



## An Roinn Coimirce Sóisialaí Department of Social Protection

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### Varadkar announces €301M Social Protection Budget for 2017

#### Total welfare spending in 2017 will be €19.854BN

- New Deal for Self-Employed including long-term illness and treatment benefits
- €5 increase in maximum rate for ALL weekly benefit recipients including pensioners, carers, blind, widows, disabled, lone parents, Jobseekers, maternity/paternity benefit, people on CE schemes etc
- Total restoration of Farm Assist & expansion of Rural Social Scheme
- Return of dental & optical benefits under PRSI
- New €500 Cost of Education Allowance & pro-work measures for lone parents
- 50,000 extra children to benefit from free school meals

**“Budget 2017 is designed to make sure that everyone benefits from the recovery: employed, self-employed, carers and those who cannot work, urban, rural, young and old. It is a modest budget and there are no giveaways, nonetheless, more than 840,000 people will benefit from the first increase in weekly payments since 2009,”** Minister for Social Protection Leo Varadkar said today, Tuesday 11 October 2016.

The Social Protection Budget aims to:

- Be prudent, with modest increases across the board and more targeted measures;
- Ensure that the recovery benefits everyone, with no one left behind;
- Make work pay, through reforms to PRSI benefits;
- Make a New Deal for the Self-Employed.

Minister of State with special responsibility for Disability Payments and Supports, Finian McGrath welcomed the social protection Budget package as making a solid contribution to the position of persons with a disability (as part of the wider budget package agreed by the Government. **“Clearly the bedrock of the package provides for an increase in basic payment rates to people on disability payments which will go some way to addressing the hardships endured by people with disabilities since the onset of the recession. However a number of other measures relating to the extension of social insurance coverage for self-employed people with a long-term incapacity and the provision of funding for back-to-education and community based schemes will also benefit individuals with disabilities.”**

Minister McGrath welcomed the increase in medical card coverage to all children in receipt of a Domiciliary Care Allowance. The Minister of State also welcomed that carers and blind people were included in this Budget. He also welcomed the announcement of funding for a pre-activation programme which will allow for the adoption of innovative approaches in addressing issues regarding the employability of people with disabilities. Minister

McGrath will be giving consideration over the next few months as to how best to secure the best results from this additional funding.

### **New Deal for the Self-employed**

Minister Varadkar explained: **“Budget 2017 includes a new deal for up to 380,000 self-employed people who pay PRSI at the S class. They will have new benefits extended to them, including treatment benefit such as free eye and dental tests for the first time, and access to the safety-net of State income supports if they have a serious illness or injury that prevents them from working without having to go through a means test. It’s all part of the Government’s policy of making work pay and encouraging self-employment and entrepreneurship.**

**“This theme is taken up by the re-introduction of some dental benefits linked to PRSI for all classes of PRSI payees, including employees, and special measures for working lone parents so they can keep more of the income they earn.”**

#### **Weekly benefit recipients**

Minister Varadkar said: **“In order to ensure that the recovery benefits everyone and nobody is left behind, the maximum rate of all weekly benefits will increase by €5 a week, to people of working age as well as retired people aged 66 or older. This is the first increase awarded to carers, blind people, people with disabilities, and widows under the age of 66 since their rates were cut by €16 a week by Fianna Fáil during the financial crisis, and it’s only the second increase awarded to pensioners since that time. This will benefit a total of 1.49 million people. It delivers the Programme for a Partnership Government commitment, and is a permanent increase which will apply from March, the earliest possible time of year at which it can be commenced. To do otherwise would have required the exclusion of certain groups, which could not be countenanced.”**

#### **Rural Ireland**

Minister Varadkar said: **“As part of the Government’s commitment to rural Ireland, I am announcing the total reversal of cuts to Farm Assist, a programme which helps more than 8,000 farm families. The introduction of additional income disregards for farmers with children further ensures that farm families with children will benefit. I am also announcing the provision of 500 more places on Rural Social Schemes, bringing the total number of places from 2,600 to 3,100. At a time of falling farm incomes, it’s essential that we strengthen the safety net for farmers who are on the margin.”**

#### **Supports for lone parents, & employment & education incentives**

As part of Government policy to make work pay, lone parents are set to benefit from four measures in Budget 2017, in addition to the Childcare Package from the Department of Children.

These comprise:

- A new €500 annual Cost of Education Allowance;
- A €5-a-week increase to the One Parent Family Payment and the Back to Education Allowance;
- A proportionate €5 increase in the Back to Work Enterprise Allowance, which will become available more quickly following unemployment;
- The income disregard for the One Parent Family Payment and Jobseeker's Transition payment will also rise, representing a further potential increase of up to €10 a week.

The new €500 annual Cost of Education Allowance will be made available to Back to Education Allowance participants with children. This will help parents, including lone parents, to return to education.

The Back to Education Allowance will increase by €5. The Back to Work Enterprise Allowance will also see a proportionate increase. Furthermore, the Back to Work Enterprise Allowance will become available more quickly after becoming unemployed, with the qualification period reduced to nine months, down from 12 months.

The One Parent Family Payment will also increase by €5 a week. The income disregards for the One Parent Family Payment and Jobseeker's Transition payment will rise by €20, from €90 to €110 per week, reversing previous reductions, to encourage one parent families to stay in and return to work. This will benefit lone parents earning more than €90 per week. For those earning €110 per week or more, this will increase the combined social welfare and earnings income by up to €15 per week.

### **Young jobseekers**

From next September, young jobseekers participating in the Back to Education scheme will receive the full adult rate of €193 per week. Their current rate of weekly payment is €160. This 21% increase demonstrates the State's support for young jobseekers who seek to enhance their skills.

Young people who are on reduced benefits will pay less towards the cost of their Rent Supplement. The personal contribution of young people on reduced benefits will be lowered from a maximum of €30 to €20 a week for those on the €144 or €160 rate, and from €30 per week to €10 per week for those on the €100 rate.

### **Children**

More than 50,000 children will benefit from increased funding to the School Meals programme, providing breakfasts and lunches, which will rise by €5.7 million to €47.7 million in 2017. Of these, some 35,000 extra school breakfasts will be provided in non-DEIS schools from the start of the new school year and will be expanded in future years.

Guardian's payments, for those who provide guardianship for a child, will increase by €15 per week, from €161 to €176.

### **Christmas Bonus**

The Department has received Government approval for the payment of a Christmas Bonus this December. This recognises the needs of people who are long-term financially dependent on their social welfare payment for all or most of their income, such as pensioners, people with disabilities and carers. It will be paid at 85%, and will benefit 1.2 million long-term social welfare recipients at a cost of €221 million.

### **Carers & Disabled People**

In 2017 a new measure will continue payment of the Carer's Allowance for 12 weeks when the care recipient permanently enters a nursing home. This comes on top of the existing 12 week payment in cases where the care recipient dies. This is in addition to the €5 weekly increase in the Carer's Allowance. A further €2 million in funding for pre-activation supports for people with disabilities is being provided under the remit of Minister Finian McGrath.

### **Community Services**

Funding for the Community Services Programme is being increased by €1 million in 2017, to €46 million, to support voluntary and community companies to provide local services to their communities.

**ENDS**