



Department of Social and Family Affairs

**Largest Ever Welfare Budget Package Of €1.12 Bn Features
Substantial Social Policy Reforms**

***€300m For Targeted Initiatives For Older People, Carers, Lone
Parents, Child Poverty, Disability & Jobseekers***

***More Than 1.5 Million People To Benefit As Overall Spending
Increases Over 10% To €13.5 Billion***

The Minister For Social Affairs, Séamus Brennan T.D., Today Unveiled Details Of The Largest Ever Budget Package For Welfare That At More Than €1.12 Billion Includes €800 Million In Substantial Increases In Allowances, Pensions And Entitlements And A Further €300 Million Specifically For A Range Of Social Policy Reform Measures.

The Significant Increases, Averaging Over 10.5% Or Almost Four Times The Expected Rate Of Inflation In 2006, Will Directly Benefit More Than 970,000 People Who Claim Weekly Social Welfare Payments And, When Their Dependants Are Included, A Total Of More Than 1.5 Million Men, Women And Children. Total Expenditure On Welfare In 2006 Will Be €13.5 Billion Which Is Double What Was Spent As Recently As 2000.

The Increases In Rates For Allowances And Supports Includes

- €17 Per Week Rise For Those In Receipt Of Lower Welfare Rates
- A Special €16 A Week Increase For Non-Contributory Pensioners
- And A €14 Rise In Weekly Income For Other Pensioners.



Department of Social and Family Affairs

Minister Brennan Said That More Than €100 Million Was Being Invested In Increases That Lifted The **Child Benefit** Payment Rates To €150 (Lower Rate) And €185 (Higher Rate). The Entitlement Is Paid To Over 540,000 Families In Respect Of Over 1 Million Children. With These New Increases The Government Has Now Fully Honoured Its Commitment On Child Benefit. Honouring This Commitment, When Taken Together With The Government's Childcare Package Announced Today, Represent A Significant Contribution To The Alleviation Of Child Poverty And Support For Children.

Minister Brennan Announced That In Response To Increasing Fuel Costs, And His Concerns Over The Impact This May Have On The Ability Of Welfare Customers, Especially Older People, To Meet Their Heating Bills, He Was Increasing The **Fuel Allowance** By €5 Per Week, Or 55%, To €14 At A Cost Of Almost €40 Million, With Effect From The Beginning Of January. The Rate For Recipients In Designated Smokeless Areas Will Increase To €17.90. Some 274,000 Households Will Benefit Directly From The Increase.

The €300 Million Earmarked For Measures To Progress The New Social Reform Agenda Includes:

- Funding For Targeted Initiatives That Further Recognise And Reward Carers
- Increases In Incomes For The Most Vulnerable Older People
- Specific Measures To Tackle Child Poverty Issues
- Introduction Of Supports That Further Empower Lone Parents
- And Promoting The Activation Of Back To Work, Training And Education Opportunities And Choices For Welfare Recipients.

Minister Brennan Said: "Over The Past Year I Have Been Laying Out, With The Support Of The Government, A Strong New Social Reform Agenda And Today Major Funding Of More Than €300m Is Being Made Available To Underpin And Give Tangible Effect To These Important, And Necessary, Reforms. The Reforms, While Protecting Those Who Are Disadvantaged Amongst Us, Must Also Strive To Get Behind The Welfare Payments And Tackle The Social Issues



Department of Social and Family Affairs

Involved. It Is A Well Established Fact That The Best Route Out Of Poverty Is Through Employment. That Is Why Through These Reforms I Want To Create The Changes And Opportunities That Will Bring People From Welfare Dependency To Financial Independence By Providing The Stepping Stones To A Better Standard Of Living And Income.”

Specific Funding And Support Initiatives Under The Reform Agenda Include:

- The Introduction, At A Cost Of €20 Million, Of A New Enhanced State Non-Contributory Pension That Will Lift Up To 35,000 **Pensioners** On Partial Payments To The Full Entitlement - Increasing The Means Disregard By €12.40 Per Week To €20, And Bringing In A Substantially Improved Earnings Disregard Of €100 Per Week For All Non-Contributory Pensioners. This Will Encourage Older People To Take Up Employment Without Losing Their Pensions At An Early Stage.
- Special Recognition Of **Carers** And Their Valued And Valuable Role In Society By Increasing The Carers Allowance By Up To €30 Per Week, Bringing The Top Rate To €200, Representing A 17% Increase. The €200 Per Week Makes It The Largest Single Welfare Payment In The State, Apart From The Over 80's Allowance. In Addition, The Respite Care Grant, Which Is Available To All Providing Full Time Care Irrespective Of Means, Has Been Increased By €200, Or 20%, To €1,200. This Year Some 33,000 Carers Availed Of The Special Recognition Grant. These Initiatives For Carers Are On Top Of Health Minister Mary Harney's New €150 Million Homecare Package.
- A €150 Million Package, On Top Of The General Rise In Weekly Rates And The Government's New Childcare Package, Is Dedicated To Measures To Alleviate **Child Poverty**. The Earnings Threshold For Family Income Supplement (FIS), Which Provides Cash Support For Workers On Low Earnings With Families, Has Been Significantly Increased By Amounts Ranging From €19 To €282 Per Week And Targeted, In Particular, At Larger Families As Research Has Shown That Poverty Is Most Likely To Be Concentrated In Such Families. In Further Measures, The Back To School Clothing And Footwear Allowance, Which Benefits Some 160,000 Children, Has Been Increased By



Department of Social and Family Affairs

€40 Per Child, Or Some 50%, Resulting In New Rates Of €120 (Children Aged 2-11 Years) And €190 (Aged 12-22). The School Meals Scheme Has Had Funding Increased By 25% With A €2 Million Award.

- As Part Of A Determined New Drive To Increase Opportunities For **Lone Parents**, The Upper Earnings Income For The One Parent Family Payment Has Been Substantially Increased By €82 Per Week To A New Limit Of €375. Of The Some 80,000 Lone Parents In Receipt Of The Payment It Is Estimated That 60% Are Currently In Full Or Part Time Employment. The Increased Income Limit Will Allow Several Thousand Become Eligible For A Payment And All Those Recipients Who Are Working Will Be In A Position To Increase Their Earnings Further. Further Reforms In The Area Of Lone Parents Will Be Considered In The Context Of The High-Level Report Currently Being Finalised Before It Is Considered By Government.
- Almost €28 Million, On Top Of General Rates Increases, Is Being Invested In A Range Of New And Enhanced Support Schemes That **Promote Activation** And Offer Opportunities And Choices To Welfare Recipients, In Particular The Unemployed, So As To Ensure That The Potential And Contribution Of Each And Every Individual Is Fully Recognised And Not Neglected. A Tapered 50% Withdrawal Rate For Disability Allowance Will Be Introduced Where The Recipient Is Engaged In Rehabilitative Employment. As A Significant Activation Measure, The Qualifying Period For Access To The Back To Work Allowance For Employees Has Been Reduced From 5 Years On The Live Register To 2 Years, And In The Case Of The Self-Employed, From 3 Years To 2 Years.

NB: Further Details Are Available In The Budget Factsheet

ENDS