irish social welfare legislation and is in accordance with EU legislation and with European Court of Justice Jurisprudence. The HRC applies regardless of nationality or ethnicity. When determining whether a person is habitually resident in the State for social protection purposes, all the circumstances of the case are considered including, in particular, the following:
 - The length and continuity of the person's residence in the State or in any other country;
 - The length and purpose of any absence by the person from the State;
 - The nature and pattern of the person's employment;
 - The person's main centre of interest, and
 - The future intentions of the person as they appear from all the circumstances.
- The legislative provisions with respect to habitual residence apply to Child Benefit and to the range of means-tested social assistance schemes operated by the Department.
- Arrangements are in place with Safe-Home Ltd, a registered charity, to assist with the difficulty experienced by a minority of returning Irish emigrants in demonstrating their intention to live here permanently for the purposes of satisfying the habitual residence condition. To assist such persons, Safe-Home has drawn up a check-list of a range of documents that will help show that they have returned to Ireland permanently. Safe-Home has also designed a declaration which will confirm where a person is engaging with them as part of their repatriation. The declaration is associated with any social assistance claim the person might make. This measure helps to expedite the decision-

making process in these cases as it can be accepted as proof that the person has returned to reside in the State on a permanent basis.

Ireland's Response to the European Commission's Consultation on the proposed European Pillar of Social Rights

- President Juncker's State of the Union address in 2015 recognised that, to ensure that the economic recovery would evolve for the benefit of all within the EU and with a view to ensuring sustainable long term prosperity, a stocktaking of Social Rights and trends in the modern workplace was considered to be an appropriate action to take. Following on from this, on the 8th March 2016, the EU Commission launched a preliminary view of the EU Pillar of Social Rights as well as a public consultation process. The process is designed to ensure that the Pillar will continue to be relevant to changing trends in our work and welfare systems in the future.
- The Department of Jobs Enterprise and Innovation (DJEI), as the EPSCO co-ordinator, has the lead role in coordinating the all of Government consultation process. As part of the preparation of the Government's overall response to the Commission consultation on the Social Pillar, lead Departments were requested to prepare a response for each policy area, in consultation with the other Departments involved. The Memo for Government has been supplied, approved and submitted to the Commission.
- Individual Government Departments are currently following up in their respective areas on the Social Pillar proposals which emerged from the Commission in Spring 2017 in the form of a "Proposal for an Interinstitutional Proclamation on the European Pillar of Social Rights". The Proclamation divides the social rights into three categories: Equal Opportunities & Access to Labour Market; Fair Working Conditions; and Social Protection & Inclusion. These are subdivided into 20 policy areas, of which DSP has the lead in Active support for employment; Social protection; Unemployment benefits; Minimum income; Old age income and pensions and the joint lead in Childcare and support to children. DSP also has an interest in a number of the other pillars such as Work Life Balance and Inclusion of People with disabilities.

D. PRSI Policy

The Social Insurance System

- The Social Insurance system is central to the provision of social security in Ireland. It plays a major role in Irish life, in terms of the number of people who depend on it and also in terms of the financial and economic scale of the system.
- The basic principle underlying the social insurance system is that people, while they are economically active, make social insurance contributions in accordance with their ability to pay at various rates depending on the range of pensions and benefits for which they will qualify. It is an important vehicle of income redistribution and solidarity between generations and between those in work and those who are not. Contributions finance pension payments to an earlier generation of contributors and also pay for benefits to people who are temporarily economically inactive through illness or short term unemployment. In return, contributors build up entitlements which will be paid to them as of right, without having to undergo a means test, when they themselves need them, for example when they are no longer economically active.
- PRSI contributions are payable by employees, their employers and the self-employed aged 16 years and under pensionable age – currently 66 years. These contributions are paid into the Social Insurance Fund (SIF) which funds social insurance benefits for contributors who satisfy the qualifying conditions for those benefits.

Programme for a Partnership Government – PRSI commitments

- There are 3 specific commitments in the Programme for Government relating to PRSI:-
 - *“We will seek to introduce a PRSI scheme for the self-employed and provide a supportive tax regime for entrepreneurs and the self-employed”.*
 - *“We will also extend the Dental Treatment Benefit under the Social Insurance Fund to reimburse the cost of some routine dental treatments. For medical cardholders, we will introduce a preventive dental health package also.”*
 - *“We will reply on the annual recommendations of the Low Pay Commission on the level of adjustment each year. Working with the Oireachtas we will cut Employers’ PRSI for low income workers to mitigate the cost of minimum wage increases, in order to protect jobs.”*

Social Insurance Contribution Rates and Benefits

- A combined PRSI rate of 14.75% is paid in respect of most (PRSI Class A) employees (this includes a 0.7% contribution to the National Training Fund⁹). These employees can then access the full range of long and short term social insurance benefits. The employee PRSI charge comprises 4% payable by employees and 10.75% by their employer (there is an 8.5% employer PRSI rate where weekly earnings are under €376.01¹⁰). Employees who pay PRSI at Class A are covered for all benefits and pensions.
- Self-employed persons who earn €5,000 or more in a contribution year are liable for PRSI at the Class S rate of 4%, subject to a minimum payment of €500. PRSI Class S contributors are covered for the State pension (contributory), Widow's, Widower's or Surviving Civil Partner's pension (contributory), Guardian's payment (contributory), Maternity & Adoptive Benefits, Paternity Benefit, Treatment Benefits (from March 2017) and Invalidity pension (from December 2017).
- Class S contributors are not covered for Jobseeker's Benefit, Illness Benefit, Carer's Benefit and Occupational Injuries Benefits. Self-employed workers may, however, access social welfare supports by establishing eligibility to assistance-based payments such as Jobseeker's Allowance and Disability Allowance.

Budget 2017 – Social Insurance Measures for the Self-Employed

- Following Budget 2017, Class S self-employed contributors have access, for the first time, to the Treatment Benefit scheme which includes free eye and dental exams, and contributions towards the cost of hearing aids. This measure benefits over 300,000 self-employed workers and their dependants and will cost €3.5m in 2017 and €4.5m in a full year. Treatment Benefit entitlements will also be extended from October 2017 so as to provide further dental and optical benefits for both the self-employed and employees. The cost of this measure is €9m in 2017 and €47m in a full year. Over 2.5m workers, including those who are self-employed, will benefit from these additional benefits.
- Self-employed Class S workers will also be eligible for the Invalidity Pension from December 2017. This is a major reform as self-employed people will now have access to the safety-net of State income supports, without having to go through a means test, if they become permanently incapable of work as a result of an illness or disability. It is estimated that the approximately 1,400 self-employed who will immediately qualify for Invalidity Pension in December 2017, will give rise to costs €1.5m in that year. The

⁹ The National Training Fund is administered by the Department of Education and Skills.

¹⁰ In Budget 2016 the threshold at which the higher 10.75% rate of employer PRSI applies was increased from €356 to the current €376 threshold. The increased threshold ensures that employers, whose employees benefitted from the 2016 increase in the minimum wage, continued to attract the lower employer rate of 8.5%.

estimated 2018 and 2019 costs are €23m and €38m, respectively, and will rise further in later years.

Social Insurance Funding

- The SIF operates on a pay-as-you-go basis, with the Exchequer acting as the residual financier of the Fund, where there is a shortfall between PRSI contributions received and the cost of social insurance benefits paid.
- The SIF was established in the early 1950s and annual Exchequer contributions were the norm for over 40 years.¹¹ However, no Exchequer contribution was required over the period 1997 to 2007 inclusive as social insurance income exceeded Fund expenditure. At the end of 2007, an accumulated surplus of €3.6 billion had been built up.
- In 2008, the current operating balance of the SIF moved into deficit and the deficit accelerated rapidly in 2009 (€2.5 billion) and 2010 (€2.75 billion) as the recession took hold. This meant that the accumulated surplus built up over 11 years was exhausted in less than 3 years (driven by very large increases in expenditure on Jobseeker's Benefit and the ongoing rise in the number of pensioners).
- The annual deficit has declined significantly since 2013 with a surplus of €453 million recorded in 2016. The Revised Estimates for 2017 provides for a surplus of €611 million.

SIF income and expenditure, 2011 to 2017.

	2011 outturn	2012 outturn	2013 outturn	2014 outturn	2015 outturn	2016 Provisional outturn	2017 REV estimate
	€ Millions	€ Millions	€ Millions	€ Millions	€ Millions	€ Millions	€ millions
SIF income	7,544	6,781	7,318	7,891	8,498	9,217	9,599
SIF expenditure	9,004	8,870	8,632	8,431	8,617	8,764	8,988
Surplus/ deficit	-1,460	-2,088	-1,314	-540	-119	453	611

¹¹ For example, in 1967, the State contribution was 38% of SIF expenditure and almost 29% in 1985.

- A large number of structural PRSI income measures were introduced over the period since 2009 which have had a positive impact on the funding of the SIF. These measures included increases in rates of some contributions, the abolition of the employee ceiling for charging PRSI, the abolition of relief from PRSI previously applied to employee pension contributions, the abolition of the employee PRSI-free allowance as well as the broadening of the base on which PRSI is charged through the abolition of exemptions.
- Over the same period, these revenue raising measures were accompanied by very extensive expenditure reducing measures including stricter contribution conditions for entitlement and reductions in duration of entitlement, most notably for Jobseeker's Benefit and Illness Benefit, removal of entitlement to concurrent social insurance payments, increases in pension age to 66 years¹², changes in the level of entitlement to the State Pension (Contributory) where people do not have a full contribution history, standardisation of the rates of Adoptive and Maternity Benefit and major reductions in entitlements under the Treatment Benefits and Redundancy payments schemes. In addition, the rates of weekly payments paid to persons aged under 66 years, such as Jobseeker's Benefit, were reduced in 2010 and 2011 by circa 7.9% in total.

Actuarial Review of the Social Insurance Fund

- The Minister is legally required to undertake an Actuarial Review of the Social Insurance Fund every 5 years. The fourth Actuarial Review is currently being undertaken by external consultants (KPMG) and is well advanced. The Review will:
 - project the income and expenditure of the Fund over a 55 year period, taking into account policy, economic and demographic changes since the previous review was undertaken;
 - project the costs of various options for the indexation of benefits such as indexation to earnings or prices;
 - examine breakeven rates of contributions to fund payments in the years ahead;
 - determine the value for money delivered by social insurance for employed and self-employed contributors;
 - examine options relating to state pensions – principally the move proposed for 2020¹³ to a Total Contribution Approach to determine the level of entitlement to the State Pension (Contributory), and
 - examine the projected PRSI contribution rates required to provide individual benefits to Class S (self-employed) contributors on a revenue neutral basis.
- The Review is expected to be completed at the beginning of Q3, with a view to publishing it in that quarter.

¹² State pension age will further increase to 67 years from 2021 and to 68 years from 2028.

¹³ In the National Pensions Framework, 2010.

- While the economy has improved well ahead of the projections available at the time of the last review (completed in the first half of 2012), it is anticipated that financing the SIF will continue to remain a major challenge in the years ahead.

Further Extension of Social Insurance Entitlements for the Self-employed

- All of the measures for the self-employed announced in Budget 2017 (already outlined above) were introduced without any increase in the 2017 rate of PRSI contribution paid by self-employed workers. The main financial impact of the improvements is in 2018 and later years.
- The Programme for Government commits to seeking “to introduce a PRSI scheme for the self-employed and provide a supportive tax regime for entrepreneurs and the self-employed”. Further progressing this commitment will include consideration of a range of policy, financing, legislative, administrative and control issues, including:
 - Other Government commitments impact on the SIF such as increasing supports for pensioners and extending Treatment Benefits.
 - An actuarial assessment of the cost of any extension of cover and the appropriate additional rate of contribution for any given new benefit;
 - The need, if any, to tailor the conditions of a benefit to take account of the nature of self-employment and associated income deriving e.g. longer waiting periods, shorter durations of payment, seasonal self-employment etc.
 - Longer term issues derived for the fact that some self-employed e.g. with businesses may be in a position to continue to derive income/profit from same thereby not experiencing a significant (or any) loss on income, and
 - Control issues arising from the fact that, unlike the employee situation, there is no third party i.e. employer verification of unemployment etc.

