

## ANALYSIS OF BUDGET 2008

*Hitting the Right Targets* was the title of the Pre Budget Submission prepared for Government by the SVP's National Social Justice and Policy Committee. We know that Society members feel strongly about the gaping inequalities which exist in Irish society particularly in access and affordability of vital services, particularly in education and health. We made specific recommendations, using the richness of members' experience and knowledge, on a variety of issues. A short analysis of how this Budget met our expectations follows below.

While SVP welcomes the increased proportion of the budget allocated to welfare and recognises the financial constraints under which the Minister is operating, we do have a number of concerns about the impact of Budget 08 on those most in need in disadvantaged communities around Ireland.

### What SVP has concerns about

The Society is very concerned about the modest increase in the Adult Social Welfare Rate – up €12 to €197.80. This increase means that Welfare Payments will fall below 30% of the Average Industrial Wage and will not compensate for significant increases in the cost of food, rents and education which affects people living on low incomes the hardest.

The increase of one week's Fuel Allowance delivers a benefit of only an extra 62 cent per week. This is derisory in today's energy market and means that SVP will continue to receive hundreds of calls for help with energy bills throughout 2008.

There has been no increase in the payment for asylum-seekers and their children living in Direct Provision centres – this is an affront to the dignity of these individuals and families, leaving them to survive on €9.10 a week for adults and €9.60 for children.

Tax Reform for Charities is an area where SVP has been seeking change in recent years. The Society was yet again disappointed that the Minister decided to ignore appeals from the Charity Sector for tax reform which would benefit the tens of thousands of people in Ireland dependent on the wide range of community services provided by the sector.

Despite the increase in allocation to social housing the Government's social housing programme still requires significant acceleration to tackle the waiting list. In addition SVP is extremely concerned about the quality of much of the private rented accommodation currently available.

### What SVP notes

There are a number of areas where the Society was encouraged by Budget 2008 but had asked for bigger increases in Government supports. We know that these areas will continue to need greater financial commitment in future budgets. We note the following

- The increase of €25m for care for older people in their homes (Ireland has an aging population)
- The increase in the earnings ceiling for one parent family payment of €25 to €425 per week
- The increases in pensions, the Non Contributory pension increases €12 to €12 per week and the Contributory pensions by €14 to €23 per week

### What SVP welcomes

The Society does welcome Government's commitment to

- Increase social housing output with its target of 9,000 new build and acquisition units in 2008

- Allocate an additional €124m allocated to Local Authority and €26m to voluntary and co-operative housing
- Keep 878,000 minimum wage earners out of the tax net – the tax credit was increased by €140 per person
- Increase Overseas Development Aid by €4m to €14m (0.54% GNP)

### Children

The SVP is particularly disappointed about the Budget's failure to tackle child poverty. One hundred thousand children are in consistent poverty in Ireland which means that they live in families living below the poverty line who go without basic necessities. The Society had hoped for better targeted child income supports and these have not been forthcoming.

We note that the Qualified Child Increase (previously called Child Dependent Allowance) has gone up marginally by €2 to €4. This represents an investment of just €200,000 for those children most in need.

Child Benefit payments will increase from April 08 by €6 to €166 per month for the first and second child and by €8 to €203 per month for subsequent children but these increases do not maintain the current value of child benefit.

The Back to School Clothing and Footwear Allowance has been increased by €20 to €200 for children aged 2-11 years and to €305 for those aged 12-22 years. However there are no plans for free school books which the Society has been pressing for. We welcome the small increase in funding for the school meal programme – up €2m in schools in the DEIS programme, but know that much more investment is needed to tackle the challenge of providing healthy food options for school children. The DEIS programme is the Department of Education and Science's strategy for tackling educational disadvantage.

While the Society is pleased to note the €18m Special Education Needs allocation and the €25m committed to tackling educational disadvantage, we await further details on where exactly this expenditure will be targeted, and hopes it will benefit those most in need, whether they attend a designated disadvantaged school or not.

### Health

From January 2008 the charge for attending an Accident and Emergency unit without a doctor's letter is up from €60 to €66, and the threshold for the Drug Refund Scheme is €90 a month, an increase of €5. These rises along with the ten per cent increase in patient charges for acute hospital care will put additional pressure on low income families, particularly those who do not benefit from a full medical card.

The Society was particularly disappointed at the Minister's announcement of a further delay in extending coverage of the full medical card scheme pending the review of medical card eligibility. We remain concerned that those who have most need of health care remain least likely to receive timely treatment.

### Conclusion

While SVP acknowledges that there have been monetary gains for those on the lowest incomes, in particular female pensioners, we know that increases in the adult social welfare rate must continue to be protected, over the next four budgets, to maintain this payment's link with wages. Investment needs to be prioritised to ensure fairer and easier access to key health and education services.

