

GUIDELINES FOR SUBMISSIONS TO THE ADVISORY GROUP ON TAX AND SOCIAL WELFARE

INTRODUCTION

Overview

The establishment of an Advisory Group on Tax and Social Welfare was announced by the Minister for Social Protection, Joan Burton T.D. on 25 June 2011. The main rationale for the establishment of the Group is to harness expert opinion and experience to address a number of specific issues around the operation and interaction of the tax and social protection systems, recommend cost-effective solutions as to how employment incentives can be improved and better poverty outcomes achieved, particularly child poverty outcomes, and to identify the specific practical institutional and administrative improvements to their operation. A considerable level of analysis has already taken place, therefore, the emphasis of the Advisory Group will be on identifying and solving specific problems within the priority areas bearing in mind that they are interdependent. These priority areas are reflected in the Advisory Group's Terms of Reference.

Terms of Reference

The Government agreed the following Terms of Reference for the Advisory Group:

- a. To constitute a forum to which the Minister for Social Protection may refer specific issues around the income supports and tax systems so that they provide good incentives to take up work and to contribute to the reduction of poverty and child poverty in particular. In particular, the Advisory Group will examine the following specific issues and make recommendations on:
 - i. Child and family income supports (in particular child benefit, increases for qualified children and the family income supplement);
 - ii. Working age income supports (including unemployment payments and similar payments made by other agencies, one parent family payment, one parent family tax credit, back to work tax credit, increases for adult dependants as well as secondary benefits such as medical cards and rent and mortgage supplementary payments);
 - iii. The appropriate unit of assessment in both the tax and social welfare codes;
 - iv. How to address identified anomalies in the interaction of tax and social welfare codes.

- b. To examine and report on issues involved in providing social insurance cover for self-employed persons in order to establish whether or not such cover is technically feasible and financially sustainable;
- c. To examine and report upon how to improve interaction between the tax, social welfare systems and other supports so as to improve the operation of both in a cost-effective way and in the delivery of positive social and economic outcomes;
- d. To examine and report upon any other issue that may be referred to the group by the Minister for Social Protection following consultation with the Ministers of Finance and Public Expenditure and Reform and the agreement of the Minister for Finance on taxation matters.

It is intended that the Advisory Group should consider any proposals for change to existing arrangements in a cost-neutral or cost-reducing context.

Submissions

Submissions received by the Advisory Group on Tax and Social Welfare are an important source of views for the Group in fulfilling its mandate. They also provide interested parties with an opportunity to make proposals on one or more of the topics covered in the Terms of Reference. This document outlines guiding principles for submissions to the Advisory Group.

A full list of those who make submissions will be included as an appendix in the Advisory Group's report or interim report, as the case may be. All submissions may be released under the Freedom of Information Acts 1997 and 2003 and form part of the report/s of the group. Submissions may also be made available on the Department of Social Protection's website at www.welfare.ie.

The original call for submissions went out in August 2011. The Group wishes to thank all contributors who responded. A number of interim reports have been produced by the Group addressing certain aspects of the Terms of Reference. Given the passage of

time, this new call for submissions is specifically focusing on the Group's Terms of Reference regarding working age supports and related issues. As such it differs from the previous call by requesting responses to questions which will help the Group in its deliberations on these issues. It is also permissible to include non-structured and more generalised information in the submission.

STRUCTURE OF SUBMISSIONS

Topic headings

Written submissions should be concise and structured, and should follow the sequence of the topic headings outlined in the Terms of Reference as follows:

1. Working age income supports (including unemployment payments and similar payments made by other agencies, one parent family payment, one parent family tax credit, back to work tax credit, increases for adult dependants as well as secondary benefits such as medical cards and rent and mortgage supplementary payments);
2. The appropriate unit of assessment in both the tax and social welfare codes;
3. How to address anomalies in the interaction of tax and social welfare codes.
4. To examine and report upon how to improve interaction between the tax, social welfare systems and other supports so as to improve the operation of both in a cost-effective way and in the delivery of positive social and economic outcomes.

If applicable, the submission should indicate the writer's professional or other interest in the topic.

Key Questions to Address in Submissions relating to working age supports

In the submission the Group would welcome responses to the following questions.

1. What are the 'workable solutions' within the social welfare and tax systems in addressing disincentives (removing barriers) a) to transitioning from welfare into work; and b) for those in work, moving into better paid or 'affordable' employment?
2. What are the 'workable solutions' within the social welfare and tax systems in promoting incentives (making work more attractive) a) for transitioning from welfare into work; and b) for those in work, for moving into better paid or 'affordable' employment?

3. The Group is interested in what influences the decisions made by families and individuals in contemplating a return to work, to increasing hours of work and/or moving into better paid work. Can you provide examples of these influences?
4. What role, if any, do you feel the receipt of and/or the fear of loss of secondary benefits provide a disincentive into moving into employment and/or into better paid employment?
5. If the fear of loss of secondary benefits (i.e. this influences individuals' or families' decision-making) is a disincentive, which benefits are particularly important and how might the loss of these be addressed?
6. If differences in how much a household or a family receives in terms of secondary benefits is the issue when moving into work or increasing hours of work, (i.e. there are structural inequities in the receipt of these benefits), how might this be addressed?
7. How might costs of participation in work be addressed, and in particular higher costs for people with a disability?
8. How might supports best facilitate the transition of adolescents and young adults (aged 16 to 24) to working age adults?
9. What features would you see as important for an in-work benefit, to support employment?

Open Proposals for change

In the case of submissions that also put forward open proposals for change, this should include the following:

- A brief summary of the proposal.
- Supporting documentation. Documentation in support of the proposal should, if possible, include:
 - Information on costs and benefits (or “pros and cons”), and
 - Statistical or other research data underlying the proposal.

Non-structured section of the submission

Any further information, comments, views or suggestions which the individual or organisation concerned believes would be of assistance to the Advisory Group should also be included.

PRACTICAL ISSUES

Format for correspondence

Where possible, submissions should be emailed to the Advisory Group at:

AdvisoryGroup@welfare.ie. While electronic format is strongly encouraged, persons who wish to make a submission but who are not in a position to do so by email may make their submission in writing and post to:

Kasey Treadwell Shine,
Secretary to Advisory Group on Tax and Social Welfare,
Department of Social Protection,
Floor 1, Gandon House,
Dublin 1.

Contact details, etc.

The individual or organisation making the submission should include contact details – including an email address if possible – with the documentation. All correspondence will be acknowledged by the Secretariat.

Follow-up queries may be made by the Secretariat in respect of particular issues raised in submissions where, for example, further clarification is required. In general, however, on-going communication between correspondents and the Advisory Group and/or Secretariat in relation to individual submissions is not envisaged.

The final date for receipt of submissions is **Monday 17th December 2012**.

Queries

Any queries regarding these guidelines should be directed to the Secretariat, who will be happy to assist.