Advisory Group on Tax and Social Welfare

- In September 2013, the third report of the Advisory Group on Tax and Social Welfare on Extending Social Insurance Coverage for the self-employed was published.¹⁴ The Group:
 - was not convinced that there was a need for the extension of social insurance in respect of Jobseeker’s Benefit;
 - did find that extending social insurance for the self-employed was warranted in cases related to long term sickness or injuries and recommended that the rate of

¹⁴ <http://www.welfare.ie/en/downloads/Third-Report-Extending-Social-Insurance-Coverage-for-the-Self-Employed.pdf>

contribution for Class S should be increased by at least 1.5 percentage points, and

- concluded that “extension on a voluntary basis, through either an “opt in” or “opt out” basis, could lead to the selection of bad risks and would undermine the social solidarity and contributory principles that underline the social insurance system.”

Survey of the Self Employed

- In August 2016 a survey of self-employed Class S contributors was conducted to understand how the pay-related social insurance (PRSI) system is perceived by individual self-employed workers. The people surveyed were a representative random sample of all those people who depended on Class S PRSI for their social insurance contributions in 2014. These included sole traders, partners and company directors in all economic sectors, such as: farmers, construction workers, and self-employed professionals. Over 20,000 surveys were issued to self-employed people in August 2016 and nearly 3,200 responses were received.
- The main findings of the survey are:
 - Respondents rated cover for long-term illness, short-term illness and unemployment as the most important extra benefits to them. 82% ranked long-term illness in their top three of preferred additional benefits.
 - The current headline rate of PRSI for self-employed people is 4%. An overwhelming majority of respondents – 88% – said they would be willing to pay a higher headline rate of PRSI in return for at least one additional social insurance benefit.
 - A smaller majority – 74% – would welcome an option to keep paying the current headline PRSI rate but also pay additional voluntary contributions in return for extra benefit coverage.
 - Respondents reported low levels of coverage from private insurance, such as income continuance cover. Just 28% are covered for long-term illness and only 2% for unemployment.
 - Respondents were dissatisfied with the range of social insurance benefits available to them. Over 80% of respondents rated their range of benefits as ‘poor’ or ‘very poor’ (this pre-dates the recent changes arising from Budget 2017).
 - Respondents do not believe that the contributions that they make represent good value for money. Again, over 80% rated the value for money as ‘poor’ or ‘very poor’ (this pre-dates the recent changes arising from Budget 2017).

E. ***Scope – Insurability of Employment***

- Scope section is the unit that makes statutory decisions on insurability of employment under the Social Welfare Acts. Scope deals with employers, employees and the self-employed, who may apply, where there is doubt, to have an employment or self-employment status investigated and the correct class of pay-related social insurance (PRSI) determined.
- Scope decisions are based on all of the available evidence, including a detailed report from a Social Welfare Inspector where appropriate, and legal principles handed down in various court judgements over the years, some of which are outlined in the *Code of Practice for determining Employment or Self-Employment of Individuals*.
- In 2016, a total of 1,031 Scope decisions were made. These fell into three broad categories: working directors, family employment and others.
- The processing time for Scope decisions varies considerably depending on the complexity of the case. Straightforward cases may be processed in 2-3 weeks. More complex cases, particularly where there is a conflict of view between a worker and an employer, may take considerably longer, as both parties will have to be interviewed by SW Inspectors and legal advice may need to be sought. The average for complex cases is 13 weeks.
- The number of decisions fluctuates from year to year. There was an increase in the number of director cases following a change in legislation in 2013.



Scope decisions 2012-2016

<i>Type of decision</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Working Directors	38	367	420	357	364
Family Employment	359	409	347	290	312
Others: public servants, office holders, subsidiary employments, etc.	426	776	508	414	355
Total	823	1,552	1,275	1,061	1,031

Report on the use of intermediary structures and ‘disguised employment’

- An interdepartmental working group involving the Department of Social Protection, the Revenue Commissioners and the Department of Finance, has been examining the use of intermediary type employment structures and self-employment arrangements, and its impact on tax and PRSI. A public consultation to inform the work of the group was undertaken in 2016, which received 23 submissions from interested parties. The group is currently finalising its report which will be submitted to the Minister for Social Protection and the Minister for Finance very shortly.
- Intermediary type employment structures occur when an individual worker, who might otherwise be engaged as an employee by the person who uses his or her services, provides the services through an intermediary in the form of a “personal services company” or a “managed service company”.
- One of the consequences of the use of intermediary type structures is that, rather than the end-user applying the PAYE and PRSI system in respect of the worker, that function becomes the responsibility of the worker, through the intermediary structure.
- In addition, there are instances of workers being classified as self-employed even though they might not possess the characteristics of entrepreneurship and risk-taking often perceived as features of self-employment. This includes new freelance type working, known as the gig economy, and new forms of trading, known as the sharing economy. Examples would include Uber and Deliveroo. In addition, there may be situations of bogus self-employment, such as in the construction industry. In all these cases, there can be a loss of revenue to the state through payment of the lower self-employment rate of PRSI, while income tax may also be underpaid.

F. PRSI Refunds

- PRSI Refunds arise when contributions from employers and employees have been paid in error. Amendments to the social insurance record of the person involved may also be required. Any refund made will take account of any social insurance benefit paid as a result of the incorrect PRSI, which may in turn be deducted from the refund. Any debt owed to the Department may also be deducted.
- The main categories of refunds are:
 - Employees over 66 years who continue to pay the full PRSI rate.
 - Persons whose class of insurance changes after a Scope insurability decision.
 - Separated persons who make enforceable maintenance payments.
 - Employees in receipt of Maternity Benefit and/or Illness Benefit payments.
 - Persons who enter insurable employment after age 56 and who have no entitlement to a State Pension (Contributory) and do not qualify for non-contributory pension.
- A refund application must be made within four years of the last day of the contribution year in respect of which the contributions concerned were paid.
- In 2016, some 7,665 PRSI refunds were paid at an estimated cost of €25.5 million.
- Applications for PRSI refunds can be complex and some may take longer to process depending on the circumstances and the level of engagement required with customers and employers.
- The number of PRSI refunds has fallen dramatically in recent years. This is because applications for Health Levy refunds are no longer accepted as they are outside of the four year time limit for claiming a refund. Since 2014, the Department has proactively processed refunds for people over pension age working and paying class A contributions. There are tens of thousands of these cases.
- A major IT project to modernise the processing of applications for PRSI Refunds and Scope insurability decisions is currently being implemented. The project will include an online application facility for employees using the Department's mywelfare.ie platform. This is expected to go live in July 2017.

PRSI refunds applications and payments 2011-2016

	2011	2012	2013	2014	2015	2016
Applications received	120,345	164,916	50,215	13,432	11,621	5,071
No. of refunds paid	57,957	88,665	45,036	9,031	9,134	7,665
Amount paid	€27.3m	€38.1m	€28.8m	€23.3m	€23.7m	€25.5M

G. *Information and communications technology (ICT)*

- The Department is completely dependent on its ICT systems for operational purposes. These systems are responsible for processing over 2 million applications for income support paying over 82 million payments per year and holding details on all social welfare beneficiaries and claims, past and present.
- The primary service which the Department's Information Systems Division supports is the running and maintaining of the existing scheme processing, payment, activation, control and administrative systems of the Department. The Department's IS Division manages one of the largest ICT operations in Ireland, involving the delivery and maintenance of a wide range of custom-built and commercial software applications over a range of platforms. It maintains and operates a large country-wide telecommunications network to support some 6,500 staff. The network connects DSP headquarters, regional, local and branch offices (over 10,000 PCs) to its two primary datacentres, and links in with the Government Network.

Approach to ICT

- The Department uses standard commercial packages where these provide the most economical solution for its needs. These are mainly used for administrative systems (e.g. payroll, accounts and office systems) while the applications that support its 'strategic systems' (those systems that are Departmental specific) have been largely developed in-house, usually with assistance from contractors.
- The Department's main business system is called the Business Object Model Implementation (BOMi) and is built on the modern Microsoft Windows technical platform. This system hosts business services around customers, payments and many schemes (including Pensions, Invalidity etc.). Most short term schemes (including Jobseekers, Illness etc.) are still hosted on a very reliable but aged legacy system called the Integrated Short Term Schemes (ISTS) system. At end 2015, some 55% of schemes and 61% of scheme payments are now managed on the BOMi.

Major Projects underway

- The Department is undertaking a major multi-year programme to modernise and migrate schemes from legacy platforms such as ISTS, to the new BOMi platform; to optimise opportunities for digital service provision and achieve greater efficiencies and effectiveness. In addition, we have a major ICT infrastructure modernisation programme underway to ensure business continuity and agility in future systems delivery.

Introduction of Paternity Benefit and Maternity Benefit modernisation

- A new Paternity Benefit scheme was launched in Q4 2016 in conjunction with a customer self-service application facility hosted on MyWelfare.ie. The Department also migrated the existing Maternity Benefit scheme from a legacy platform whilst providing a MyWelfare.ie application facility.

Activation Case Management

- The Department has developed integrated case management and referral functionality to support the delivery of client services including matching and processing income support services to meet the client's individual circumstances. This functionality links with course related services supplied by SOLAS and will also feed into a job search provided separately by a modernised JobsIreland and external activation services such as JobPath.

Community Employment

- This project successfully delivered its first release in March 2017, with one Division and associated offices migrating from the former FÁS Community Services Management (CSM) system. This Division's Project Sponsors were the first users of the www.welfarepartners.ie, enabling Sponsors and Supervisors to update learning activities which are appropriate to participants needs. The next release is planned for the end of July 2017 and will include enhancements to the Department's strategic (BOMi) platform as well as enhancements to CE services on www.welfarepartners.ie. This portal will be extended for other partner services such as Treatment Benefits.

Treatment Benefit

- The existing Treatment Benefit (TB) system has been modified to extend eligibility to those paying self-employed PRSI contributions from March 2017. A new TB application will be required in 2017. An RFT was issued to the DSP ICT framework and the contract was awarded to Deloitte. The project has two releases scheduled for August and October. The first release will extend www.mywelfare.ie for Citizens and www.welfarepartners.ie for dentists and opticians while also extending the Department's strategic (BOMi) platform. The second release will focus on extending the BOMi platform to facilitate the Treatment Benefit business processes.

PRSI Refunds

- This project successfully delivered its first release in April 2017. The first release focused on extending the BOMi platform to enable officers to process and administer PRSI refund applications and also extending BOMi functionality to automate the calculation of PRSI refunds. The second release, scheduled for the end of June 2017 extends the Department's web self-service platform www.mywelfare.ie to allow employees to submit applications for PRSI refunds online.

JobsIreland

- This project to replace the current JobsIreland service will provide a new online employment service for jobseekers, employers and staff through a multi-channel vacancy advertising and search facility, including a jobseeker and vacancy match function, providing enhanced DSP monitoring of jobseeker activity. The new system will also integrate with the Department's Intreo service and will allow Case Officers to track and support jobseeker employment activity.

Digital Services

- The Department has developed a new online portal www.mywelfare.ie that allows clients to access personalised information and services at a time and place that suits them including applying for jobseeker, maternity and paternity payments, and many more. Their online account is secured by the new identity and access management service www.mygovid.ie which is built on the Department's robust SAFE registration processes and utilises the PSC for verifying accounts. MyGovID has also been integrated with the Revenue myAccount online service since mid-February 2017 and discussions are ongoing with a wide range of other Departments and agencies with regard to their utilisation of MyGovID including SOLAS, HSE, D/Transport and D/CYA. The Department is developing a new portal for employers and businesses www.welfarepartners.ie which is used by community employment sponsors and will be extended for other partner services such as Treatment Benefits.

