



New Year Social Welfare Increases To Benefit More Than 1.5 Million People From January

Extra €60 Million Targeted At Tackling Remaining Child Poverty With Increased Allowance To €22 A Week For Over 340,000 Children Of Welfare Families

Largest Ever Welfare Budget Package Of €1.4 Billion Will Bring Total Spend In 2007 To Over €15 Billion

The Minister for Social Affairs, Séamus Brennan said today that significant increases in social welfare weekly payments and supports, **effective from next week**, will directly benefit some 1 million people including pensioners, low income and welfare families, carers and those with disabilities. When dependants are included, a total of more than 1.5 million men, women and children will benefit from the increases.

The historically high package includes an increase of €20 for more than 565,000 recipients of lower welfare rates and delivers on the Government commitment to bring State pensions to €200 per week with the Contributory pension increasing to over €209 and an increase of €18 raising the Non-Contributory pension to €200. In total, over 400,000 pensioners will benefit from the increases.

A major feature of the welfare Budget package that is now being implemented is a number of significant fundamental reforms of social policy shaped and targeted directly at tackling remaining child poverty numbers, supporting carers through increased incomes and supports, increasing the status and incomes of women pensioners and enhancing the incomes of older people.



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Specific reform measures coming into effect in January, backed up by substantial Budget investments, include:

- Combining three levels of Child Dependant Allowances payments into a new single high rate Qualified Child Allowance of €22 per week which will be paid on behalf of over 340,000 children of welfare families as part of a concerted drive to eliminate remaining levels of child poverty.
- In another anti-child poverty initiative, the Family Income Supplement (FIS) income threshold is being increased by up to €185 per week at a cost in 2007 of €32 million. This will add from €9 to €111 to the weekly income of over 21,000 families on the support for employees on low income with children, and will allow for 5,600 additional families to become eligible for a FIS payment.
- A €60 million commitment to bringing some 35,500 Qualified Adults (QAA's) to the level of the State Pension (Non-Contributory) within three years, starting in 2007 with a first year increase of over €23, and pension QAA's to receive payment in their own right that will be paid directly to them.

Minister Brennan said that the targeted investment of €60 million in a new single high rate Child Dependence Allowance was, when combined with other substantial increases in child support, a determined drive against remaining child poverty.

"I am committed to an even stronger and more focused campaign in an all out commitment to end child poverty in 21st century Ireland. In recent years we have lifted more than 100,000 children out of poverty and now we must strive to complete the task. I have long held the view that implementing a second tier of payment for children in low income and welfare families is the most effective method of tackling child poverty. I see this improved and targeted allowance as representing a substantial move in that direction and that is why



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in this Budget I have deliberately taken the decision to focus increased child supports in this area."

The Minister said the €60 million commitment to bringing over 35,000 pensioner Qualified Adults (QAA's) to the level of State pension (Non-Contributory) within three years - supported in Budget with a first year special increase of over €23 - was an important step forward in his commitment to ensure that the welfare code is fairer to women.

"As most Qualified Adults are women, today's decision will be of enormous benefit to them, as it will, in most cases, transform the QAA into what in effect is a woman's pension in her own right, as different to being a dependant. I have also taken a decision to include in the upcoming Social Welfare Bill the decision to have the payment made directly to the QAA which in the vast majority of cases is a woman."

Other significant Budget increases and improvements from January include:

- Increases of €18 and €20 in rate of Carers Allowance and Carers Benefit.
- The allowed employment earnings for Non-Contributory pensioners has been doubled to €200 per week.
- Means disregard for State Pension (Non Contributory) increased by €10 per week to €30-benefiting nearly 26,000 pensioners on reduced rates by increasing their pensions by up to €10 extra per week.

Minister Brennan said his commitment to increasing incomes for older people was reflected in the increases that have taken the State pensions to €200 for Non-Contributory pensioners and to over €209 for Contributory recipients. Overall increases will benefit more than 400,000 pensioners.

Further Budget improvements coming into effect next week are:

- Full Disability Allowance of €185.80 to be extended to all resident in institutions at a cost of almost €17 million per year.



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- Weekly earnings threshold increased to €350 and new payment rate of €280 per week for Maternity & Adoptive Benefit
- Widowed Parent Grant increases by EUR1,300 to EUR4,000.
- Bereavement Grant up by EUR215 to EUR830
- Threshold for payment of 2% Health Contribution increased from €440 to €480 per week and the annual threshold increased from €22,880 to €24,960
- Threshold for employee PRSI increased from €300 to €339 per week
- Introduction of an additional 0.5% Health Contribution on earnings over €100,100 per annum
- Earnings ceiling for PRSI increased by €2,200 from €46,600 to €48,800
- People on Farm Assist to be permitted to make PRSI contributions

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