



**GOVERNMENT REFORM FOR DISABILITY PAYMENT COMES INTO EFFECT
THIS MONTH**

**BRENNAN – CAPITAL DISREGARD FOR DISABILITY ALLOWANCE
INCREASES FROM €20,000 TO €50,000**

The Minister for Social Affairs, Séamus Brennan T.D. today announced that an increase in the capital disregard for Disability Allowance to €50,000 will come into effect this month and will immediately benefit some 500 people currently on a reduced rate of payment.

Minister Brennan said that the increase of €30,000 in the capital disregard, from €20,000 to €50,000, will facilitate clients to hold this amount of capital or, provision of up to this amount to be made for a client, without it affecting the rate of payment they receive. Capital may include money invested in a financial institution, stocks and shares, and the capital value of property other than the family home.

“It has been recognised that a person in receipt of Disability Allowance may not have the opportunity to accumulate savings or other income through participation in employment. As such this measure that I have introduced will go some way towards addressing the issue of financial provision for vulnerable clients, particularly by parents, by way of bequest.”

The Minister further added that the increase in the disregard addresses a fundamental issue that underpins the Disability Sectoral Plan by not only contributing to the financial security of people with disabilities but also by encouraging and supporting them to participate to the maximum in society.



Department of Social and Family Affairs

The cost of the measure is estimated at almost €600,000 for the remainder of 2007 and will cost in the region of €1 million to implement in a full year. At present there are approximately 500 people in receipt of a reduced rate Disability Allowance that will benefit from the increase in the disregard level.

Minister Brennan said that further advances in the area of disability are contained in the recently published Citizens Information Act 2007, which lays the foundation for the provision of a personal advocacy service to people with disabilities. Funding of €1.9m has been provided to the Citizens Information Board this year for the development of this service and for the implementation of the Disability Sectoral Plan.

This payment is part of the largest ever welfare Budget package with an increase of over €1.4 billion - €300 million more than last year - bringing the total spend in 2007 on significantly improved entitlements, supports and allowances to more than €15.3 billion, or €1 in every €3 of day to day spending by the State.

Minister Brennan said: "This reform contributes greatly to the overall policy reform agenda that I have been pursuing for the last two years. There are important and necessary structural reforms that create changes and open up opportunities. We are making steady progress on bringing about fundamental welfare policy changes and I am determined that we will continue to press ahead with these and other necessary changes."

The substantial across the board increases, representing rises of up to three times the expected rate of inflation, will directly benefit some 1 million people, including pensioners, low income and welfare families, carers and those with disabilities, and when their dependants are included, a total of more than 1.5 million men, women and children.