Data Sharing Services

- The Department is undertaking a project in line with Government policy around 'data as an enabler' to modernise how it shares data with other Government agencies to add value and enable service transformation and customer service improvements. The first successful delivery of this project was provided to support SUSI in relation to implementation of significant advances in student grant processing. The Department is working on extensions to this service to support the HSE's PCRS unit in relation to medical card processing and a number of other projects in this area.

ICT Infrastructure Modernisation

- The Department's business has a fundamental dependency on the robustness of the technical ICT infrastructure. Ongoing investment across all areas of the ICT infrastructure is underway to upgrade and maintain a modern technical infrastructure. One element of this programme recently completed is the upgrade of the Department's main data centre at Kilmainham throughout 2016. The investment involved has increased the capacity of the Data Centre and significantly improved resilience to interruptions to its vital electricity supply and air conditioning services.

Project Governance

- The Department has a Project Governance Committee (PGC), a committee of the Management Board chaired by the Secretary General, which meets on a regular basis to monitor the project portfolio and procurement process. Through the Department's governance process, project proposals and initiatives are approved and prioritised; budgets and resources assigned and implementation monitored. The governance process ensures that available resources are focused on delivering the Department's objectives as set out in the Statement of Strategy and that best practice is followed in the procurement and management of major programmes.

Procurement Policy

- The procurement of services is essential to support the Department in providing high quality service to the public in a cost effective and efficient manner. Procurement is governed by EU and national legislation and circulars issued by the Department of Finance and the Department of Public Expenditure and Reform. The Department actively participates in the initiatives of the Office of Government Procurement (OGP) who are establishing an increasing range of central framework agreements to cover common goods and services. Additionally, the Department is committed to facilitating SME access to procurement opportunities. The Department's procurement policy is published on the Department's website www.welfare.ie/Procurement-Policy.

Consultancy & IT External Service Provision Spend

The following table shows spending on consultancy and IT external services since 2011:

Year	A2(v)2 IT External Service Provision	A2(vii) Consultancy	Total
2011 (outturn)	€9,103,243	€893,056	€9,996,299
2012 (outturn)	€6,540,189	€1,084,659	€7,624,848
2013 (outturn)	€7,623,448	€1,119,061	€8,742,509
2014 (outturn)	€13,653,771	€1,327,123	€14,980,894
2015 (outturn)	€13,736,231	€493,282	€14,229,513
2016 (Provisional outturn)	€17,910,688	€199,328	€18,110,016
2017 (Estimates Allocation)	€22,000,000	€1,050,000	€23,050,000

Department's Corporate Portal ([Stór](#))

- The corporate portal (Stór) was put in place in 2009 to provide a single point of access to the information, systems and functions used daily by the Department's staff. Since its initial roll-out it has become the main communication tool in use across the Department and provides a knowledge repository; collaboration facilities such as team sites; content and records management functionality and line-of-business applications. The portal continues to develop in response to user needs and has been upgraded in recent years to the latest version of the technology and has also undergone a redesign to improve its accessibility and provide a better user experience for users across the Department.

Common Business Applications ([App Stór](#))

- Stór also continues to support the streamlining of business processes by providing a robust platform for managing common business processes. Applications available on Stór include: Parliamentary Questions (PQ) system; Ministerial Representations (REPS) application; Business Planning & Risk Management System (BPRM); Customer Comments & Complaints system; Contracts Management system; Freedom of Information (FOI) system; Fraud Reports system; and supports a range of other processes across business areas. Future priorities for Stór include the continued development of line-of-business applications and the use of D/PER 'build-to-share' applications as appropriate and exploitation of the social aspects of the portal where this can add value to the business.

H. *Client Identity Services*

- Client Identity Services has overall responsibility for –
 - the Personal Public Service (PPS) Number which is a unique personal identifier and is used extensively by Government Departments and other authorised bodies to provide the public with secure access to a wide range of public services;
 - the Public Service Identity (PSI) dataset which consists of certain attributes including a person's PPS Number, surname, forename, date of birth, place of birth, sex, all former surnames [if any], all former surnames [if any] of their mother, address, nationality, photograph, signature, and any other information as may be required for authentication purposes that is uniquely linked to or is capable of identifying that person;
 - SAFE (Standard Authentication Framework Environment) registration which is a Government approved rules-based standard for establishing and authenticating an individual's identity for the purposes of access to public services; and
 - the Public Services Card (PSC) which is the token issued on completion of a SAFE registration process to a substantial level of assurance of identity. The PSC is designed to replace other cards within the public sector such as the free travel pass and the social services card of this Department and to make it easier for providers of public services to verify the identity of customers.

PPS Numbers

- The Department's Client Identity Services (CIS) is responsible for providing a range of identity management functions and services internally to the Department and, increasingly, to other public bodies. It issues and manages the PPS Number (e.g., a total of 181,025 new PPS Numbers were allocated in 2016) and provides related data matching services to over 100 public bodies specified in legislation. The Department liaises closely with the Department of Public Expenditure and Reform and other public service agencies in the development and implementation of identity management policy, the development of eGovernment services and the enhancement of systems for control of fraud and abuse.

Public Services Card Project /Standard Authentication Framework (SAFE) Registration

- The Public Services Card (PSC) has been introduced to enable individuals gain access to public services more efficiently and with a minimum of duplication of effort, while at the same time preserving their privacy to the maximum extent possible. Through the inclusion of a photograph and signature and better security features, it also considerably reduces the potential for identity theft, forgery and fraudulent use.

- To 25 May 2017, 2.59 million Public Services Cards have been issued. This includes over 850,000 Free Travel variants of the PSC (PSC-FT). The PSC-FT replaces both the current free travel pass and the social services card. The PSC-FT contains a contactless chip and high security features which facilitate free travel for cardholders using the infrastructure developed by the National Transport Authority (NTA) to support the Leap card. The card can be used on public transport both electronically (tagging on and off) and as a flash pass where electronic infrastructure is not available. The use of the PSC as the travel pass will allow the Department to obtain better management information on the usage of the free travel service. A decision is required on when to cease the validity of existing paper travel passes.

Face to Face registration

- Face to face SAFE registration involves in-person attendance, usually at a DSP location, presentation of photo ID (e.g. passport/driver license), digital capture of an individual's photograph and signature, and the verification of identity data already held by the Department. It takes about 15 minutes once all relevant documents are presented.
- SAFE registration stations for PSC are now in place at 100 DSP locations. Some 1,703 staff have been trained to date. Appointments to be SAFE registered can be made online, by phone or by calling into one of the offices.

Postal Registration process

- Selected customers, who are deemed to have a lower risk of identity fraud determined by a combination of their record with the Department and their potential usage of the PSC have been invited to avail of a 'postal' SAFE registration process which involves utilisation, with consent, of information already provided to other Government agencies, for example, a photograph supplied in connection with an application for a passport or driving licence. In addition, selected pensioners over 66 who collect their payments at a Post Office are being invited to register by a postal registration system that seeks additional Public Service Identity (PSI) data, including a passport type photograph and a signature to be returned to the Department for processing. To date 323,000 of 431,000 people offered the opportunity have been registered via this process.
- As Data Controllers of the PSI data, CIS are obligated to ensure as far as is possible that the data it holds is accurate, complete and up to date. Accordingly CIS intends to invite customers of the Road Safety Authority (RSA), who applied for driving licences recently, to complete the SAFE registration process by post. The RSA driving licence process includes the live capture of a photograph and is similar to the SAFE registration process. However it does not meet the SAFE registration standard as it does not capture all the SAFE data required. CIS intends to write to these customers asking them to supply the additional data and also to consent to the DSP using the photo captured during the Driving Licence application process.

Facial Matching software

- Facial Matching software has been in use since March 2013, to further strengthen the SAFE registration process, which helps detect and deter duplicate SAFE registrations. During the course of the SAFE registration process, the software performs a search of the captured or imported customer photograph against existing photographs on the Department's database to ensure that the individual has not already been registered for a PSC using a different Personal Public Service number or a different identity dataset. Where a match or a potential match is discovered the relevant records are referred to officers in the Department's Client Identity Services for further examination and resolution. A process has been put in place to refer suspected cases of identity fraud to the Department's Special Investigation Unit (SIU). From its inception to 25 May 2017, a total of 157 possible match cases have been detected and referred for investigation; these cases are at various different stages of the investigation or prosecution process.

Mobile Registration

- A mobile SAFE registration facility is being rolled out to register customers who face substantial challenges presenting in-person for SAFE at a DSP location. Group registration at community venues is the preferred mode, but in very exceptional circumstances, single individuals may be registered at their place of residence. Businesses taking on or laying off large numbers of employees may also be engaged with via mobile SAFE registration, subject to available DSP resources.

Online identity authentication (MyGovID)

- Many Departments and state agencies currently offer some online services; however in general these are either low value services requiring a low level of citizen authentication, or, if high value, require the citizen to present in person at some point in the transaction in order to authenticate themselves. The SAFE/PSC project can facilitate start-to-finish high-value and personalised online services. The development of a pan-public service Identity and Access Management (IAM) solution, called MyGovID, based on the PSC and associated registration processes to support this was completed by the Department in July 2015.
- MyGovID provides relying parties (public service bodies) with a high level of assurance of the identity of customers accessing online services. MyGovID is currently being used by the DSP MyWelfare.ie and JobsIreland.ie services and by the Revenue Commissioners. It is expected that the Road Safety Authority will commence using MyGovID in June 2017 followed by the Passport Office in September 2017 and Student Universal Support Ireland (SUSI) in April 2018.

I. Accounts & Audit functions

Accounts Division

- Accounts Division is based in Dundalk. Its primary functions are to reconcile all DSP payments and receipts and bring them to account, produce the Department's annual accounts, and administer the payment of salaries, travel and expenses and creditor accounts.
- The Division prepares the annual statutory and monthly management accounts for the Department. The two statutory accounts are the Appropriation Account for Vote 37 and the Social Insurance Fund (SIF) Account. The Oireachtas votes expenditure to the Appropriation Account, this expenditure covers departmental administration and social assistance payments. Income to the SIF account is mainly derived from PRSI contributions made by employers, employees and the self-employed, with expenditure incurred for insurance based payments and associated administration costs.
- Accounts Division also pays DSP salaries, travel & subsistence, miscellaneous payments, some schemes and scheme arrears and manages the funding and reconciliation of all customer payments. All expenditure is recorded and reported to Department of Public Expenditure and Reform on a monthly basis. The Division is responsible for facilitating, co-ordinating and overseeing the management of the Administration Budget and related processes within DSP. The Division also has responsibility for payment delivery services and payment strategy in the Department.
- Accounts Division pre-funds Bank of Ireland and An Post for all the scheme payments cashed through their respective networks. The Paymaster General's Office (PMG) funds Vote scheme and administration expenses. The Division engages with the Revenue Commissioners in the daily transfer of PRSI income.
- The Division manages and reconciles 30 bank accounts with Bank of Ireland, one GRO account with Ulster Bank and 2 cash accounts with An Post. Salaries section maintains 3 payrolls for circa 7,000 people on weekly, fortnightly or monthly basis. From 1st of January 2016, this section has also undertaken the payment of pensions on a fortnightly basis for ex Waterford Crystal employees, currently for 352 pensioners and due to increase by 50 per year subject to a maximum of circa 1,700.
- The Division supports the Secretary General for her appearances before the Public Accounts Committee. Accounts Division prepare the statutory accounts and the supporting audit files for both Vote and SIF and is responsible for liaison with the Office of the Comptroller and Auditor General on its audits of the statutory accounts.

