



Department of Social and Family Affairs

Minister Announces Review of Welfare Payment Methods to Identify Best & Most Flexible Systems

Sod Turning Signals Start of Work on €14m Extensions to Decentralised Welfare Offices in Sligo

The Minister for Social Affairs, Séamus Brennan T.D., today (Tuesday, 29th March 2005) announced that a comprehensive review of the Department's methods of paying more than 1.5 million customers was being undertaken to identify a system for the future that will respond effectively to the individual needs of each client and that would, overall, deliver a service that was flexible and cost effective.

Minister Brennan said the review will take full account of the effectiveness of the existing systems that are used, current trends and offerings in the financial services sector and the rapid advances in card-based technologies.

Speaking in Sligo, the Minister said that he will shortly hold discussions with the Minister for Communications to fully assess the important role that the extensive countrywide network of Post Offices have in the delivery of welfare payments, and to ascertain how these valued and valuable sources of payments in each locality can be best equipped to respond to the changing needs of customers and ongoing changes in technology. He said that he also intended inviting the Irish Postmasters' Union to meet with him to discuss any proposals or concerns they may have.

"Every week more than 970,000 welfare payment supports issue from my Department that directly benefit 1.5 million men, women and children. In addition, each month 540,911 Child Benefit payments are made in respect of 1,051,005 children. This year expenditure on social welfare supports will be over €12.2 billion, or €1 in every €3 spent by the State. This is taxpayer's money and there is a clear responsibility on me to ensure that our payment methods are structured in a way that is most efficient, cost effective, responds to the varying needs of customers, and delivers value for money. My priority is to ensure that the most modern, most flexible and widest ranges of options are available."



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Minister Brennan was speaking during an official visit to Sligo for the signing of the contract and the turning of the sod for the construction of a €14 million extension to the Department of Social Affairs decentralised offices. Mr. Tom Parlon T.D., Minister of State at the Department of Finance, also attended the ceremonies.

At present the Sligo office is responsible for the management and service delivery of a number of national welfare schemes, including Old Age Pensions, Retirement Pensions, Widow's/Widower's Pensions, Lone Parent payments and the Blind Pension. The offices look after a customer base of more than 513,000. This is an increase of 35% on the original number of clients when staff first decentralised to Sligo in 1989. Staffing levels in the office have increased from 321 in '89 to currently 454, with a further 68 based downtown in the Waterfront building. The new five storey extension, which was agreed prior to the Government's announcement of a new Decentralisation Programme in December 2003, will cater for at least 180 staff and will facilitate relocation of those currently in the Waterfront building. It is scheduled for completion in October 2006.

Minister Brennan: "Today is another landmark day for Sligo and for the decentralisation programme overall. Sligo is one of six locations to which the Department of Social Affairs is committed under the new Decentralisation Programme and with the signing of the contract here today it is likely to be the first location at which our commitment under the Government Programme will be fulfilled. The other locations to which the Department is committed are Carrick-on-Shannon and Drogheda, which are included in the first phase of the Programme, and Buncrana, Donegal and Carrickmacross which will be in the later phase. The process of placing staff in areas to be relocated to Sligo has already begun. It is the Department's intention to fast track the relocation of the Supplementary Welfare Allowance section to Sligo in the middle of this year. The 15 staff for the section will be located in the Waterfront building along with our other staff until this impressive extension is complete."

On the issue of payment methods, Minister Brennan said options that are currently available to customers include post office payments by means of a pension type book or electronically using a swipe card; cheque payments to customers at their home



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address; and direct payment to customers' bank accounts via electronic fund transfer (EFT).

For example, during the month of February 2005, payments were made to a total of 1,598,375 welfare customers. The breakdown of that total as between different payment methods was:

- 938,985 customers (59% of the total) received their payments at Post Offices.
- 157,055 customers (10% of the total) across all schemes received their payments by cheque through the postal system to their home address.
- 502,335 customers (31% of the total) were paid by EFT directly into their personal accounts at the major banks or building societies.

Minister Brennan said: "Customers opting for a particular payment method do so on an entirely voluntary basis having regard to their own circumstances and needs. Let me state clearly that there is no compulsion of any sort involved, nor would any be tolerated. It is the customer's choice and my Department will facilitate whatever choice that is. Naturally, as society changes and technology further advances, the requirements of welfare customers will also alter. Internationally, as in Ireland, an increasing number are opting to have benefits electronically paid into financial institutions. In the UK, 72% of customers are paid by direct payment to a bank or building society, and 14% directly at post offices. In the USA, over 90% of payments are by electronic transfer through bank accounts."

The Minister added: "Technology can deliver a whole range of social advantages for older people, including access to the Internet, greater use of mobile phones and allowing for the managing of their finances electronically. I must say that I have long rejected the notion that once people go past 65 years they somehow lose all interest in technology and the many opportunities it can open up. However, I fully accept that not all older people would be at ease with technology that many of us now take for granted. It is imperative that their needs are adequately looked after and that remains a priority."

ENDS

