
Development of the Action Plan fulfils a commitment in the Programme for Government and in the overall *Pathways to Work 2016-2020* strategy. It also responds to concerns about the level of household joblessness raised on several occasions in Country-Specific Recommendations to Ireland in the context of the EU Semester.

Minister Doherty said: “The Action Plan for Jobless Households is a prime example of one of the many measures that Government is implementing, with a view to assisting people and families to become more work ready and gain employment. As Minister, I want to ensure that the Department can develop a family focused case management activation approach to improve employment rates and reduce household joblessness in Ireland. The Department will put in place five pilot projects to ensure such an approach will be developed.

“The Action Plan for Jobless Households is about both employment activation and identifying and removing the barriers that are currently preventing people from getting a fair chance, and for some a second chance, which is at the core of building a Republic of Opportunity for all.”

**Main focus of the Plan**

Adults in jobless households are not all “unemployed” (available for and seeking employment) – they include people who are not seeking work for reasons such as disability or caring responsibilities. The Plan therefore sets out to extend activation services to people who are not working, but are not defined as unemployed on the traditional measures. It focuses in particular on improving employment rates of households with children – both the traditional ‘nuclear’ family and the lone parent family.

A number of key policy initiatives/actions to achieve that goal are identified; most notably:

- **Extend active engagement** with the Intreo employment service to additional groups of economically inactive working age adults. This will be facilitated by

  - Extending the Jobseeker’s Transitional model to adult dependants on jobseeker claims, with a capacity to work. This will mean that this group of adult dependants, while not required to comply with the availability and job-search conditions of unemployment payments, will be expected to engage with the activation process.
In line with the recently published Make Work Pay report, and in consultation with the disability sector, reconfiguring the main illness and disability payments to introduce a principle of early intervention to secure better employment outcomes among people with a disability who could, with appropriate supports, take up employment.

- **Improve incentives and remove barriers** for people transitioning from welfare to employment by
  - Completing the roll-out of the Housing Assistance Payment (HAP), removing disincentives formerly associated with the Rent Supplement scheme
  - Introducing a package of reforms to welfare schemes to support working families
  - Further expanding access to free and subsidised child-care to reduce the cost to families associated with taking up employment

**Pilot a family focused employment service/case management approach** in five geographical areas. While led by the DEASP Intreo employment service, this intervention would also allow for the involvement of other public services (or referral to such services) where the engagement process identified wider social issues in the household that affected its members’ employment prospects.

**Targets**

In order to drive action on household joblessness, progress against each of the reform actions and milestones will be monitored and reported on quarterly to the Cabinet Committee on the Economy and Jobs.

The Plan also sets **two new headline targets for 2020:**

- reducing the proportion of households that are jobless to 13% or less (from 18% in 2015), and
- reducing the share of the 18-59 population resident in such households to less than 8% (from 12% in 2015)

Performance against these targets will be published on an annual basis.

**ENDS**

**Information for editors**

1. **Background**

   The level of household joblessness overall in Ireland – measured in terms of the proportion of households that are jobless (about 18%) or of the proportion of the adult population that is resident in such households (12%) – is close to the EU average, and is trending downwards.

   However the proportion of children living in jobless households was higher than EU levels both before and during the recession and continues to remain above EU levels notwithstanding the economic recovery.
“Jobless families” with children – where the head of the household is unemployed – represent about 2.3% of working age households. Although this is a small group, it is one of concern given worries about inter-generational poverty. Joblessness remains particularly high for lone parents.

A further contributing factor to household joblessness in Ireland is the relatively low level of employment among people with disabilities.

Arising from the above, Government has committed, under Pathways to Work 2016-20 and in the Programme for Government, to extend activation services to people who are not working, but are not defined as unemployed on the traditional measures.

The level of household joblessness has been referred to on several occasions in Country-Specific Recommendations to Ireland in the context of the EU Semester.