- Projects are currently underway to transfer responsibility for accounting systems, payroll, travel and expenses and accounts payable to the Shared Service function managed by the Department of Public Expenditure and Reform. These functions will transition on a phased basis over the next three years.

Payment Delivery Strategy – An Post payments

- The Department's payment strategy is to migrate as many payments as possible to electronic (EFT) payments as this is both the most cost-effective and also the payment method of choice for most customers.
- At present, c. 53% of payments are made via EFT with the balance made mainly via An Post. Migration of An Post payments to EFT would save the Department c. €50m per annum in payment costs.
- The post offices are seen as a key piece of financial and social infrastructure, particularly in rural areas. Accordingly the Programme for a Partnership Government commits to actively encourage payment at post offices. Notwithstanding that electronic payment methods are significantly cheaper than payments made through the post office network, the Department gives effect to this commitment by renewing the current contract and advising customers who are making new claims or seeking to change their payment arrangements that they can choose between payment at the post office or by electronic funds transfer. In the case of most new jobseeker claim customers the default payment option is through the post office network.
- DSP operates its contract for cash payment services with An Post. The current contract expired at the end of 2015 but the agreement allows for the Minister to extend the term of the contract for a further four years on an annual basis, i.e. to the end of 2019. The contract was extended for the year 2016 and is now being extended for 2017.
- In addition, the Department has engaged with An Post with respect to the development of its low-cost banking service. The provision of banking services by An Post would enable it to retain some share of payments as customers migrate to EFT. The development of a banking service by An Post would enable it to offer a more cost effective service to the Department, enable customers to collect payments at Post Offices and could, potentially enable An Post to increase its share of transaction volume.

Internal Audit Unit

- The Department of Social Protection's Internal Audit Unit (IAU) is headed by a Professional Accountant/Qualified Internal Auditor with a total staffing of twelve and has its main base at the Headquarter offices in Sligo; its IT audit manager is based in central Dublin.

- The IAU also uses an outsourced IT audit service on a drawdown basis for specialised IT audit. The current contract is with Mazars Ireland. The IAU conforms to the Department of Public Expenditure & Reform Internal Audit Standards and to the International Standards & Ethics of the Institute of Internal Auditors. It derives its authority from the Secretary-General, to whom the Head of Internal Audit (HIA) has the right of direct access. On audit and related matters, the HIA reports to the DSP Audit Committee while, on day-to-day administration matters, the HIA reports to the Corporate Services Assistant Secretary.
- The IAU provides advice, assurance and insight to management on matters relating to the systems of business control, to quality of performance and to business risk by:
 - Carrying out audits and producing audit reports and reviews in respect of the Department's business control environment including scheme administration, Community Welfare Service, IT/computer areas, Intreo and Branch Offices, Employment Services contracted companies and other areas of general administration.
 - Providing ongoing advice and assistance on a wide and varied basis to all areas and personnel within the Department and other areas of administration.
 - Undertaking "ad-hoc" work or projects.
- It also is the Audit Authority for the Fund for European Aid to the Most Deprived (FEAD) 2014-2020 programme.

Audit Committee

- The Department's Audit Committee meets at least four times every year. It operates under a written Charter agreed by the Committee and the Secretary General. It has six members, four of whom, including the Chairperson, are external members. The committee oversees the operations and development of the internal audit function and the business control and risk management environment as well as reviewing internal audit plans and reports. It conforms to the DPER Audit Guidance – Government Department & Offices and other Vote Holders.

Internal Control Support Unit

- The Department has an Internal Control Support Unit (ICSU) which carries out control investigations on a proactive and reactive basis across all DSP schemes and programmes. ICSU provides support and advice on internal control practices, procedures and requirements across all DSP with particular emphasis on the need to ensure that first line of defence structures are in place across all DSP. ICSU also examines, monitors and reports on internal control practices and procedures across all DSP schemes through planned risk based on-site inspections with a special focus on internal control. ICSU carries out investigations of cases of suspected data protection breaches and internal fraud investigations for the entire Department and investigations on behalf of the

Personnel Officer under the Civil Service Disciplinary Code. ICSU has a role in providing education and awareness of internal control to all staff.

EU Funding Compliance Unit

- The role of EU Funding Compliance unit (which is separate from the main Accounts and Audit functions of the Department) is to:
 - Ensure compliance with EU regulations for the drawdown of European Social Fund (ESF) and European Globalisation Fund (EGF) within the Department. This role is carried out by issuing guidance to the relevant areas within the Department on the requirements for compliance with the relevant EU regulations. In addition the unit carries out reviews of systems and expenditure in the areas which are funded under these schemes.
 - Act as liaison with the relevant ESF/EGF Authorities in the Department of Education and Skills who are the lead body in Ireland who liaise with the EU.
 - Act as Certifying Authority for the Fund for European Aid to the Most Deprived (FEAD) programme.

J. Social Inclusion

- The Social Inclusion Division was established in 2009 following the integration of the Combat Poverty Agency and the Office for Social Inclusion. The Division has a cross-government remit to co-ordinate and support government policy on poverty and social inclusion. The statutory functions are as follows:
 - Co-ordinate implementation of government strategies for social inclusion through the monitoring and reporting mechanisms provided in the National Action Plan for Social Inclusion and Towards 2016.
 - Promote the incorporation of anti-poverty and social inclusion objectives in public policy development and promote the implementation of poverty impact assessment.
 - Analyse the impact and effectiveness of public policy on poverty and social exclusion.
 - Promote the development of data strategies and research to inform anti-poverty and social inclusion policies and practice and to facilitate improved monitoring of outcomes.
 - Monitor and report on poverty trends at national and European levels and participate in the social inclusion work of the EU, Council of Europe and OECD as appropriate.
 - Develop appropriate mechanisms to promote the participation of people experiencing poverty and social exclusion and those who work with them in policy development and its implementation.
 - Promote co-operation on social inclusion issues between Ireland and other jurisdictions, in particular, Northern Ireland.

National Action Plan for Social Inclusion 2007-2016 (NAPinclusion)¹⁵

- The National Action Plan for Social Inclusion 2007-2016 identifies a wide range of targeted actions and interventions to achieve the overall objective of reducing consistent poverty. It was published in February 2007. The Plan adopts a lifecycle stage approach with goals set for each life-cycle group: children; people of working age; older people, people with disabilities; and communities. The Plan also includes a national poverty target.

¹⁵ See: www.welfare.ie/en/downloads/National-Action-Plan-for-Social-Inclusion-2007-2016.pdf

Updated National Action Plan for Social Inclusion 2015 – 2017¹⁶

- The Government updated NAPinclusion in 2015 for the extended period 2015-2017 to reflect new challenges, which were very different to when the plan was drawn up in 2007, and to reflect current policy responses to poverty. These include a greater focus on modernising the social protection system, improving effectiveness and efficiency of social transfers and strengthening active inclusion policies to address employment and social challenges. The Updated Plan contains 14 reformulated goals which include a focus on early childhood development, youth exclusion, access to the labour market including measures for people with disabilities, migrant integration, social housing and affordable energy.

Review of National Action Plan for Social Inclusion 2007-2017

- The Department proposes to undertake an independent review of NAPinclusion for the period 2007-2017. The review will be carried out during 2017 and will be informed by stakeholder consultation, including discussions at the Social Inclusion Forum 2017 on 25th May and regional workshops organised by the EAPN Ireland and Community Work Ireland.

Social Inclusion Report 2013/2014 and 2015/2016¹⁷

- Social Inclusion Reports are one of the monitoring and reporting mechanisms in NAPinclusion. In September 2015, the Social Inclusion Division published the fifth report covering the years 2013 and 2014. It presents a summary of activities related to the implementation of the 12 high level goals and associated actions. In general, it shows that progress has been made across many targets and actions. In particular, each of the three goals relating to income support was met in 2013 and 2014 despite extraordinary fiscal pressures and an increase in the number of welfare recipients. The Department will continue to report to Government on implementation of NAPinclusion over the period to end 2017. Work is underway on the next Social Inclusion Report which will cover the period 2015-2016 and will be completed in 2017.

Development of a new National Action Plan for Social Inclusion Post-2017

- The Programme for a Partnership Government commits to developing a new social inclusion strategy to tackle poverty as an integrated plan across government departments. The Plan should represent a whole-of-government approach to improve outcomes for vulnerable and marginalised groups, while recognising a shared responsibility to implement actions to achieve the revised National Social Target for Poverty Reduction. The new Plan and associated poverty targets will be developed in consultation with relevant stakeholders. This includes the discussions at the recent

¹⁶ See:

www.welfare.ie/en/downloads/Updated%20National%20Action%20Plan%20For%20Social%20Inclusion%202015-2017.pdf

¹⁷ See: www.welfare.ie/en/Pages/Social-Inclusion-Report-incorporating-Annual-Reports-2013--2014.aspx

Social Inclusion Forum 2017 and regional workshops organised by the EAPN Ireland and Community Work Ireland.

National Social Target for Poverty Reduction (NSTPR)

- Following a review of the national poverty target in 2012, a revised National Social Target for Poverty Reduction (NSTPR) was adopted by Government. The overall aim of the NSTPR is to reduce consistent poverty to 4% by 2016 and to 2% or less by 2020, from a baseline rate of 6.3% in 2010.¹⁸ There are two other components of the NSTPR:
- The Irish contribution to the EU2020 Poverty target is to reduce by a minimum of 200,000 the population in 'combined poverty' between 2010 and 2020.¹⁹
- The child-specific poverty target is to lift over 70,000 children (aged 0-17 years) out of consistent poverty by 2020, a reduction of at least two-thirds on the 2011 level.

Social Inclusion Monitor (SIM)

- The annual Social Inclusion Monitor provides an update on the social situation in Ireland, including progress towards the national social target for poverty reduction. The latest Monitor reports poverty trends and findings based on the 2015 data from the CSO and Eurostat. 2015 saw continued improvements in poverty, income inequality and living conditions. Consistent poverty among children fell from 12.7% to 11.5%. Combined poverty, the basis for the Irish contribution to the Europe 2020 poverty target, fell by almost 4 percentage points to 33.7%. Consistent poverty was largely unchanged at 8.7%.
- Looking at the supporting indicators, basic deprivation fell by 3.5 percentage points to 25.5% and the at-risk-of-poverty rate fell to 16.9%, though this change was not statistically significant. Real median disposable income increased by 6.2%. Income increased across the income distribution, with income inequality falling from 32 in 2014 to 30.8 in 2015. The social welfare system continued to play an important role in alleviating poverty and income inequality. Social transfers (excluding pensions) reduced the at-risk-of-poverty rate from 35% to 17%; a poverty reduction effect of 52%.

Social Inclusion Forum (SIF)

- The annual Social Inclusion Forum (SIF) is a key mechanism for engagement with community and voluntary groups, government officials and people experiencing poverty. The most recent Forum was held on 25th May with some 150 participants. The theme of the Forum was the National Action Plan for Social Inclusion – reflecting on the past and informing the future. A report of the Forum is currently being prepared.

¹⁸ The official measure of poverty in Ireland is consistent poverty. People are in consistent poverty if their income is below 60% of the median income and they are deprived of 2 or more of the 11 basic deprivation items because they could not afford them.

¹⁹ Combined poverty is the combination of at-risk-of-poverty and/or basic deprivation.

Social Inclusion Initiatives

- Each year the Social Inclusion Division provides financial support for social inclusion initiatives – Young Social Innovators and the United Nations International Day for the Eradication of Poverty. These programmes are long-established, funding having been initiated by the former Combat Poverty Agency prior to its incorporation into the Department in 2009. The amount provided for this purpose in 2017 is €80,000.

Research on Poverty and Social Exclusion

- The Social Inclusion Division manages two research programmes: 1) the commissioned programme with the ESRI on the Measurement and Analysis of Household Income and Living Conditions (MAHILC), at c. €80,000 per annum; and 2) the Department of Social Protection Research Innovation Awards (DSPRIA) through the Irish Research Council (IRC).

