

TREOIR Bulletin November – December 2011

Harsh effect of Budget 2012

Regrettably virtually nothing about this budget is advantageous to lone parents. Treoir is extremely concerned at the cuts in the Budget targeted at one-parent families who, as is well documented, are particularly vulnerable to poverty.

The plan to have the income disregard associated with One-Parent Family Payment (OFP) reduced to €130 in 2012 (for current and new claimants) and on a phased basis to €60 in 2016 will result in further barriers being put in the way of lone parents returning to work and a significant reduction in income for those in employment. It is difficult to comprehend this, as the stated policy of the Department of Social Protection is of promoting activation.

While Treoir broadly supported the policy of encouraging and supporting parents to return to work when their youngest child reaches fourteen years of age, we have huge reservations about the proposed new measure which will compel new claimants to cease claiming the OFP and to be available for employment when their youngest child reaches 7 years of age. Treoir's reservations are based on the fact that there are insufficient supports in place e.g. affordable and suitable childcare, educational opportunities for lone parents to enable them to earn an adequate living and a serious lack of job opportunities. More significantly the preferred choice of many lone parents, to work part-time while their children are young, is effectively being denied them.

The provisions of Budget 2012 and how they impact on lone parents are detailed below.

Specific Impact of Budget 2012

Changes which impact on lone parents

One-Parent Family Payment (OFP)

The rates of payment for One-Parent Family Payment remain unchanged in 2012.

To get a One-Parent Family Payment a single parent must have at least one child below the age limit.

Age limit of a qualified child for NEW CLAIMANTS in 2012 -2014

A number of changes to the One-Parent Family Payment (OFP) were announced in Budget 2012. **These changes require legislation and are not currently in force.** The upper age limit of the youngest child for **new claimants** of the OFP will be reduced to 7 years of age on a phased basis.

- In **2012** the upper age limit of the youngest child will be reduced to **12** years of age
- In **2013** the upper age limit of the youngest child will be reduced to **10** years of age
- In **2014** the upper age limit of the youngest child will be reduced to **7** years of age.

Age limit of a qualified child for Claims made from 27th April 2011

On **April 27th 2011** changes were introduced to the One-Parent Family Payment Scheme. Currently for **new claimants from April 2011** the OFP is only paid to those who have a child under **14 years**.

Age limit of a qualified child for Claims made before 27th April 2011

For those whose claims were made before April 2011 there will be no change to their entitlement to OFP in 2012 provided that they continue to satisfy the other conditions of payment. For these existing claimants it is important to know that:

- From January **2013**, payment will stop when the youngest child reaches **17 years** of age. If the child is in full-time education, and aged between 17 and 22 years, payment will continue until the end of the 2012-2013 academic year.
- From January **2014**, payment will stop when the youngest child reaches **16 years** of age.
- From January **2015**, payment will stop when the youngest child reaches **15 years** of age
- From January **2016** and beyond, payment will stop when the youngest child reaches **14 years** of age.

Impact on earnings

One-Parent Family Payment and Work – New Means Test

The amount of earnings disregarded in the One-Parent Family Payment means test will be reduced from €146.50 to **€130.00** per week from January 2012 *for new and existing recipients*. Further reductions will be introduced over the following 4 years:

- In 2013 the amount of earnings disregarded will be **€110** per week
- In 2014 the amount of earnings disregarded will be **€90** per week
- In 2015 the amount of earnings disregarded will be **€75** per week
- In 2016 the amount of earnings disregarded will be **€60** per week

The temporary payment of half of the rate of One-Parent Family Payment to a parent on OFP whose earnings exceed €425 per week will be discontinued from January 2012. *Existing recipients of the temporary payment will not be affected.*

Income from Home Help

Income from employment as a Home Help was disregarded in full for the purposes of receiving One-Parent Family Payment.

From January 2012 income as a home help funded by the HSE will be assessed in the means test for *new and existing claimants* of One-Parent Family Payment.

One Parent Family Payment and other social welfare payments

Currently a person who gets One-Parent Family Payment may be entitled to *half the personal rate of Jobseeker's Benefit, Illness Benefit or Incapacity Supplement* if they satisfy the qualifying conditions. These half rate payments will cease for *new applicants* for Jobseeker's Benefit, Illness Benefit or Incapacity Supplement from January 2012 .

Community Employment Scheme (CE)

From January 2012 *new participants* on Community Employment schemes will not be able to claim another social welfare payment such as One-Parent Family Payment at the same time but they will receive the standard additional €20 per week paid to other participants.

Payment of two qualified child increases where the person is on a Community Employment Scheme and One-Parent Family Payment will be discontinued for *new and existing recipients* from January 2012

The training and material grant for CE schemes will reduce from €1,500 to €500 per participant per year from January 2012.

Child Benefit

Child Benefit rates will be maintained at €140 per month for each of the first two children. The rates applying to the third and each subsequent child will be standardised at €140 per child per month over the next two years. From January 2012 the monthly rate for the third child will be €148 and for the fourth and each subsequent child will be €160.

While the additional monthly payment for twins and triplets will be maintained, the grant of €635 paid at birth, at 4 years of age and at 12 years of age for these multiple births will cease from January 2012.

