



Department of Social and Family Affairs

Thousands Of Welfare Customers To Benefit From Record New Increases In Savings And Investments Limits

Minister Brennan Urges Pensioners To Avail Of New Arrangements And Avoid Keeping Cash In Their Homes.

The Minister for Social Affairs, Séamus Brennan T.D. announced today (Monday, 6th June) that thousands of social welfare customers, particularly pensioners, stand to benefit from significant increases in the savings and investments (capital disregards) allowed in the case of means-tested entitlements and payments.

It is estimated that some 10,000 existing welfare customers will benefit from the increases. For all welfare customers, the increases will allow for savings and investments of up to EUR20,000 - compared with a EUR12,600 limit at present-before entitlements are affected. In the case of pensioners this means that a single non-contributory pensioner, with no other means, can now have capital of up to EUR28,000 and qualify for a pension at the maximum rate. These figures are doubled in the case of a pensioner couple, allowing them have combined savings of EUR56,000 and retain full pension entitlements so long as they have no other means of income.

The new limits apply to all capital, regardless of where it is held, in an SSIA, a Credit Union, with An Post or any other account with a bank or other financial institution.

Minister Brennan said that thousands of customers currently receiving a reduced weekly payment - due to the assessment of capital under the social welfare means test - may now be entitled to an increase in their payment. Other people, who previously did not receive a payment because they did not satisfy the means test, may now have an entitlement.

The increases in disregards, which apply from June, follow a review of current arrangements for assessment of capital that was ordered by Minister Brennan to address unease about the potential impact on welfare entitlements of savings, particularly under the Special Savings Incentive Accounts (SSIA's).

Minister Brennan said: "The significant improvements I am introducing will remove the anxiety of many welfare recipients, particularly pensioners, who were worried their ssias or other savings in the bank or elsewhere would directly impact on the value of their pensions. Many older people want to have the security of a 'nest egg' that they can call on for emergencies and I confident the new increases will help facilitate that. I would urge pensioners, for their own safety and security, to avoid holding large amounts of cash in the house."

The Minister said that as part of his commitment to ensure that his Department's customers are made aware of, and benefit from, the new arrangements a full review of the entitlements of thousands of welfare customers was underway. Where the review identifies that a rise in payment is warranted, the increase will be back-dated to the start of June 2005.



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Minister Brennan said: "I want to ensure that means testing arrangements do not act as a disincentive for pensioners and other welfare customers to become savers or harshly penalise those who have been regular savers in the past. The SSIA's have started a very healthy savings culture and I want to ensure that welfare customers can fully participate in this".

The Minister outlined measures being taken by his Department to assess and identify those welfare customers who may now qualify for new or increased entitlements:

- An ongoing review of the entitlements of 6,000 Old Age Non-Contributory Pensioners and 1,300 Widows or Widowers Non-Contributory Pensioners who may benefit under the new capital disregard. Any increase identified by the review as being warranted will be back-dated to the start of June 2005.
- All Disability Allowance payments with capital assessments (approximately 1,000) which may benefit under the new arrangements are currently being reviewed. The customers concerned will be notified of any change in their weekly rate of payment arising from the review.
- For people receiving Carer's Allowance, the improvements in capital assessment came into effect in April 2005 in line with other improvements introduced in that scheme. All relevant claims are currently being re-assessed and customers will be notified of the outcome of those re-assessments.
- All One Parent Family Payment customers who may benefit under the new arrangements will have their claims reviewed in light of the new arrangements.
- Unemployment assistance and Pre-Retirement Allowance customers, whose means are derived from Capital, will have their claims reviewed by the Department's local offices, who administer these schemes.