Measurement and Analysis of Household Income and Living Conditions (MAHILC)

- In November 2016, the Department published a thematic report entitled Social Risk and Social Class Patterns in Poverty and Quality of Life in Ireland.²⁰ The study examined trends in poverty and deprivation in Ireland over the ten-year period, 2004 to 2013, looking at patterns across social classes, and the life-course. These groups include lone parents, people with a disability and children among others. The study built on exploratory research on the Measurement of Multidimensional Quality of Life in Ireland²¹, published in July 2016, to develop an index and definition of quality of life (QoL) deficiency.
- The extended analysis examined the significance of interactions between social risk and social class for poverty and QoL for the different groups in 2013, and which QoL deficits are most common. The findings highlighted the significance of lone parenthood and working-age disability as major risk factors for poverty, deprivation and multiple QoL problems. The study concludes that income support, inclusive labour markets and access to quality services are required to address the specific challenges faced.
- The 2017 DSP/ESRI research programme will focus on the poverty dynamics of social risk groups in Ireland and the EU, building on the recent research on quality of life.

²⁰ See: www.welfare.ie/en/Pages/Social-Risk-and-Social-Class-Patterns-in-Poverty-and-Quality-of-Life-in-Ireland.aspx

²¹ The multidimensional index of quality of life (QoL) developed uses 11 indicators of QoL on 9 dimensions: material disadvantage, financial strain, health problems, mental distress, housing problems, neighbourhood problems, lack of social support, institutional mistrust and lack of safety, and the index is calibrated around the income poverty measure. An individual is defined as multiply deprived if s/he experiences 3 or more QoL deficits ('levels') of 11.).

Department of Social Protection Research Innovation Awards (DSPRIA)

- The Department has one funded research project on Supporting Low Income Working Families: Enabling Resilience in progress by researchers in Maynooth University. It is examining the experiences and resilience practices of low-income families receiving Family Income Supplement (FIS) and other in-work supports. The draft report is currently being peer reviewed.
- The Irish Research Council (IRC) will contact the Department later this year to see if it wishes to include a call for social protection research topics under their 2017 IRC research call. The decision to issue a call will be taken by the Social Inclusion Division, following consultation with relevant policyholders across the Department.

K. Human Resources

Staffing

- Under the Public Service Reform Plan the Department operates within an approved headcount and budget. Over the period January 2013 to December 2017 the Department's approved headcount was 6,190 posts, a decrease of 450 posts. In addition to the approved headcount the Department has a separate staffing sanction of 218 posts to roll out the Public Services Card, 45 posts for the 2017 Back to School Clothing and Footwear Scheme and 20 Gardaí for the Special Investigation Unit.
- Since 2015, the Department has been operating its pay budget in accordance with delegated sanction from the Department of Public Expenditure and Reform. This sanction permits the Department to fill vacancies through recruitment and/or promotion in specified designated grades up to and including PO standard or equivalent, subject to the overall pay bill ceiling.
- The demographics of the Department indicate that there is a high risk of losing significant numbers of experienced staff with critical skills over the next 10 years and upwards. Almost 1,000 staff have retired since the beginning of 2012. These risks are being mitigated and managed through a programme of Workforce Planning to include skills transfer, succession planning, training & development and internal redeployment.
- While the Live Register has decreased, demand for many of the Department's services has increased in particular in the areas of activation and control. A further challenge is responding to the resource requirements of new work areas, for example the Paternity Benefit Scheme. The extension of Optical Benefits to the self-employed and the re-introduction of certain treatments under the Dental Scheme will increase demand for these scheme areas.
- In the context of the budget negotiations for 2018 the Department will be seeking to retain the approved 2017 staffing level of 6,190 for 2018. This is required so as the Department can deliver its critical business by marshalling resources to operate the new and expanded schemes mentioned above, to manage the increasing demand on the Family Income Supplement and Carers Allowance schemes and to increase its focus on control and debt recovery.

Staff Learning and Development

- The Department's training unit – Staff Development Unit (SDU) – is part of HR Division and is co-located in Dublin and Sligo.

One DSP Learning and Development

- In 2014, SDU identified six roles (deciding officers, case officers, Intreo Centre managers, designated persons, social welfare inspectors and appeals officers) and designed or redeveloped training materials with a view to preparing these programmes for accreditation.
- Overall, 70 new training modules (the One DSP Learning curriculum) were developed. These modules comprise a blended learning approach of e-learning, instructor-led training and self-study material and the rollout commenced in 2015 using central and local training resources. By year end 2016, there were over 6,400 attendees at instructor-led training and 5800 e-learning modules were completed
- In 2016, following a public procurement process, the Department entered into a partnership with the National College of Ireland (NCI) to develop accredited educational programmes in the six identified roles.
- Since partnering with NCI, case officers have been offered access to a new course, a Special Purpose Award at Level 8 on the National Framework of Qualifications – Certificate in Employability Services. Since November 2016, over 70 case officers have commenced the programme (in three intakes) with first completions occurring in April 2017.
- Courses in relation to all of the roles are currently under development in collaboration with NCI. The timing of the availability of newly accredited programmes is dependent on and subject to validation by Quality & Qualifications Ireland (QQI).

One DSP Culture & Values Project

- In 2014, in the context of the widening remit of the Department and the integration of staff from the HSE and from FÁS, research was commissioned to evaluate the current culture and values, articulate an appropriate set of values to underpin the future DSP culture, and provide recommendations with regard to implementing these values throughout the Department. Five key values were identified – customer focus, public service, total professionalism, innovation and staff engagement. In 2015 these values were communicated to staff through a series of nationwide workshops undertaken with all staff in the Department. The process of embedding these values continues by ensuring that all staff are made aware of the core values and their central position in all of the Department's activities. All business areas now have to identify an action in their business plan which contributes to the implementation of the culture and values of the Department. A photo competition was launched in March 2017 which invited staff to submit photos that would carry the 'Values Message' across the Department. The 5 winning photos will be used in the design of a suite of 'Value' posters which will be displayed in all offices across the Department.

One DSP Engagement & Innovation Initiative

- Engagement and Innovation (E&I) is a programme, initiated in 2013, seeks to make the best use of the Department's staff's experience to solve problems and improve services. Change Projects under the E&I framework are time bound, results focused and are driven by leadership teams made up of all grades across the department. A particular feature of the initiative is its collaborative structure which encourages further engagement through open and inclusive discussion by all team members. To date, 110 E&I projects have been undertaken. 86 projects have been completed, many of which reflect the Department's core values. The E&I Programme won a Civil Service Excellence & innovation Award in the category of leading Civil Service Renewal in 2016. An event was held in April to recognise the projects carried out in the last year at which selected projects were presented.
- High-level leadership teams chaired by the Secretary General and Assistant Secretaries, will continue to meet quarterly to encourage and enable organisation-wide participation and to support innovation and staff engagement, particularly through the establishment of local Project Leadership Teams (PLTS) around the Department.

HR Shared Services (Peoplepoint)

- In February 2014, responsibility for the management of the transactional elements of the Department's HR process were taken over by Peoplepoint (based in Clonskeagh) who are charged with providing their service on a shared services basis to the Civil Service. Following this move, the remaining/retained HR function in the Department underwent a process of major change, with the number of staff reducing from 63 to 45.
- HR in the Department has had to continue to work with Peoplepoint over the past year to resolve issues that continue to arise in relation to for example Absence Management (notification of absences etc.), overpayments and recoupments (see below), resignations & retirements (calculation and payment of pensions and lump sums in a timely way and communication re same with staff retiring) etc.

Absenteeism

- The number of working days lost to sick leave in 2016 was 86,975 - a lost time rate²² of 5.85%. This compares to the 2015 figure of 84,561 which represented a lost time rate of 5.66%. Certified Sick Leave accounted for 81,465.18 days (94%) and Self Certified Sick

²² *The Lost time rate shows the percentage of working time lost due to sick leave. The calculation is the No. of sick days divided by the (Standard Working Yr. times the number of FTEs) as a percentage.

Leave accounted for 5,249 days (6%). The cost of absenteeism to the Department in 2016 is estimated at just less than €9.6 million.

- The Department's strategy for reducing absenteeism levels involves
 - Maximising compliance with the Automated Notification Systems
 - Targeting short-term sick leave
 - Intensive case management of long-term sick leave
 - Increasing awareness of absenteeism and absenteeism management.
- HR Division is currently participating, with DPER and other Departments, in a Sick Leave Review Working Group for Civil Service HR personnel. The purpose of the review is to improve the operation of the Scheme in terms of equity, reduction in absenteeism and increased simplification.

Performance Management

- As part of the Civil Service Renewal Plan, the Civil Service Management Board replaced the Performance Management & Development System (PMDS) five point rating system with a two point system for the 2016 PMDS cycle. From 2016, performance is evaluated as either being 'satisfactory' or 'unsatisfactory'. The two point rating system aims to simplify the PMDS process and encourage the Jobholder and Manager to focus on the ongoing management of performance rather than on the award of the rating. The overall objective is to build and develop high performance across the Department and address underperformance where it occurs.
- The Civil Service Management of Underperformance Policy came into effect on the 1st January 2017. The Underperformance Policy provides a clear framework, with specified timelines to help managers to identify and deal with issues of underperformance effectively in the Civil Service. In cases where underperformance has been identified, staff will be required to engage with Performance Improvement Action Plans under the policy, to address underperformance over a specified timeline. Management's use of this policy can be initiated at any time and is not dependant on the PMDS process or timelines.
- The Department of Public Expenditure and Reform is rolling out a training module for all managers in the Civil Service. The two day module "Managing People and Performance in the Civil Service" will be provided to all staff in the Department who have staff reporting to them. The training for Department staff which commenced in March 2017 is being carried out in 9 hubs across the country and is applicable to over 1,500 staff.

Disciplinary Code

- Staff in the Department are required to comply with the Terms & Conditions of Employment in the Irish Civil Service and to adhere to the Civil Service Code of Standards and Behaviour. Where a staff member fails to comply with the policies of the Department, disciplinary action in accordance with the Civil Service Disciplinary Code may be warranted.
- Currently there are 26 open disciplinary cases being managed within HR Division.
 - 2 are in relation to allegations of suspected fraud/misappropriation;
 - 7 are in relation to poor attendance and performance;
 - 4 are in relation to possible data breaches and compliance with correct data protection procedures; and
 - 13 are in relation to possible breaches of behaviour or compliance with guidelines and procedures.
- Five staff members are currently suspended from work on full pay pending the completion of investigations and the disciplinary code process.
- Four staff members have been dismissed from the Civil Service in the last 12 month period on completion of the disciplinary code process.

Health Screening

- A health screening programme was made available to all staff in 2016. Following a competitive tendering process Servisource Healthcare, in partnership with Full Health Medical, was selected to conduct the screenings. The cost per employee was €118 (a subsidy of €50 towards this was provided by the Department). Participation was very high with 1,890 employees (28% of the workforce) taking part at approximately 45 locations countrywide. Each employee received a confidential personalised report which included screening results and healthy lifestyle advice. The Department also received a corporate report which summarised the results under each test heading (e.g. cardiovascular risk, cholesterol scores etc.).
- Following on from the health screening the Department established a “Wellness at Work” project under the Engagement and Innovation programme.

Dignity at Work / Grievance

- All staff in the Department are obliged to be aware of and to comply with the Dignity At Work policy (DAW), which is the Anti-Bullying, Harassment and Sexual Harassment policy for the Civil Service. This policy aims to promote respect, dignity, safety and equality in the workplace and provides advice for staff who believe they have been

bullied or harassed. The policy also sets out the procedures which must be followed by all parties to complaints of bullying and harassment.

