



Department of Social and Family Affairs

Over 144,000 Welfare Customers to Get Once Off Double Weeks Payment - Costing €25m - as Result of Improved Payment System

Alignment of Payments Ends Anomaly of Final Weeks Pensions Payment in Arrears

Minister for Social Affairs, Séamus Brennan TD, today announced that some 144,000 welfare customers are to receive the bonus of a once-off double week's payment in August, at a cost of €25 million, as a result of improvements in the method of payment through the Electronic Fund Transfer (EFT) system.

The improvements bring about the alignment of payments by EFT with those made through the payable order book (PPO) and ends the anomaly whereby the payment of pensions and allowances electronically to customers was made one week in arrears, while those on the PPO's are paid one week in advance.

Those who will qualify for the payment and who will benefit from the improved payment method include old age contributory and non-contributory pensioners, retirement, invalidity and widows and widowers pensioners, those on Carers Allowance and those on One Parent Family Payment (other than those One Parent Family customers whose claims are dealt with by local social welfare offices, as these are already paid weekly in advance). Letters from the Department advising customers of the new arrangements will begin arriving from tomorrow (Tuesday, 2nd August).

Minister Brennan explained that in November, 2004 the payment frequency for pension's payments electronically was moved from fortnightly to weekly in arrears. This brought elderly and widowed EFT payments into line with the electronic payment frequency for lone parent schemes, disability allowance, invalidity pension and carer's allowance. 89,000 EFT pension customers benefited from that move.

Minister Brennan said: "Since then payment of pensions and allowances by EFT is made one week in arrears, while payment by payable order book is weekly in advance. Arrangements have now been put in place to fully align the period covered



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by the two different payment methods to weekly in advance. In the case of pensioners, the week in arrears created the anomaly that resulted in the final payment being made after the person had actually passed away. I am pleased that this less than desirable situation has now been rectified with the payments switched to one week in advance. This is a further step in the modernisation of the delivery of welfare payments and the ironing out of irregularities that inevitable surface from time to time in a system that makes more than 970,000 welfare payments a week that directly benefit more than 1.5 million people”.

The Minister said that 144,000 existing customers will receive a special once-off double weeks’ payment during the week commencing August 8th 2005. This double payment will consist of one week’s payment in arrears (which they would normally get) plus one week’s payment in advance to align the payment cycle. After that they will receive their normal weekly payment paid in advance. New customers availing of the EFT facility will come under the revised arrangements.

For example, as a result of the special once-off double weeks’ payment, a single old age contributory pensioner, on the maximum rate, will receive an additional payment of €179.30. Similarly, a single person getting the maximum rate Carer’s Allowance will receive an additional €153.60 and a person, with one child, on the maximum rate of One Parent Family Payment will receive an additional €168.10.

ENDS

NB: *The payment types and dates of the double payment are set out below:*

1. Wednesday 10th August, 2005 - Disability Allowance

From 17th August 2005, the normal weekly payment will continue to be lodged to the customer’s account.

2. Thursday 11th August, 2005 - Retirement Pension, One Parent Family Payment, Deserted Wife's Benefit, Deserted Wife's Allowance, Carer's Allowance and Invalidity Pension.

From 18th August 2005, the normal weekly payment will continue to be lodged to the customer’s account.



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- 3. *Friday 12th August, 2005*** - Old Age Contributory Pension, Old Age Non-Contributory Pension, Widow/er's Contributory Pension, Widow/er's Non-Contributory Pension, Orphan's Contributory Allowance, Orphan's Non-Contributory Pension and Blind Person's Pension.

From 19th August 2005, the normal weekly payment will continue to be lodged to the customer's account.