

## ANALYSIS OF BUDGET 2009

SVP members know that people are struggling with increases in all areas of day to day expenditure including energy, food, costs of sending children to school and college, rent and health costs. There has been a huge increase in the number of calls for help to Conferences and regional offices across the country during 2008.

SVP cannot see how Budget 2009 will help people maintain the modest quality of life they currently have. Vice President John Monaghan spoke for everyone on the National Social Justice and Policy Committee when he said on Budget Day that "The Minister for Finance claimed he would protect the most vulnerable - by his own standard he has failed".

### Employment and Taxation

One of the greatest problems facing many individuals and families is the rapidly increasing numbers of people losing their jobs. Currently there are 277,000 people out of work. SVP cannot understand why, at a time of increased need for unemployment supports, the Government has decided to make it even harder for people to get help when they lose their job. We are very concerned at the changes to eligibility for unemployment benefits which mean that people now need to have been employed for 104 weeks to qualify for Job Seekers benefit. Worse still, the time period for which this benefit is paid will be reduced from 15 to 12 months. After this period a person has to apply for the means-tested Job Seekers Allowance. To make matters worse, an unemployed person will now find it more difficult to get back into education because of the removal of 500 places in the Back to Education Initiative.

SVP is very worried that the 1% income levy, which applies to anyone earning just over the National Minimum Wage of €18,300, will cause undue hardship to those struggling on a very low income. Also, the increase in VAT to 21.5% will cause problems for those we help whether or not they have a job. Indirect taxes are indiscriminate as they take no account of ability to pay. Taxes like these have a disproportionately greater impact on households on low wages and social welfare.

### Social Welfare Changes

The increase in the adult social welfare rate, of €6.50 to €204.30 per week, amounts to an actual cut in real income as prices continue to soar. Similarly the €7 increase in pensions will not be enough to provide a cushion for older people against rising prices. Worryingly, and in spite of the escalating cost of energy bills, the Fuel Allowance was only increased by €2 to €20 per week and the payment extended by only two weeks.

Little was done in this budget to combat Ireland's shameful child poverty statistics. The Qualified Child Increase, for children in families on Social Welfare, only went up €2 to €26, while Child Benefit rates were not increased at all. For parents in work but on low pay, the increase of €10 per child per month for Family Income Supplement is not enough to help them cope with day to day living costs.

### Housing and Accommodation

Society members throughout the country know only too well the pressures experienced by those waiting for social housing or living in poor quality private rented accommodation. Social Welfare tenants in the private rented sector are being asked to pay substantially more of their benefits toward the cost of their weekly rent under the Rent Supplement Scheme – up €5 to €18 per week. And while Government announces increases in funding for insulation for low income people under the Warmer Homes Scheme, this will not benefit some of the most vulnerable people living in poor quality and energy inefficient private rented housing.

### Education

SVP members are bracing themselves for the backlash which will undoubtedly come from the series of cuts across the education sector. They know that these cuts will damage the educational chances of the children and young people in the families they assist. These cuts are wide ranging and include:

- removal of the Book Grant from schools outside designated disadvantaged areas
- no increase in the payment rate of the Back to School Clothing and Footwear Allowance, although the earnings disregards have gone up slightly
- an increase in third level registration fees to €1,500 – this will result in SVP having to pay these charges up front for families we assist, or worse still, discourage families from considering third level education
- halving of Child Benefit for over 18 year olds, and stopping it altogether for this age group by 2010, again creating another barrier for poorer families who want to keep their children in school or send them on to college

The only education item that we welcome is the €581 Million allocated to the School Build Programme which will go some way to improve the shocking condition of some of our schools.

### Health

Both the Drug Payment Scheme, which provides a monthly threshold for prescription costs, and the charge for attending Accident and Emergency without a doctor's letter, have increased to €100. These are charges that the working poor can ill afford. The confusion and poor management of changes to medical card eligibility for some people over seventy years of age shows how out of touch the Government is with the health realities and concerns of older people. The distraction caused by this issue meant that more wide ranging and dangerous cuts, particularly in education, did not receive the same level of criticism. Interestingly, the amount of money Government hoped to save with this measure equals the amount spent to date on the infrastructure elements of the decentralisation programme, namely €100 Million.

### Looking Ahead – The Challenge for SVP

Following this budget the Society is very concerned that the number of people experiencing poverty and need will increase over the coming year and we are worried about our capacity, both financial and human, to cope with the increased calls for assistance. The Vincentian call to serve and respond has never been so urgent and needed in recent times as it is now.

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# DETAILS OF SOCIAL WELFARE PAYMENTS AND ANALYSIS OF BUDGET 2009

AS FROM JANUARY 2009

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Society of Saint Vincent De Paul



## Social Welfare Payment Rates

PR = Personal Rate, QAA = Qualified Adult Allowance  
 QCI = Qualified Child Increase, replacing Child Dependent Allowance.  
 Most rates of payment change, with the exception of Child Benefit, in January 2009.