- Investigations into complaints of bullying and harassment are carried out, on behalf of the Department, by external workplace investigators selected following a mini-tendering competition managed by the Office for Government Procurement.
- Grievance complaints are dealt with in accordance with the Grievance Procedure (Circular 11 of 2001). The procedure sets out the process to be followed where a staff member makes a complaint about acts of or omissions of management and seeks to resolve these issues in a fair and efficient manner.
- Mediation is a voluntary and confidential process for resolving workplace conflicts. Mediators are appointed by the Civil and Public Service Mediation Service.
- Currently there are 21 cases being managed by the DAW/Grievance team. These will be dealt with either through the Grievance Procedure, through informal resolution, through mediation or through formal investigation under DAW.
- 2 investigations into complaints of bullying/harassment and 1 review of an investigation were completed in 2016. None of the complaints were upheld by the investigators.
- 4 formal mediations took place in 2016, with 3 proving successful.
- 3 Grievance complaints were processed in 2016, with 2 being resolved.

Industrial Relations

- The Department has a small unit to manage industrial relations with the civil service unions/associations – CPSU, PSEU, AHCPS and Impact. While IR matters arise on an ongoing basis, there are no current major IR problems that are likely to have an impact on service.

L. Business Planning and Risk Management

- In 2004, the Department developed and implemented a risk management framework. In order to give greater emphasis to the strategic importance of risk management in the Department a new fully integrated Business Planning and Risk Management (BPRM) process was developed for the 2011 business planning cycle and subsequent cycles. A new BPRM computer application was developed to support the process. The BPRM process is used by management throughout the Department to actively manage risk and has regard to risks that emanate from business processes supplied by third party providers.
- The Business Planning and Risk Management process links annual business and risk management plans to the strategic objectives and actions set out in the [Statement of Strategy](#) and each staff member's role in the attainment of those objectives is clearly defined within the Performance Management & Development System (PMDS).
- These plans contain specific targets which the Department will be expected to deliver each year in order to ensure that the Department's commitments are met. The plans outline the activities to be carried out during the year and the risks to the achievement of the activities. Regular reporting and monitoring of progress made on business plan activities and associated risks are important features of this process.

M. *Data Protection in DSP*

- The Department has a dedicated unit to oversee information security and data protection compliance across the Department. It has developed and communicated policies and procedures covering the use of systems and data. This unit is known as the Business Information Security Unit (BISU).
- Staff members are regularly reminded of their obligations in accordance with these policies and of the penalties that are applicable in respect of any breach of them, up to, and including, dismissal.
- There is an ongoing programme of data protection presentations to staff members around the country.
- The Department ensures oversight in relation to data protection by keeping records of data accesses which are then subject to audit.
- Specific data protection initiatives include the following:
 - A Data Management Programme Board (DMPB) has been established to ensure that the Department is compliant with relevant data protection laws, ODPC guidelines/ codes of practice and data management best practice, having due regard to costs and benefits associated with any new/ enhanced initiatives proposed to meet the objective. Key priorities for the DMPB are preparing the Department for the General Data Protection Regulation which comes into force in May 2018 and overseeing data sharing arrangements.
 - A separate data protection working group is in place to examine, and progress, all aspects of data protection compliance in the Department and this group reports to the DMPB.
 - All members of staff must, on an annual basis, sign undertakings that they have read, and will act in accordance with, data protection policies and guidelines.
 - At senior official level, meetings are regularly held between the Department and the Office of the Data Protection Commissioner to discuss, and progress, matters of mutual concern.
 - A Data Protection Awareness Week is run annually. Activities have included the dissemination to all staff members of a data protection newsletter; in-house produced data protection videos; presentations being given to almost 700 staff each awareness week; personal messages from the Secretary General to all staff members;

- Alerts issue to all staff notifying them of any bogus calls to the Department and giving information on modus operandi and persona adopted by the bogus callers.
- As part of a general HR update to staff, HR report on the number of cases where disciplinary sanctions have been applied to staff for Data Protection breaches.

Data breaches 2016

- During 2016, 90 new cases of alleged breaches of the Data Protection Acts were examined in the Department. In addition, 13 cases were carried forward from 2015, 5 from 2014 and 2 from 2013. Following investigation, the outcome in the total of 110 cases was as follows:
 - There wasn't any evidence of a breach in 44 cases.
 - In 58 cases, a breach of the Data Protection Acts was established. The vast majority of these breaches were accidental, e.g. posting correspondence to the wrong address.
 - In the case of 8 of the 58 breaches, sanction was imposed under the Civil Service Disciplinary Code. In a further 3 of the 58 breach cases, a report on the outcome of investigation was referred to the Department's HR division for consideration regarding possible disciplinary action under the Civil Service Disciplinary Code.
 - 8 cases were on-going into 2017.

General Data Protection Regulation (GDPR)

- The new General Data Protection Regulation (GDPR) will apply from 25 May 2018. The new Regulation will update and overhaul data protection law in Europe. While many of the fundamental concepts and principles remain the same, there are new and expanded elements and a strengthening of rights of data subjects.
- The GDPR reduces the legal bases that can be relied on to process personal data.
- There is increased emphasis on transparency in relation to processing of personal data and data subjects will have enhanced rights under the GDPR, with increased access to compensation. The GDPR also requires the appointment of a Data Protection Officer.

Actions to Achieve Compliance with the GDPR

- The Department has established a dedicated team on the GDPR and is undertaking an assessment of GDPR compliance. Work is underway on a data gathering exercise on data processing and data sharing activities. The Department is also carrying out an audit on our IT systems.

N. Accommodation/Facilities Management

- The Facilities Management Unit (FMU) oversees property management, maintenance and building services for some 296 DSP offices across the country.
- DSP has been through a process of consolidating its locations since the Community Welfare Service transferred to DSP in 2012. For example, in 2012 the Community Welfare Service operated out of 748 shared HSE locations (clinic locations). This number has now reduced to less than 130.
- The DSP's property portfolio continues to reduce. We are rationalising and consolidating our property portfolio to best reflect business and operational needs.
- Headquarter Moves - In early 2016, the Department was required to vacate Oisín House on Pearse Street. 22 Business areas in Dublin have been relocated across 9 different locations as part of an interim accommodation arrangement. The OPW have identified alternative accommodation in Smithfield (the Infinity Building) and have signed an agreement to lease the property. Work is ongoing with OPW architects with a view to getting the building fitted out as a matter of priority. The OPW expect that the building should be ready for occupation in 18 months. This timescale includes design work, planning application, tender process and works on site. Approximately 130 staff from Corporate Services Sections in DSP will be moved to this new building.
- FMU manages the Department's spending on postage, energy, building capital projects, security and cleaning services in line with government procurement rules and procedures. We also work closely with the Office of Government Procurement and use their framework agreements where appropriate. FMU also promotes energy efficiency within the Department and reports to the Sustainable Energy Authority of Ireland (SEAI) in respect of our offices throughout the country to track progress towards the 2020 target of a 33% reduction in energy use – the Department is currently on target to meet this goal.
- FMU also has responsibility for coordinating and managing the statutory requirements on health and safety in the Department and provides advice, guidance and support on these matters to all DSP offices. It collates Accident and Incident Reports from around the country and liaises with the State Claims Agency in relation to claims arising from accidents and incidents to staff and customers on our properties. In 2016, 230 incidents were recorded and reported to the State Claims Agency and some €445,000 was paid out in compensation claims (some claims go back several years).
- FMU is responsible for ensuring that the Department's printing and stationary requirements (including managing the facilities and staff at the Department's Printing Facility in Santry) are met in a cost effective manner while ensuring proper services, and for ensuring compliance with the requirements of the National Archives Act.

O. Decisions Advisory Office/FOI Unit

- The Decisions Advisory Office (DAO) supports line sections in seeking to ensure that decisions made on social welfare claims are consistent and of good quality. The DAO provides advice in complex cases and detailed guidelines on decision making across the organisation.
- The day-to-day work includes:
 - Case advice on complex cases
 - Ensuring guidelines are kept up to date
 - Publishing bulletins for staff
- In addition, the DAO acts as the liaison with the Social Welfare Appeals Office and with the Ombudsman's Office.
- DAO also chairs the Migrant Consultative Forum, a forum where representatives of NGOs with a specialist interest in issues concerning migrants, meet with DSP representatives to discuss problems/issues facing migrants in their dealings with the Department.
- The Freedom of Information Unit (FOI) unit is part of DAO. The role of the FOI Unit is to provide guidance on FOI requests and co-ordinate action on the implementation of the FOI Act.
- FOI Unit provides a liaison role with the Office of the Information Commissioner, reports on statistics on FOIs in the Department and attends FOI networks between Government Departments. The Unit also organises support and training for FOI officers throughout the Dept. and provides weekly reports on non-personal FOI requests to top management, the press office and the Minister's Office.
- DSP receives over 2,000 FOI requests annually, of which over 1,800 (or 88%) are personal requests.

4. OFFICES OF THE DEPARTMENT

A. Social Welfare Appeals Office

- The Social Welfare Appeals Office (SWAO) was established in 1991 and is responsible for determining appeals against decisions on social welfare entitlements and insurability of employment. The appeals system is underpinned by primary legislation.
- The office is headed by a Chief Appeals Officer, Joan Gordon, who is supported by a Deputy Chief Appeals Officer, an Office Manager, 33.15 Appeals Officers, 2.8 Higher Executive Officers and 39.5 other administrative staff. Its headquarters are located at D'Olier House, D'Olier Street, Dublin 2.
- The independence of the SWAO is of paramount importance. Appeals Officers are quasi-judicial officers appointed by the Minister. The Supreme Court has held that Appeals Officers are required to be free and unrestricted in discharging their functions. The Chief Appeals Officer is required under law to submit an annual report each year to the Minister on the activities of her office.
- The quasi-judicial nature of the appeals system means that there are inevitable time lags involved but every effort is made to keep these to a minimum. Appeal processing times are kept under constant review.
- Many of the procedures which impact on appeal processing times are in place in order to ensure that due process, fair procedures and natural justice are adhered to and that every appellant is given the opportunity to make their case and have all of their evidence fully considered by an Appeals Officer. As a first step in the process, the appeal papers are forwarded by the SWAO to the Department for review and for preparation of a submission on the appeal contentions. 22% (5,100) of the 23,220 appeals which were finalised during 2016 were revised by the Deciding Officer in favour of the appellant during this stage of the process.
- The system allows for review and appeal and for further information to be submitted at any stage up to and including an oral hearing, where an oral hearing is deemed necessary, in order to be as fair as possible to an appellant.

Workload of the Appeals Office

- As outlined in the table below, between 2009 and 2013 there was an unprecedented increase in social welfare appeals which mirrored a similar dramatic increase in the number of claims received by the Department. This placed considerable pressure on the

SWAO and impacted on the time taken to process appeals. Appeal receipts increased from an average of 15,000 per year up to 2009 to a peak of 35,484 in 2012.

- The following table shows the increased receipts and workload in the period 2004 to 2016.

Year	On hands at start of year	Received	Finalised	On hands end of year	Oral hearing processing time	Summary decision processing time
2004	5,331	14,083	14,089	5,325	25.5	11.6
2005	5,325	13,797	13,418	5,704	27.9	13.2
2006	5,704	13,800	14,006	5,498	28.5	13.2
2007	5,498	14,070	13,845	5,723	30.4	14.2
2008	5,723	17,833	15,724	7,832	32.8	13.9
2009	7,832	25,963	17,787	16,008	34.8	18.2
2010	16,008	32,432	28,166	20,274	45.6	27.4
2011	20,274	31,241	34,027	17,488	52.5	25.1
2012	17,488	35,484	32,558	20,414	39.5	27.8
2013	20,414	32,777	38,421	14,770	33.9	25.8
2014	14,770	26,069	31,211	9,628	28.6	21.1
2015	9,628	24,475	25,406	8,697	25.5	18.1
2016	8,697	22,461	23,220	7,938	24.1	17.6

Initiatives to manage appeal backlogs and improve processing times

- In response to the unprecedented increase in appeal numbers significant effort and resources were devoted to reforming the appeals process including:
 - Additional appeals officers were appointed to the office
 - An overhaul of the operating model was undertaken
 - New technology to support appeals officers was introduced
 - Work was undertaken with the Department to reduce delays in responding to requests from the Appeals Office for appeal submissions.
- This resulted in a marked improvement in appeal processing times and a reduction in appeal backlogs. As can be seen from the table above, the average time taken to determine an appeal requiring an oral hearing reduced from 52.5 weeks in 2011 to 24.1 weeks in 2016 and the average time taken to finalise an appeal decided by way of a summary decision dropped from 25.1 weeks in 2011 to 17.6 weeks in 2016.
- Appendix 4 sets out appeals processing times in 2016 by reference to specific schemes.