2. Policies

**People with caring responsibilities**

Lone parents in Ireland have particularly low levels of employment relative to their counterparts elsewhere in the EU. This is seen as reflecting the traditionally high cost of childcare for working parents in Ireland, and the fact that a welfare payment for lone parents, without labour market conditionality, used to be available in Ireland until the youngest child reached the age of 18, or 22 if in full-time education.

More generally, employment rates are relatively low for women in Ireland, and this, again, has been linked to the availability and affordability of childcare.

These issues are being addressed in the first instance by a series of reforms to welfare payments for lone parents, which have extended employment and activation services to all lone parents whose youngest child is aged over 7 years. These reforms are expected to have a continuing impact on employment among lone parents over the next few years. The Action Plan also proposes to apply similar reforms to extend the responsibility to engage with activation services to the qualified adult dependants of people receiving jobseekers’ welfare payments.

The other principal element of policy to support participation in employment by parents is the expansion of affordable child care. The extension of ECCE Pre-School provision into a second year commenced in September 2016. When enrolment is complete, 127,000 children will be participating in the free ECCE scheme, up from 67,000 in 2015.

Looking forward, the Affordable Childcare Programme will provide a new simplified subsidy, provided through both community/not-for-profit and commercial childcare providers. Subsidies will be available for children aged from 6 months up to 15 years and will meet families’ full-time and part-time childcare needs, including outside of school hours and during school holiday time. The highest levels of subsidy will be provided to those on low incomes, approx. €7,500 a year based on the maximum of 40-hours childcare a week.

In addition, the scheme will include a universal measure for parents of children aged from 6 months to three years. For families with incomes above the threshold for the targeted element of the
scheme, up to €20 per week will be provided towards childcare costs. This equates to support of up to €1,040 per annum for parents working full time and will be paid pro-rata.

From 2017, it is expected that approximately 25,000 children will benefit from the universal element that was launched by the Department of Children and Youth Affairs in September 2017.

It is anticipated that these measures will have a major impact on the affordability of childcare for working parents, including lone parents. Part-time provision outside school hours and during school holidays is particularly relevant in the context of parents of children aged 7 and over.

*People with Disabilities*

The plan proposes, in consultation with the disability sector, to implement the main recommendations of the Inter-Departmental Group on Making Work Pay, which was established to look specifically at the financial incentives (and disincentives) that may face people on disability payments considering taking up employment.

The main recommendations of the Group are summarised in Box 1 below.

At the launch of the Make Work Pay report it was announced that the following changes would be brought in immediately:

- People with a long-term disability payment who move off the payment to get a job will retain their Free Travel Pass for a period of five years; this measure goes beyond the recommendation of three years contained within the report. This has been implemented.

- A Fast –Track return to Disability Allowance, or Invalidity Pension for people where employment does not work out. This is in place.

- Dispense with the requirement that work be of a ‘rehabilitative nature’ for the disability allowance (DA) earnings disregard. This means that a report from a doctor is no longer required before commencing work and that the focus is on capacity rather than incapacity. Legislation to give effect to this change is included in the Social Welfare, Pensions and Civil Registration Bill 2017 which is currently before the Oireachtas.

- Development of a new “Ready Reckoner”, to calculate the net benefits and financial implications of working is already underway. This is in progress.

The Department of Employment Affairs and Social Protection is now engaging in consultation with the disability sector on the details of the implementation of the income support recommendations.
Box 1: Main Group Recommendations on making work pay for people with disabilities

- Raise the Medical Card earnings disregard from its current level of €120 per week for people on Disability Allowance or Partial Capacity Benefit associated with Invalidity Pension.

- Dispense with the requirement that work be of a ‘rehabilitative nature’ for Medical Card earnings disregard purposes and for the Disability Allowance earnings disregard.

- Develop proposals to address access to or affordability of necessary aids/appliances/assistive technology required for everyday living, for certain groups whose needs are not met by other schemes of assistance.

