

Minister Coughlan publishes Social Welfare Bill & moves to facilitate flexibility in the funding of occupational pension schemes

Ms Mary Coughlan TD, Minister for Social and Family Affairs, announced the publication today, 17th February 2003, of the Social Welfare (Miscellaneous Provisions) Bill 2003. The Bill provides for the introduction of a range of social welfare improvements announced in the recent Budget and a number of additional proposals approved by Cabinet this week.

The Bill legislates for increases in Child Benefit (to 125.60 for each of the first two children and to 157.30 for the third and subsequent children) and in the Respite Care Grant to 735 (1,470 for carers looking after two or more people) taking effect in April and June respectively at a cost of 104.83 million in the case of Child Benefit and 2.5 million in the case of the Respite Care Grant in a full year.

It also extends child dependant allowances for certain children of recipients of short-term social welfare payments as provided for in the Programme for Prosperity and Fairness. It provides for changes in the means test for certain social assistance schemes and includes PRSI measures announced in the Budget.

The Bill amends the Pensions Act, 1990 to strengthen the powers of the Pensions Board to allow it to respond, on a case-by-case basis, to schemes who find themselves in funding difficulties on foot of the current equities downturn.

Minister Coughlan stated: "There has been much comment recently regarding the uncertainty surrounding pensions generally in the light of the exceptional fall in global equities markets. The impact of this decline poses sharp but hopefully short term problems for many employers and pension fund trustees who may have difficulty meeting the funding standard under the Pensions Act 1990.

"The impact of this funding crisis must be carefully managed to avoid a drift away from defined benefit to defined contribution schemes as this may not be in the long term interest of scheme members", added the Minister. The Bill also includes a number of technical amendments to the Pensions Act.

Other provisions in the Bill include the extension of a special allowance currently paid to social welfare pensioners over age 66 who are living on islands, to recipients of Invalidity Pension, Disability Allowance and Unemployability Supplement. It takes effect in April. This allowance is 12.70 per week.

It also extends entitlement to six week's payment following the death of a person in receipt of certain social welfare payments to the surviving spouse/partner who is receiving a payment in his or her own right. It provides for the abolition of the assessment of benefit and privilege for people aged 29 and over who claim Unemployment Assistance and Pre-Retirement Allowance payments.

The Bill amends the rules governing entitlement to rent supplement. For new applicants, rent supplement will be payable only where the claimant is lawfully resident in the State. This means that certain non-EEA nationals including asylum seekers will not be entitled to rent supplement after the commencement date of this provision. In future, responsibility

for accommodation for asylum seekers will be the responsibility of the Department of Justice, Equality and Law Reform under the 'direct provision' scheme.

The conditions for receipt of Supplementary Welfare Allowance are also being amended to align it with the entitlement conditions that apply to Unemployment Assistance as appropriate.

The Bill also provides for amendments to the definition of 'reckonable earnings', 'reckonable emoluments' and 'reckonable income' in order to facilitate the introduction of non-cash remuneration into the PRSI code. The application of PRSI to Benefits in Kind was announced in the Budget and is due to take effect from January 2004.

ENDS

17th February 2003