B. General Register Office

Structure of the Civil Registration Service

- The Civil Registration Service was formally established under the provisions of the Civil Registration Act 2004. The Act provides for the reorganisation, modernisation and naming of the system of registration of births, stillbirths, adoptions, marriages, civil partnerships and deaths. The 2004 Act replaced the old civil registration legislation dating back to 1844. The General Register Office (GRO) was established in 1845 under the provisions of the Marriages (Ireland) Act 1844.
- The main functions of an tÁrd Chláraitheoir (Registrar General) under the 2004 Act are to maintain, manage and control the system of civil registration in the State and to maintain the registers, indexes and other records required to ensure an effective and efficient system.
- The HSE is required, through each Superintendent Registrar, to manage, control and administer the Civil Registration Service, under the overall management, control and supervision of an tÁrd Chláraitheoir. The HSE is required by the 2004 Act to appoint a Superintendent Registrar and registrars to each of the registration areas. (These areas equate to the geographic areas covered by the former health boards.)
- The GRO has an approved complement of 60 whole-time equivalent staff. Of these, 52 are based in the Roscommon headquarters and 8 in the dedicated Research Room in Dublin. In addition, there are approximately 190 HSE staff assigned to registration duties across the country. Each county has at least one local registrar's office with Superintendent Registrar's offices located at Drogheda, Sligo, Dublin, Galway, Limerick, Kilkenny, Tullamore and Cork.

Surrogacy

- In 2014, the Supreme Court ruled that where a child is born the person who gives birth is the mother of the child and it is her details that are entered as mother in the register of births. The procedures for registering a man as father vary, depending on his biological relationship to the child and whether he is married to the mother. Any regulation of surrogacy services in the State would be the responsibility of D/Health.
- The position relating to foreign surrogacy is that such births are not registered in the State. Significant issues arise in relation to these births including parenthood and citizenship. A protocol on foreign surrogacy was issued by the Department of Justice & Equality in February 2012. The protocol deals with (a) the legal status of children born abroad through surrogacy, (b) citizenship and passports, (c) emergency travel certificates, (d) practical requirements for applications for travel documents, and advises couples to seek legal and medical advice before proceeding. The only existing

mechanism for resolving issues relating to parentage and guardianship in foreign surrogacy cases is through the courts.

Marriages of Convenience

- In order to address concerns regarding the use of marriages of convenience (sham marriages) for the purposes of gaining access to, and residency in, the EU the Civil Registration (Amendment) Act 2014 provided for a scheme whereby a Superintendent Registrar can decline to permit a marriage between a non-EU national and an EU national. Refusals can be made if, for example, the parties do not speak a common language and they appear to know little of each other's background.

Historic Registration Data

- Registration of marriages commenced in 1845 and of births and deaths in 1864. The system of registration remained manual until it was computerised in 2002-05. A project has been undertaken to digitise the paper records and to make them available in a searchable database. All birth records are now available for searching on the live system alongside deaths from 1891-2016 and marriages from 1870-2016. Work is continuing to ensure that the remaining records are converted to the live system within the next 12 to 18 months. The Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs has also made the historic GRO records (births >100 years old, marriages >75 years old and deaths >50 years old) that have been converted available for searching online at its genealogy website, www.irishgenealogy.ie.

Data Sharing

The computerisation of registration records facilitates extensive data sharing with other public bodies, where this is permitted by statute. Registration data is especially important for planning and policymaking and vital statistics data (births, deaths & marriages), based on registration, are published quarterly by the CSO. Data is also shared with a range of public bodies including the National Cancer Registry of Ireland, Health Protection and Surveillance Centre, local authorities, and the HSE.

Litigation

- The GRO is involved in a significant number of court cases annually, mainly involving recognition of foreign marriages & divorces, and appeals against decisions of Superintendent Registrars in relation to marriages of convenience. Some cases involving significant public policy matters have arisen over the years including *Foy –v- Registrar General* (transgender recognition) & *MR & DR etc. –v- Registrar General* (surrogacy). An important judgment relating to recognition of a polygamous marriage is to be given on 15 June 2017.

5. BODIES UNDER THE AEGIS OF THE DEPARTMENT

A. Pensions Authority

- The role of the Pensions Authority is to monitor and supervise the operation of the Pensions Act and pension developments generally. The purpose of the Pensions Act is to regulate the operation of occupational pension schemes and Personal Retirement Savings accounts. In this context, the Pensions Act sets out the duties and responsibilities of trustees of a pension scheme. It also assigns a responsibility to the Pensions Authority to supervise the operation of the Act.
- The Pensions Authority is overseen by a three person body consisting of a Chairperson, Mr David Begg, and two officials, Ms Anne Vaughan from the Department of Social Protection, and Ms. Ann Nolan from the Department of Finance.
- The Statement of Strategy of the Pensions Authority is available at : http://www.pensionsauthority.ie/en/News_Press/News_Press_Archive/The_Pensions_Authority_Statement_of_Strategy_2016_-_2020.PDF

B. Pensions Council

- The function of the Pensions Council is to advise the Minister for Social Protection on matters of relevance to pensions. It is currently focussing on pension charges and gender issues.
- Membership of the Council has been constituted to ensure the relevant skills, specialist knowledge, and experience is in place to allow for the provision of collective advice, information and assistance in the development of pensions policy. Mr Jim Murray, former Director of the European Consumers Organisation (BEUC), chairs the Pensions Council. The Council has recently produced a “Report on ARF Charges” for the Minister.

C. Pensions Ombudsman

- The Pensions Ombudsman is a statutory office established in 2002 to investigate complaints of financial loss due to maladministration and disputes of fact or law in relation to occupational pension schemes and personal retirement savings accounts (PRSAs). The Pensions Ombudsman is independent in the performance of these functions and acts as an impartial adjudicator.

Merger of the Office of the Pensions Ombudsman with the Financial Services Ombudsman

- Following on from the publication of the Public Service Reform Plan in November 2011 which included measures to rationalise a number of state agencies, the Department of Social Protection was charged with undertaking a critical review of the Office of the Pensions Ombudsman.

- The critical review was to consider merging the Office of the Pensions Ombudsman with the Financial Services Ombudsman. The Steering Group established to carry out the review concluded that a merger of the Pensions Ombudsman with the Financial Services Ombudsman was the appropriate measure to take thereby providing the consumer with a one-stop shop for queries on pensions and financial products.
- Legislation to provide for the amalgamation of the Financial Services Ombudsman and the Pensions Ombudsman is currently before the Oireachtas.

D. Citizens Information Board (CIB), Citizens Information Services (CIS) and Money Advice and Budgeting Service (MABS)

- The Citizens Information Board (CIB) is the statutory body responsible for supporting the provision of information, advice (including money and budgeting advice service) and advocacy services on a wide range of public and social services.
- CIB delivers on its remit through direct provision and by supporting a network of delivery partners.
- CIB has been allocated State funding of €54.05 m for 2017 of which:
 - **€24.6m is allocated to MABS** (including €15.4million to the 51 local MABS, €0.3m to National Traveller MABS, €2.0 million for MABS National Development, €3.5m for ABHAILE, €3.3m for the Dedicated Mortgage Arrears MABS and the remainder, €0.1m to MABS central supports).
 - **€13.8m is allocated to Citizens Information Services (CIS)** (42 services) which provide information to the public on a range of social and public services. CIS's also provide an advocacy service to those who need assistance to access their entitlements.
 - **€1.2m to the Citizens Information Phone Service**, which provides a comprehensive and confidential national telephone service
 - **€2.45m is allocated to Information & Communications** technologies to support the full network of delivery partner companies - e.g. Software, Hardware, ICT Projects, Licences and Client Management Systems
 - **€3.8m is allocated to Advocacy Services** – including National Advocacy Service (€3.1m) which provides an independent confidential representative advocacy service for people with disabilities, €321,000 to the Sign Language Interpreting Service (SLIS) and €379,000 to other advocacy support services including salaries and insurances for advocacy support workers.
 - **€5.6m is allocated to Salaries and Board member fees** – including pay and pensions for all its staff (74 FTE, located in HQ and in the regions).
 - **€2.0m is allocated to Overheads** - including accommodation, maintenance, staff training, service charges and insurance.
 - **€0.6m is allocated to Quality / Social Policy Research / Training /T&S**

Restructure of governance arrangements

- The existing CIB structure has 93 independent local companies (51 MABS and 42 CISs), under the remit of CIB, each with separate voluntary Boards of Management.
- Following a feasibility study carried out in 2014 and subsequent consultations and engagement with stakeholders, the Board of CIB decided on 15th February 2017 to restructure the governance arrangements of 93 individual CIS and MABS company boards to a new sixteen (16) regional board model.
- The new structure will comprise eight (8) CIS boards and eight (8) MABS boards. The restructured governance arrangements are being implemented at local company board level only.
- CIB has stated that as a result of the restructuring there will be no job losses for those working in CIS and MABS services, no diminution of existing services, no closures of service delivery points, and crucially, no disruption to services for those who use them.
- There has been some opposition from stakeholders and politicians to the decision of the Board to restructure its governance arrangements.
- The Joint Oireachtas Committee on Social Protection held hearings on the proposed restructure on 23 February and 9 March 2017.
- On 28 March a motion was passed in the Dáil calling on the Minister for Social Protection to overturn the CIB decision, utilising the provisions of Section 9 the Citizens Information Act, 2007.
- The Attorney General's advice was sought. The considered advice is that while the Minister may give general policy directions to the Board, s/he does not under Section 9 have power to order them to reverse a specific decision such as the restructuring of the governance arrangements.
- The Citizens Information Board is the competent statutory body with responsibility under Section 7 of the Comhairle Act 2000 (as amended).
- Since the CIB board decision, a series of regional consultations with stakeholders has been undertaken by CIB, to discuss and examine key aspects of implementing the new sixteen board model.
- The Group has already met with over 300 representatives from the CIS and MABS network comprising representatives of staff, management, and volunteers, as well as Chairpersons and representatives of local CIS and MABS Boards.

- CIB intends to host further consultations over the summer period, on key areas such as the role of volunteers, the delivery of consistent high quality services countrywide and the preservation of the fundamentally valuable local community focus and support ethos within the new model. CIB will consider these findings in the development of its Volunteer Strategy.
- CIB has established an Implementation Group, with cross sectoral representation, to assist with the governance reorganisation.
- CIB has also committed to carry out a full Cost Benefit Analysis on the new sixteen company model.

