



Minister Says Over 21,000 Families on Low Incomes to Benefit From New Family Income Supplement Threshold Increases

Increased Income Ceilings as Part of Anti-Child Poverty Package Will Boost Family Incomes by up to €170 Per Week

The Minister for Social Affairs, Séamus Brennan said today that as part of a programme of reforms targeted specifically at addressing child poverty more than 21,000 families are set to benefit from substantial New Year increases in the weekly income thresholds for the Family Income Supplement (FIS) which provides direct cash supports for workers on low incomes with families.

The increased FIS thresholds are a central part of a €150 million package, on top of the general rises in weekly welfare rates and the Government's new childcare provisions, dedicated to measures to alleviate the unacceptable blemish of child poverty in the Ireland of the 21st century. The FIS increases have been tailored to target, in particular, larger families because research evidence is that poverty, especially child poverty, is most likely to be concentrated in such families.

The new increases in Family Income Supplement weekly income thresholds will directly benefit the over 16,650 families who currently receive the entitlement, and it is anticipated that over 5,000 additional families will become eligible for the payment under the enhanced threshold ceilings. The significant increases of between €19 and €282 in the weekly income thresholds will deliver extra weekly income of between €11.40 per week to €169.20 to the payments of virtually all existing FIS recipients.

Making the announcement, Minister Brennan said that a large number of families who may be experiencing financial strain may well be entitled to the FIS support, particularly under the greatly expanded thresholds, and he appealed to them to seek more information and to check out their entitlements. The Minister also announced that there would be a comprehensive nationwide campaign to promote the FIS entitlement so as to ensure that the maximum number entitled to the support payment received it.



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Minister Brennan said: "The Family Income Supplement is designed to provide vital cash supports for employees on low earnings with families, while at the same time preserving the incentive to remain in employment. Research has shown that poverty is more likely to be concentrated in larger families. For this reason the new Family Income Supplement thresholds that I am introducing significantly increase all payments while concentrating additional resources on larger families. I am confident that the improvements will contribute towards targeting resources at households in poverty and in helping them deal with income difficulties."

The Minister said that a number of improvements to the FIS scheme in recent years, including the assessment of FIS on the basis of net rather than gross income, and the progressive increases in the income limits, have made it easier for lower income households to qualify under this Scheme.

"I am determined to continue to target those vulnerable families on low incomes who need to be supported and given particular attention. The economic surge Ireland continues to enjoy can only be considered a real success when the benefits of it reach all of the people, especially those struggling on the margins of society. I consider child poverty to be an unacceptable stain on the Ireland of the 21st century. That is why I am determined to implement practical, concentrated and targeted measures that can be implemented without delay and that will strike at the very core of the child poverty issue." Minister Brennan added.

Minister Brennan said that further measures to directly address child poverty, in addition to increases in Child Benefit and the Government's Childcare package, included the Back to School Clothing and Footwear Allowance, benefiting some 160,000 children, which has been increased by €40 per child, or some 50%, resulting in new rates of €120 (children aged 2-11 years) and €190 (aged 12-22). The School Meals Scheme has had funding increased by 25% with a €2 million award. Also, as child poverty is particularly prevalent in Lone Parents households, the upper earnings income for the One Parent Family Payment has been substantially increased by €82 per week to a new limit of €375. Of the some 80,000 lone parents in receipt of the payment it is estimated that 60% are currently in full or part time employment. The increased income limit will allow several thousand become eligible



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for a payment and all those recipients who are working will be in a position to increase their earnings further.

Minister Brennan said that welfare payments and supports were often a valuable lifeline for those most vulnerable in society. Spending on welfare has increased from €5.7 billion in 1997, to €7.8 billion in 2001 and to €13.5 billion in 2006, which is double what was spent as recently as 2000. The significant increases of Budget 2006, averaging over 10.5% or almost four times the expected rate of inflation in 2006, will directly benefit more than 970,000 people who claim weekly social welfare payments and, when their dependants are included, a total of more than 1.5 million men, women and children.

Minister Brennan said that over the past year he had been setting out, with the support of the Government, a strong new social reform agenda and this had now been underpinned by the allocation in the Budget of more than €300 million to give tangible effect to these important, and necessary, reforms.

"The reforms, while protecting those who are disadvantaged amongst us, must also strive to get behind the welfare payments and tackle the social issues involved. It is a well established fact that the best route out of poverty is through employment. That is why through these reforms I want to create the changes and opportunities that will bring people from welfare dependency to financial independence by providing the stepping stones to a better standard of living and income", Minister Brennan said.

The following table sets out the previous and the current income thresholds for FIS Family Income Supplement:

Family Size	Previous Income Limit	New Income Limit
1 child	446.00	465.00
2 children	472.00	510.00
3 children	497.00	565.00
4 children	522.00	630.00
5 children	554.00	705.00
6 children	580.00	775.00
7 children	601.00	845.00
8 children or more	623.00	905.00



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FIS is calculated at 60% of the difference between net weekly income (ie gross pay less Tax, Employees PRSI, Health Contribution, Superannuation) and the income limit for your family size.

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