Society of  
Saint Vincent De Paul

# DETAILS OF SOCIAL WELFARE PAYMENTS AND ANALYSIS OF BUDGET 2008

## AS FROM JANUARY 2008



Social Justice and Policy  
National Office  
SVP House  
91/92 Sean McDermott Street  
Telephone: 01 838 6990  
Email: info@svp.ie

## 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 and  
 Back to School Clothing and Footwear, in January 2008.

**Jobseeker's Benefit, Jobseeker's Allowance, Farm Assist, Supplementary Welfare Allowance, Pre Retirement Allowance, Deserted Wife's Allowance and Prisoner's Wife's Allowance** will increase as follows:

|                          |        |
|--------------------------|--------|
|                          | €      |
| PR only .....            | 197.80 |
| PR and QAA .....         | 329.10 |
| PR and QAA + QCI .....   | 353.10 |
| PR and QAA + 2 QCI ..... | 377.10 |
| PR and QAA + 3 QCI ..... | 401.10 |
| PR and QAA + 4 QCI ..... | 425.10 |
| PR and QAA + 5 QCI ..... | 449.10 |
| PR and QAA + 6 QCI ..... | 473.10 |

**Illness Benefit, Disability Allowance, Blind Pension, Injury Benefit, Incapacity Supplement** will also *increase to the same rates as above* from January 2008

**State Pension Contributory** aged 66 years and over weekly rate

|                                       |        |
|---------------------------------------|--------|
|                                       | €      |
| PR .....                              | 223.30 |
| PR + QAA (wife 65 or under) .....     | 372.10 |
| PR + QAA (wife aged 66 or over) ..... | 423.30 |

**Widow's Widower's Contributory Pension and Deserted Wife's / Husband's Allowances** weekly rate

|   |        |
|---|--------|
|   | €      |
| PR aged 65 years and under .....          | 203.30 |
| PR aged 66 years and up to 80 years ..... | 223.30 |

**Incapacity Pension**

|   |        |
|---|--------|
|   | €      |
| PR under 65 years .....                       | 203.30 |
| PR age 65 .....                               | 223.30 |
| PR aged 65 + QAA wife aged 66 and under ..... | 368.40 |
| PR aged 65 + QAA wife aged 66 and over .....  | 423.30 |

**State Pension Non-Contributory** aged 66 years and over weekly rate

|  |        |
|--|--------|
|  | €      |
| PR .....                               | 212.00 |
| PR + QAA (wife aged 65 or under) ..... | 352.10 |

## Social Welfare Payment Rates

**Widow Widower's Non-Contributory Pension, Deserted Wife's and Prisoner's Wife's Allowances**, aged 65 years and under weekly rate

|                             |        |
|-----------------------------|--------|
|                             | €      |
| PR .....                    | 197.80 |
| Living Alone Increase ..... | 7.70   |

**Child Benefit**

Rate per month from April 2008

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

**Early Childcare Supplement**, a payment for all children under six years will increase to €1,100 per year and is paid quarterly.

|                      |         |
|----------------------|---------|
| Quarterly rate ..... | €275.00 |
|----------------------|---------|

**Qualified Child Increase** weekly rate from January 2008 is €24.

This is a payment to children in households getting a social welfare payment.

**Back to School Clothing and Footwear Allowance** 2008 rate from June 2008

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

Income Thresholds for Back to School Clothing and Footwear Allowance

| Couple with |       | Lone Parent with |       |
|-------------|-------|------------------|-------|
| 1 child     | €497  | 1 child          | €348  |
| 2 children  | €521  | 2 children       | €372  |
| 3 children  | €545  | 3 children       | €396  |
| 4 children  | €569* | 4 children       | €420* |

Threshold increases by €24 for each additional child

**Family Income Supplement Rates**

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

| Family size | Net family income less than |
|-------------|-----------------------------|
| 1 child     | €490                        |
| 2 children  | €570                        |
| 3 children  | €655                        |
| 4 children  | €760                        |
| 5 children  | €870                        |
| 6 children  | €970                        |

## Social Welfare Payment Rates

The Family Income Supplement payment you receive is 60% of the difference between your net income and the income limit that applies to the number of children in your family. Your payment will be a minimum of €20 a week.

**One Parent Family Payment**

Until May 2008 you will get the full rate of payment if your weekly income is not above €146.50 per week. From May 2008 the upper income limit for entitlement is €425 per week. This means that until May 2008 if your weekly earnings are between €146.50 and €400 per week you will be entitled to a reduced payment rate. After May 2008 you will get a reduced payment if your weekly income is between €146.50 and €425.

|                 |         |
|-----------------|---------|
| Full rate ..... | €197.80 |
|-----------------|---------|

**Carer's Allowance** weekly rate

|                       |      |
|-----------------------|------|
| Under age 66 .....    | €214 |
| Age 66 and over ..... | €232 |

|                              |         |
|------------------------------|---------|
| <b>Carer's Benefit</b> ..... | €214.70 |
|------------------------------|---------|

**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 are as follows, they are after tax and PRSI have been deducted.

|                                    | Med Card<br>€ | GP Visit Card<br>€ |
|------------------------------------|---------------|--------------------|
| Single person living alone         |               |                    |
| Up to 66 years                     | 184           | 276                |
| 66 to 69 years                     | 201.50        | 302                |
| Single person living with family   |               |                    |
| Up to 65 years                     | 164           | 246                |
| 66 to 69 years                     | 173.50        | 260                |
| Couple / lone parent with Children |               |                    |
| Up to 65 years                     | 266.50        | 400                |
| 66 to 69 years                     | 298           | 447                |

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)