



Department of Social and Family Affairs

Minister Coughlan Publishes Social Welfare Bill To Implement €630 Million Social Welfare Package

Mary Coughlan TD, Minister for Social and Family Affairs, today announced the publication of the Social Welfare Bill 2003. The Bill provides for the introduction of a range of social welfare improvements announced last week in Budget 2004.

The projected level of social welfare expenditure in 2004 will be over €11.26 billion – a 7% increase in the allocation for 2003. An estimated 970,000 people are expected to claim weekly social welfare payments next year with almost 1.5 million people (including dependents) or two out of every five people in the State benefiting from those payments.

“According to the ESRI, the overall level of consistent poverty in 1998 was 8.2%. This level has been reduced by over a third to 5.2% by 2001. I am satisfied that the level of spending at my Department’s disposal in 2004 will have a meaningful impact on poverty rates by reducing this level even further,” Minister Coughlan said.

The Bill legislates for increases of €10 per week in the personal rates of Old Age Contributory and Non-Contributory Pensions as well as Retirement and Invalidity Pensions for recipients aged 65 and over.

In addition, special provision is being made for an increase of €11.50 in the personal rate of Widow/Widower’s Contributory Pension and Deserted Wife’s Benefit for those aged 66 and over. This 7.4% increase on current rates represents a real increase of 4.8% for recipients on full rates with proportionate increases for people on reduced rates.

An increase of €10 per week for those in receipt of Widow/Widower’s Non-Contributory Pension is also being provided for in this Bill.

“These measures reaffirms the Government’s commitment to pensioners and marks another substantial step towards implementing the target rate set out in the *Agreed Programme for Government and Sustaining Progress* of €200 per week by 2007,” said Minister Coughlan.

Other provisions in the Bill provide for increases in respect of qualified adults. The qualified adult payments applicable to Old Age Contributory Pension and Retirement Pension are increased by €7.70 per week, where the qualified adult is aged 66 or over and €6.70 per week, where he or she is aged under 66 years.

In the case of Invalidity Pension, a very significant increase of €16.10 per week is being provided for the qualified adult aged 66 or over – this increase harmonises the qualified adult rates for those over 66 for the purposes of Old Age Contributory, Retirement and Invalidity Pensions. An increase of €7.10 per week is being paid to qualified adults of Invalidity Pension who are aged under 66 years of age.

An increase of €6.60 per week is also provided for in respect of qualified adults of Old Age Non-Contributory Pensions recipients and for qualified adults aged over 66



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whose spouse/partners are receiving Blind Pension. All other qualified adult rates are being increased by €6.60 per week and proportionate increases will be applied where persons are in receipt of reduced rate adult allowance payments.

Minister Coughlan said: "As promised in the *Programme for Government* and reiterated in *Sustaining Progress*, this Government is committed to increasing the level of qualified adult allowance for pensioner spouses in the coming years to the full Old Age Non-Contributory Pension."

Further Bill provisions include the provision for a weekly increase of €10 per week in the personal rates of Carer's Allowance, Unemployment Benefit and Allowance, Disability Benefit, One Parent Family Payment, Supplementary Welfare Allowance and Farm Assist.

Provisions are also made for an increase of €28.00 in the weekly income thresholds applied in determining entitlement to Family Income Supplement which will result in a weekly increase of €16.80 with effect from January 2004, for most families.

Changes in PRSI are provided for – increasing the income ceiling by €1,740 to €42,160 per year with effect from January 1st 2004. In addition, an increase of €200 in the Widowed Parents Grant took effect from Budget Day last week.

The Bill contains a number of additional measures which provide for amendments to certain social welfare schemes and reform of the Social Welfare code as outlined in this year's Abridged Estimates.

"This Social Welfare Bill, the first of two installments, builds further on the progression of social inclusion measures adopted by this Government over recent years," Minister Coughlan said.

"It safeguards the living standards of those who rely on social welfare income and other supports and prioritises the allocation of resources in favour of those most in need," the Minister added.

ENDS
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