



Department of Social and Family Affairs

New Powers To Check Up On Pension Coverage For Social Welfare Inspectors – Mary Coughlan Minister For Social And Family Affairs

Social welfare inspectors are to be given the power to carry out checks on thousands of employers to make sure they are either providing a pension scheme for their employees or facilitating access to a Personal Retirement Savings Accounts (PRSA).

The increased powers for social welfare inspectors are set out in the Social Welfare Bill published tomorrow (Friday).

The pensions compliance check is expected to boost private pension coverage among workers.

The new powers will allow social welfare inspectors who are carrying out an examination or inquiry in relation to PRSI to also determine whether an employer is enabling employees to access a PRSA in accordance with the Pensions Act, and where necessary to report to the Pensions Board in relation to issues of non-compliance. In 2004, it is expected that some 10,000 employer inspections will be carried out.

PRSAs which are particularly designed for people who are not members of an occupational pension scheme, including the self employed and homemakers, were introduced to the market last year.

“This Government has a commitment to raising the level of private pension coverage among workers. The obligations placed on employers in relation to PRSAs are critical elements to the success of the overall initiative, and accordingly, it is essential that a high degree of compliance is achieved, which this measure will substantially underpin,” said the Minister for Social and Family Affairs Mary Coughlan.

The Social Welfare (Miscellaneous Provisions) Bill 2004 also puts in place a range of increased social welfare payments. This includes:

- An increase of two weeks, to 16 weeks, in the duration of payment of Adoptive Benefit.
- Increases in the monthly rate of Child Benefit by €6 for the first and second child and by €8 for the third and subsequent children. This will result in Child Benefit of €131.60 for each of the first two children and €165.30 a month for the third and subsequent children. Child Benefit payments have now increased more than three fold from the 1997 payment of €38.10.
- An increase in the annual Respite Care grant by €100 to €835, while Carer’s looking after more than one person will receive a grant of €1,670.
- An extension of the 6 weeks after death payment scheme to all recipients of social welfare payments.
- An increase in Death Benefit pension to €173.70 for those aged 80 years or over.
- An increase to €40 in the minimum Unemployment Assistance payment, where means are derived from parental income.

“An estimated €11.262 billion will be spent in 2004, almost doubling the social welfare spend of 1997, despite falling unemployment figures,” said Minister Coughlan.



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“Despite increasing pressures on the national economy, this Government has delivered Budget increases to those who are vulnerable, less well off or disadvantaged benefiting an estimated 970,00 people who will claim a weekly social welfare payment. These funds will benefit approximately 1.5million people including their dependents or about four out of every ten people in the State,” added Minister Coughlan.

Ends

12.2.04

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