



**Thousands Of Lone Parents To Benefit As Weekly Earnings
Threshold Increased By Over €80**

***Minister Says Initiative Part Of Measures And Reforms To
Increase Opportunities And Tackle Child Poverty***

Minister for Social Affairs, Seamus Brennan TD, announced today that thousands of the country's 80,000 lone parents on welfare supports are set to benefit from a substantial increase of €82 per week from this June in the upper earnings income threshold for the One Parent Family Payment. The increase, which was agreed as part of Budget 2006 and comes into effect from 1st June, lifts the weekly earnings threshold for lone parents to €375.

It is estimated that 60% of the some 80,000 lone parents in receipt of the payment are currently in full or part time employment and the significantly increased income limit will allow many of these to earn more while at the same time retaining welfare benefits and supports. In addition, almost 3,000 lone parents will now become eligible for a welfare payment, having previously been ruled out due to their levels of income.

The Initiative, which is part of a major package of reform measures to increase opportunities for lone parents and their children, is expected to cost €5 million in 2006 and €10 million in a full year.

Minister Brennan said: "I want to give lone parents an opportunity to continue to increase their earnings without raising their fears about losing their entitlement to payment, which I know from speaking to many lone parents, represents their financial security. Despite the unprecedented growth of the Irish economy over the last decade, and record spending on social welfare entitlements and supports, the reality is that lone parents remain one of the groups who are particularly vulnerable to poverty, with over 30% in consistent poverty in 2004 compared to 7% of the overall population."

The Minister said that he believed while earnings thresholds have a major role to play, other important factors also affect the ability of lone parents to take up



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employment and the nature of that employment. These have been identified in the major Government discussion paper, *Proposals for Supporting Lone Parents*, published earlier this year.

Minister Brennan said that many lone parents and their children are at particular risk of social exclusion and poverty and the planned legislation would specifically address the difficulties many of the country's 80,000 one parent families on welfare supports encounter in areas such as access to employment, education and training, income supports, childcare, cohabitation rules and unfair stereotyping.

There are currently some 80,000 lone parents - almost 98% of them women - with some 130,000 children, in receipt of One Parent Family Payments at a cost in 2005 of €770 million. When other supports and entitlements are taken into account, including Child Benefit, Rent Supplement and Family Income Supplement, total expenditure is over €1.3 billion.

Minister Brennan pointed out that it is important to note that lone parents working over 19 hours per week can also claim Family Income Supplement which will further increase the family's income and is an additional incentive to increase hours of employment and therefore strengthen attachment to the labour market.

Minister Brennan also mentioned the recent increases in Maternity Benefit. The Department of Social and Family Affairs now pays Maternity Benefit for a period of 22 weeks - an increase of 4 extra weeks this year - and this will be increased to 26 weeks in 2007. The rate of payment was increased in the last budget by over 10% to a minimum of €182.60 per week (from €165.60). The maximum rate is now €265.60 per week.

Paid Maternity Leave in Ireland is presently 22 weeks, with the option of an additional 12 weeks unpaid leave and this will increase to 26 weeks and 16 weeks respectively in 2007.

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