- Allow people on a long-term disability payment who move off the payment to get a job to retain entitlement to the free travel pass for a period of three years.

- Review transport supports

- Devise and implement a system for fast-track reinstatement of Disability Allowance, Illness Benefit or Invalidity Pension, and of the Medical Card, to people with disabilities who have returned to work, and have subsequently had to leave their job within one year.

- Establish a formal protocol in the Department of Social Protection/Intreo service that an enquiry from someone on a long-term disability payment about taking up or returning to work will not result in a review of their current entitlements.

- Reconfigure the Disability Allowance scheme for new entrants to give effect to the principle of early intervention; apply the principle of early intervention across all illness and disability schemes, adapting existing schemes where necessary to give effect to this principle. Significant elements in this re-configuration would include:
  
  o Support for 16-18 year olds with significant support needs, which is currently paid by means of Disability Allowance, to be paid via Domiciliary Care Allowance up to 18 years of age;

  o Between the ages of 18-22 the Department of Social Protection should consider reform of the structure of the Disability Allowance to focus on participation in education, training and/or social inclusion according to individual capacity.

- Develop a proactive and ongoing strategy to communicate clear, simple, and accurate information in a user-friendly way on what benefits an individual will keep if they are in employment, and on the procedures for fast-track return to benefits. Develop a basic ready reckoner to enable people with disabilities to calculate the likely net monetary value of taking up or going back to work.
**Incentives to transition to employment from welfare**

Recent reforms – particularly the introduction of the Back to Work Family dividend and the roll-out of the Housing assistance Payment scheme – have already addressed concerns about welfare disincentives for families with children.

Government continues to examine the scope for further measures in this area, arising from the programme for government commitment on a Working Family Payment. This involves undertaking detailed analysis of the existing in-work supports with a view to ensuring that the guiding principles of making work pay and tackling child poverty are achieved. The Minister for Employment Affairs and Social Protection intends to bring proposals for implementation of these changes to Government before the end of 2017.

**Family-focused employment services**

The Intreo employment service currently works with all jobseekers on an individual basis. As part of the Action Plan it is proposed that where there are two or more jobless people in a household, a household approach should be piloted in a number of geographical areas.

The initial focus would be on couples with children, where either

- both are unemployed and on jobseekers payments or
- one is a claimant on a jobseekers payment and the other is a qualified adult dependant

The purpose of the pilot will be to experiment with a joint approach to activation for such couples. This would involve their attending together for interview with a caseworker, to look jointly at the partner’s employment prospects, and to explore and address any barriers to employment that may be shared rather than specific to either partner. The objective will be to develop progression plans for the partners that reflect their joint circumstances and that are consistent and mutually supportive.

As barriers to employment may be best addressed by agencies other than Intreo, the pilot will include arrangements, where necessary, for a co-ordinated case management approach across relevant agencies. The intention would be to broker smooth and timely access for couples to necessary supports in areas such as childcare, education and training, and social services more generally.

It is intended that the pilots will be carried out in five areas, each being an Intreo centre catchment area. These will be in:

- **Dundalk**
- **Cork**
- **Waterford**
- **Tallaght**
- **Limerick**
Targets

Progress on each of the actions identified in the Plan will be monitored and reported on quarterly to the Cabinet Committee on the Economy, Trade and Jobs and to the Labour Market Council.

Implementation of these policy measures should also see the level of household joblessness fall more rapidly than is already anticipated over the next few years. Accordingly the Plan sets two new headline targets for 2020:

- reducing the proportion of households that are jobless to 13% or less (from 18% in 2015), and
- reducing the share of the 18-59 population resident in such households to less than 8% (from 12% in 2015)

These targets are in addition to the existing published Pathways to Work targets for 2020 – bringing unemployment down to between 5% and 6%, bringing long-term unemployment below 2.5%, and bringing youth unemployment below 12%.

Performance against targets will be published on an annual basis.