Jobseeker's Benefit, Jobseeker's Allowance, One Parent Family Payment, Farm Assist, Supplementary Welfare Allowance, Pre Retirement Allowance, Farm Assist, Widow's and Widowers' (Non Contributory), Deserted Wife's Allowance and Prisoner's Wife's Allowance and Health and Safety Benefit will be:

	€
PR only .....	204.30
QA .....	135.60
PR and QA .....	339.90
PR and QA + 1 QCI .....	365.90
PR and QA + 2 QCI .....	391.90
PR and QA + 3 QCI .....	417.90
PR and QA + 4 QCI .....	443.90
PR and QA + 5 QCI .....	469.90

Illness Benefit, Disability Allowance, Blind Pension, Injury Benefit, Incapacity Supplement will be:

	€
PR .....	204.30
QA .....	135.60

State Pension Contributory, State Pension (Transition) aged 66 years and over weekly rate:

	€
PR .....	230.30
QA aged 66 .....	206.30
QA aged under 66 years .....	153.50
PR + QAA (wife 66 and over) .....	436.60
PR + QAA (wife aged under 66) .....	383.80

Invalidity Pension

	€
PR aged 65 years .....	230.30
PR aged under 65 .....	209.80
QA aged under 66 years .....	149.70
QA aged over 66 .....	206.30
PR aged 65 + QAA wife under 66 .....	380.00
PR aged 65 + QAA wife over 66 .....	436.60

Widow Widower's Contributory Pension and Deserted Wives Benefit

	€
aged under 66 years .....	209.80
aged 66 and under 80 .....	230.30

## Social Welfare Payment Rates

State Pension Non-Contributory weekly rate:

	€
PR aged 66 .....	219.00
QA .....	144.70
PR + QAA (wife aged 66 and over) .....	425.30

Widow Widower's Non-Contributory Pension, Deserted Wife's and Prisoner's Wife's Allowances

	€
aged 65 and under .....	204.30

Living Alone increase .....

	7.70
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Child Benefit

1st and 2nd child .....	€166 each
3rd and more children .....	€203 each

When children reach 18 years the rate of payment halves. From 2010 Child Benefit will not be paid to children aged 18 years and over.

Early Childcare Supplement is a payment of €1,104 a year for all children up to five and a half years. There are 12 monthly payments of €92 per eligible child.

Qualified Child Increase is a payment to children under 18 years in households getting a social welfare payment. The weekly rate from January 2009 is €26. For children aged 18 years the rate is €41 a week.

Back to School Clothing and Footwear Allowance is unchanged from June 2008.

Age 2 - 11 yrs .....	€200.00
Age 12 - 22 yrs .....	€305.00

There is an increase of €50 in the income thresholds.

<b>Couple with</b>		<b>Lone Parent with</b>	
1 child	€559.80	1 child	€406.30
2 children	€585.80	2 children	€432.30
3 children	€611.80	3 children	€458.30

Threshold increases by €26 for each additional child.

### Family Income Supplement Rates

To get this payment your net average weekly family income needs to be as follows:

<b>Family size</b>	<b>Net family income less than</b>
1 child .....	€500
2 children .....	€590
3 children .....	€685
4 children .....	€800
5 children .....	€920
6 children .....	€1,030

## Social Welfare Payment Rates

### Family Income Supplement Rates - continued

FIS is calculated at 60% of the difference between your net income and the income limit that applies to the number of children in your family. All FIS income thresholds increase by €10 per week per child.

### One Parent Family Payment

Full rate .....	€204.30
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### Carer's Allowance weekly rate

Under age 66 .....	€220.50
Age 66 and over .....	€239.00

Carer's Benefit .....	€221.20
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Fuel Allowance .....

	increased by €2 to €20 per week
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### Medical Card Income Limits

There are two types of medical card

- a full medical card which covers GP visits, prescriptions and a range of public in and outpatient services, and a
- GP Visit Card which covers the costs of a GP visit only.

The weekly income guidelines have remained unchanged since 2005, despite an admission by Government that they are too low. The calculation is made after tax and PRSI have been deducted. From January 09 new income thresholds will apply to the over seventies. Those with a gross weekly income of €700 for a single person and €1,400 gross for a couple will need to apply to the HSE to be means tested.

	Med Card €	GP Visit Card €
Single person living alone		
Up to 66 years	184.00	276.00
66 to 69 years	201.50	302.00
Single person living with family		
Up to 65 years	164.00	246.00
66 to 69 years	173.50	260.00
Couple / lone parent with Children		
Up to 65 years	266.50	400.00
66 to 69 years	298.00	447.00

There is an allowance of €38 for the first two children and €41 for 3rd and subsequent children. Reasonable childcare, rent, mortgage and travel to work costs are taken into account when assessing eligibility. Contact your local HSE Health Office for more details or [www.hse.ie](http://www.hse.ie)