



Immediate Increases In Winter Fuel And Electricity Allowances Are Announced For Over 500,000 Welfare Customers

Seamus Brennan - Increases & Supports Are Targeted At Easing Winter Heating Pressures And Protecting Those On Welfare

The Minister for Social Affairs, Seamus Brennan T.D. said today that increases in solid fuel and electricity allowances for more than 500,000 welfare customers will assist them in meeting the costs of additional heating needs and increased fuel prices during the winter season.

The value of the weekly fuel allowance under the National Fuel Scheme has been increased by €4, from €14 to €18, with a supplement of €3.90 on top of that - bringing the total to €21.90 - in designated smokeless areas. It is estimated that some 274,000 people - 151,000 with basic fuel allowance and 123,000 with smokeless fuel supplement - will benefit directly at an estimated annual cost of just over €125m.

The fuel allowance is paid for a period of 29 weeks from October to April each year. The increased fuel allowance rate is effective from January. It is estimated that the annual value of the fuel support is €522 for those individuals on the basic allowance and €635.10 for those with the smokeless fuel supplement.

In a further measure to directly address fuel poverty, the income thresholds for eligibility to the fuel allowance has been increased from €51 to €100 per week. The extra numbers qualifying for fuel allowance as a result of this measure, which will cost an additional €3.66 million, is estimated to be about 8,000 - 4,400 for basic fuel allowance and 3,600 with the additional smokeless fuel supplement.



Department of Social and Family Affairs

Minister Brennan has also announced that from the 1st January, 2007, when domestic electricity prices are set to increase by 12.6%, the number of free units of electricity allowed per year will be increased from 1,800 units 2,400 units, in addition to payment of the standing charge.

There are 315,000 customers availing of free electricity units under the Household Benefits Package and of those, 271,000 use all their present allocated units. It is estimated the value of the present number of free units to each customer is €260 per year. When account is taken of the increased cost and the increased number of free units, the value to each customer from January next will be in the region of €414 per year.

The increased free electricity units are estimated to cost the Department €46 million in a full year, with the cost of the price increase alone expected to amount to €15 million.

Minister Brennan said: "For many people on welfare supports, particularly older people and those with disabilities, the winter season can be a very difficult time as the cost of maintaining adequate heating increases. This season there is even more pressures as energy costs are rising significantly compared with previous years. All of these new additional support measures are targeted at easing those pressures and protecting all those people on welfare who are entitled to free energy and fuel allowances. In other words, the State will *pay more* to absorb the price increases and so fully maintain the existing benefits of our most vulnerable people".

Press Release Ends