MABS Role in State funded services for people in home mortgage arrears

- The Money Advice and Budgeting Service (MABS) , under the aegis of the Citizens Information Board, assists people who are over-indebted and need help and advice in coping with debt problems, in particular those on low incomes and people living on social welfare payments.
- In addition to its traditional core business, the role of MABS has been expanded since 2015 to include additional services to support mortgage holders in arrears. The **Abhaile service** for borrowers in home mortgage arrears was officially launched in October 2016. An information campaign to raise awareness of the range of valuable supports now in place for borrowers in home mortgage arrears commenced in February 2017.
- A key component of the service is a new voucher based scheme for which MABS is the gateway. This provides access for people who are insolvent and in home mortgage arrears, to defined levels of independent expert financial and/or legal advice and assistance, free of charge. Qualification for help under the scheme is based on the applicant being (a) in mortgage arrears on their home; (b) insolvent; (c) at risk of losing their home because of their mortgage arrears; and (d) reasonably accommodated. The primary focus is to help borrowers to put sustainable solutions in place with their lenders and wherever possible to keep them in their homes.
- To end May 2017, 7,246 vouchers for services have been issued, in respect of 4,277 principle private residences. Of the vouchers issued to date 5,515 relate to the provision of personal insolvency practitioner services, 1,566 for legal advice services on issues related to mortgage arrears, and 165 for legal aid services relating to Section 115A Appeals, as defined under the Personal Insolvency (Amendment) Act 2015.
- In addition to the specialised services which can be accessed through the voucher system, advice and assistance is available to borrowers in home mortgage arrears

through the **MABS Dedicated Mortgage Arrears service**. There are 32 specialist DMA advisors working across 27 locations countrywide, assisting borrowers to assess the options available to them and, where required, negotiating with lenders on their behalf. To date, over 3,700 borrowers have availed of the MABS DMA service. People seeking to access help under the DMA MABS service do not require a voucher to do so.

- MABS has established a national network of **court mentors**. The mentors attend each listed repossession Court hearing nationwide and provide support to distressed borrowers who are facing the loss of their home and signposting them to the appropriate services. To date, over 1,400 borrowers have been referred to MABS services through the court mentor service. Borrowers do not require a voucher to access this service.

Dedicated Mortgage Arrears MABS Offices

MABS Office	Court
Arklow MABS	Bray
Bray MABS	Bray
Carlow MABS	Carlow
Cavan MABS	Cavan
Clare MABS	Ennis
Cork MABS	Cork
Kerry MABS	Tralee
Kildare MABS	Naas
Leitrim MABS	Carrick-on-Shannon
Laois MABS	Portlaoise
Limerick MABS	Limerick
Longford MABS	Longford
North Donegal MABS	Letterkenny
North Galway MABS	Tuam
North Tipperary MABS	Nenagh
Meath MABS	Trim
Monaghan MABS	Monaghan
Mullingar MABS	Mullingar
South Galway MABS	Galway

South Mayo MABS	Castlebar
South Tipperary MABS	Clonmel
Waterford MABS	Waterford
Sligo MABS	Sligo
Dublin	
Dundrum MABS	Dublin
Fingal MABS	Dublin
Finglas/Cabra MABS	Dublin
Tallaght MABS	Dublin

Personal Micro Credit (PMC) Scheme

- Following a successful pilot, and in line with a commitment in the Programme for a Partnership Government, the PMC Scheme, a low cost loan scheme offered to eligible applicants through their local credit union, is being rolled out to Credit Unions nationwide. An Implementation Group, chaired by the Department of Social Protection and comprising stakeholders including Department of Finance, the Citizens Information Board, Central Bank of Ireland, Social Finance Foundation, Money Advice and Budgeting Service, An Post, Credit Union representative groups and non-Governmental organisations represented by St Vincent de Paul, is overseeing national rollout.
- The aim of the scheme is to move people away from the use of high cost moneylenders as a mechanism to provide for their planned financial needs and to provide an alternative, legitimate, and low cost personal loan scheme.
- Loans under the PMC Scheme, known as *It Makes Sense* loans, range in value from €100 to a maximum of €2,000, and have a maximum interest rate of 12% per annum.
- To date, over one hundred (100) credit unions, with two hundred and twenty (220) credit union office locations, have signed up as Personal Micro Credit (PMC) scheme participants. The target set by the Implementation Group is to have between 160 – 175 participating credit unions by end 2017.
- A list of participating Credit Unions is updated regularly on the website for the *It Makes Sense* loan scheme at www.itmakessenseloan.ie/participating-credit-unions and is available on the It Makes Sense Facebook page.
- Applicants for *It Makes Sense* loans do not already have to be members of the credit union. Once the person lives or works in a credit union's common bond area, the credit union can process a membership application and accept their loan request. It is

important to note that there is no automatic entitlement to a loan under this scheme. Potential borrowers must be able to show a capacity to repay the loan.

- For applicants who receive their social welfare payment in cash (via a post office), the loan repayment must be made through the Household Budgeting facility, operated by An Post.
- For those who receive social welfare electronically (into an account in a financial institution), repayment must be made by standing order or direct debit, directly from the account into which their social welfare payment is made.
- Currently, there are over 5,100 people making PMC loan repayments via deductions through the Household Budgeting facility, while others are making repayments via direct debit or standing order arrangements.

E. Social Welfare Tribunal

The Social Welfare Tribunal is a statutory body set up in 1982 to deal with cases where entitlement to Jobseekers Benefit or Jobseekers Assistance is refused due to an involvement in a trade dispute.

The legislation governing the operation of the Social Welfare Tribunal is provided for in Sections 331 to 333 of the Social Welfare (Consolidation) Act, 2005.

The Tribunal consists of a Chairperson and four ordinary members, two nominated by the Irish Congress of Trade Unions (ICTU) and two nominated by an organisation representative of employers. All members are appointed by the Minister for Social Protection for a term of three years.



Appendix B.2 - Intreo Centres, Local & Branch Offices by Division – May 2017

DIVISION: CORK CENTRAL		DIVISIONAL MANAGER: MARIA HURLEY
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Abbeycourt House		Bandon
Carrigaline		Clonakilty
Cobh		Kinsale
Cork		Midleton
Hanover Street		Youghal
DIVISION: DUBLIN CENTRAL		DIVISIONAL MANAGER: DAVID DILLON
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Ballyfermot		Maynooth
Bishop Square		
Cork Street		
King's Inn Street		
Navan Road		
Nutgrove		
DIVISION: DUBLIN NORTH		DIVISIONAL MANAGER: SIOBHAN LAWLOR
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Balbriggan		
Ballymun		
Blanchardstown		
Coolock		
Finglas		
Kilbarrack		
Swords		
DIVISION: DUBLIN SOUTH & MID LEINSTER		DIVISIONAL MANAGER: EOGHAN RYAN
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Arklow		Athy
Bray		Baltinglass
Clondalkin		Wicklow
Dun Laoghaire		
Newbridge		
Tallaght		

DIVISION: MID-WEST		DIVISIONAL MANAGER: JIM LYNCH
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Clonmel		Cahir
Ennis		Cashel
Limerick		Ennistymon
Newcastlewest		Kilmallock
Thurles		Kilrush
		Nenagh
		Roscrea
		Tipperary
		Tulla
DIVISION: MIDLANDS		DIVISIONAL MANAGER: VERONICA O'BRIEN
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Athlone	Portlaoise	Birr
Edenderry		Castlepollard
Longford		Portarlinton
Mullingar		Portlaoise
Tullamore		Rathdowney
DIVISION: NORTH EAST		DIVISIONAL MANAGER: SEAN REILLY
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Cavan		Ardee
Drogheda		Ballyconnell
Dundalk		Carrickmacross
Navan		Castleblaney
		Kells
		Monaghan
		Trim
DIVISION: NORTH WEST		DIVISIONAL MANAGER: KIERAN O'DWYER
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Buncrana	Donegal	Ballybofey
Carrick-on-Shannon		Ballyshannon
Dunfanaghy		Donegal Town
Dungloe		Killybegs
Letterkenny		Tubbercurry
Manorhamilton		
Sligo		

DIVISION: SOUTH EAST		DIVISIONAL MANAGER: LIAM DALY
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Carlow		Carrick-on-Suir
Kilkenny		Dungarvan
Waterford		Enniscorthy
Wexford		Gorey
		Muine Bheag
		New Ross
		Thomastown
		Tullow
DIVISION: SOUTH WEST		DIVISIONAL MANAGER: NEIL KELLY
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Cahirciveen	Mallow	Bantry
Kenmare	Bantry	Dingle
Killarney		Fermoy
Listowel		Killorglin
Tralee		Macroom
		Mallow
		Newmarket
		Skibbereen
DIVISION: WEST		DIVISIONAL MANAGER: EOIN BROWN
INTREO CENTRE	CONTROL OFFICE	BRANCH OFFICE
Achill		Ballinasloe
Ballina		Ballinrobe
Belmullet		Boyle
Castlebar		Castlerea
Clifden		Claremorris
Galway		Gort
Loughrea		Swinford
Roscommon		Tuam
Westport		

Appendix B.3 – Compliance & Anti-Fraud Strategy

Headline Results for 2016 and Targets for 2017

Pillar	Area of Activity	Outcome 2016	Achieved (Jan- April 2017)
Prevention/ Detection	Control Savings of which achieved by the Special Investigation Unit (SIU)	€506m €70.6m	€163m €21m
	Control Reviews Undertaken	948,216 reviews	336,210
	Public Service Cards (PSC) issued	600,000 cards issued	The total number of cards requested from 1/1/17 to 30/4/17 is 185,718
	Predictive Analytics Modelling		Refining models for OPF, DA and Jobseekers. Developing risk models for other schemes. Working to expand analytics modelling as a source in risk management approach to reviews.
	Fraud & Error Surveys	Farm Assist, FIS, HHB completed and published. Surveys of State Pension Contributory, Carers Allowance & Supplementary Welfare Allowance Schemes commenced.	SPC survey completed – report to be published June. Finalising SWA survey – analysis of information & response commenced. Carers Circular to issue 1 st week of June. Field work to commence thereafter. Preparatory talks with SPNC and BTWEA undertaken.
Debt Recovery/ Deterrence	Overpayments recovered	€82m	€27m
	Prosecutions submitted	Total 359 cases - 199 cases to Chief State Solicitor's Office (CSSO) 160 cases to DPP.	530 DSP cases in the court system 54 finalised in court. Prosecution Policy review group progressing well with a view to completing report by June 2017.

Appendix B.4 - Appeals processing times by scheme 01/01/2016 – 31/12/2016

	Average processing times (weeks) Summary Decisions	Average processing times (weeks) Oral Hearings
Blind Person's Pension	18.2	33.8
Carers Allowance	17.6	21.6
Carers Benefit	20.7	22.4
Child Benefit	22.1	38.2
Disability Allowance	14.6	20.1
Illness Benefit	27.2	34.3
Partial Capacity Benefit	27.3	33.6
Domiciliary Care Allowance	24.3	30.6
Deserted Wives Benefit	13.0	32.8
Farm Assist	21.9	26.0
Bereavement Grant	23.1	-
Death Benefit (Pension)	19.7	-
Liable Relatives	14.0	16.9
Family Income Supplement	20.4	25.5
Invalidity Pension	21.3	28.2
Maternity Benefit	18.9	21.7
One Parent Family Payment	21.7	31.9
State Pension (Contributory)	25.6	45.9
State Pension (Non-Contributory)	22.7	32.9
State Pension (Transition)	67.7	61.3
Occupational Injury Benefit	25.0	31.9
Disablement Pension	25.8	26.8
Incapacity Supplement	27.7	50.9
Guardian's Payment (Con)	15.8	24.5
Guardian's Payment (Non-Con)	18.4	23.3
Jobseeker's Allowance (Means)	16.7	25.5
Jobseeker's Allowance	16.0	20.9
BTW Family Dividend	21.0	-
Jobseeker's Transitional	19.0	22.3
Recoverable Benefits & Assistance	32.5	31.6
Jobseeker's Benefit	16.0	27.2
Treatment Benefit	17.1	-
Carer's Support Grant	18.1	23.3
Insurability of Employment	36.6	85.7
Supplementary Welfare Allowance	15.0	24.1
Survivor's Pension (Con)	16.6	28.8
Survivor's Pension (Non-con)	18.4	23.4
Widows Parent Grant	23.5	63.8
All Appeals	17.6	24.1