Back to School Clothing and Footwear Allowance

In 2012 the age at which a child is eligible for the Back to School Clothing and Footwear Allowance will be raised from 2 to *4 years of age*.

The Back to School Clothing and Footwear Allowance will be reduced in 2012 from €305 to **€250** for children aged 12 years or more and from €200 to **€150** for children aged 4-11.

Rent and Mortgage Interest Supplement

From January 2012 the minimum contribution payable by a single parent towards rent or mortgage interest supplement will increase by **€6** per week from €24 to **€30**.

Cohabitants

The minimum contribution payable by cohabitants will increase by **€11** per week from €24 to **€35** per week.

Mortgage Interest Supplement

Payment of Mortgage Interest Supplement will be deferred for 12 months while the person engages with the Mortgage Arrears Resolution Process.

Fuel Allowance

The Fuel Allowance season will be reduced by 6 weeks from 32 weeks to 26 weeks for all recipients in 2012.

Family Income Supplement

Income from weekly **carers payments** will be included in the means test for Family Income Supplement from January 2012 for new applicants and on renewal for all others.

Maternity Benefit

The rates of payment for Maternity Benefit remain unchanged.

Back to Education Allowance

The Cost of Education Allowance, the annual grant paid to participants on the Back to Education Allowance will be reduced from €500 to **€300** in 2012.

Further information on the budget changes relating to social welfare schemes are available on the website of the Department of Social Protection at www.welfare.ie

Higher Education and Student Grants

Student grants will be reduced by 3% from January 2012.

There will be no maintenance payments for new entrant postgraduate students.

Youthreach and FAS

The two existing allowances paid to 16 & 17 year olds participating in Youthreach, Community Training Centres and FAS courses are being merged and reduced to one standard rate *of €40* for *new entrants* from January 2012. Currently participants on these courses receive €76.65 per week if aged 16 and €95.75 per week if aged 17.

Further information regarding changes to the education budget are available on the website of the Department of Education and Science at www.education.ie

Childcare - Community Education & Training Support (CETS) programme

Under this programme, childcare is provided to certain FAS and VEC trainees by Childcare services who in turn receive a capitation payment of €170. From September 2012, this capitation will be reduced to €145, and services will be allowed charge a fee of **up to €25** per week to parents. The charge that a parent will pay will vary, depending on the costs of childcare services and the fees they normally charge parents and the type of place being availed of (full day, half-day or after-school). The maximum amounts allowable are €25 for full daycare, with pro-rata reductions for half-day and after-school places.

Further information on the budget changes relating to Childcare Funding is available on the website of the Department of Children and Youth Affairs at www.dcyia.ie

Income Tax

Tax Credits

There are no changes to tax credits in 2012.

Tax Rates and Tax Bands

The tax rates and tax bands remain unchanged at 20% (standard rate) and 41% (higher rate). A single parent will be taxed at the rate of 20% for the first €36,800 that they earn and the remainder will be taxed at 41%.

Universal Social Service Charge

In 2011 the Universal Social Service Charge is paid by anyone who earns more than €4,004 per year.

From January 2012 those who earn less than **€10,035** per year will not have to pay the Universal Social Service Charge.

Further information on the Universal Social Service Charge is available on the website of the Revenue Commissioners at www.revenue.ie

Free Workshops available to workers working with unmarried parents in the North-East Area (Cavan, Louth, Meath and Dublin)

Treoir will be providing a number of workshops specifically aimed at **workers working with unmarried parents**. The workshops will be of interest to those working in the HSE and in other organisations.

The workshops will consist of information sessions in relation to changes affecting unmarried cohabiting parents arising from The Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010, which was enacted in Jan 2011. Issues covered include:

- How are cohabitants defined in the Act
- What is the Redress Scheme that is available to qualified cohabitants if their relationship ends. This scheme deals with property, maintenance, pension etc.

The sessions will also include information on the legal rights of unmarried parents such as:

- Maintenance
- Guardianship
- Access/custody

The first workshop will take place in Treoir's offices in Dublin 1 on Wednesday, January 25th from 10:00 – 13:00. Places will be limited so early booking is advisable. Other workshops will be held in February, March and April outside of Dublin. If you would be interested in attending any of these workshops or if you are working as part of a team and would like to host a workshop please contact us at info@treoir.ie or call Bella on 01-6700120.

Attitudes to Family Formation in Ireland

This study, produced by Trinity College Dublin and funded by the Family Support Agency, examines attitudes to family formation in a sample survey of 1,400 Irish men and women between the age of 20 and 49 from various family types and from a variety of socio-economic groups.

Among the main findings are the following:

- **Attitudes to marriage and cohabitation**

84% of the sample believes that it is better to live with someone before getting married. 85% believe that religious reasons for marriage have become less important. There was a general consensus that marriage provides security and stability for children; however only 47% felt that people who want to have children ought to get married. This reflects the growing acceptance of cohabitation as an alternative household arrangement, even when there are children. Over two thirds of the sample believe that deciding to have a child together is a far greater commitment than getting married.

- **Cohabiting Behaviour and Related Attitudes**

The average period of cohabitation was just under four years. The more experience people have cohabiting the more likely they are to form longer lasting relationships. 43% of cohabiting people said that they definitely would marry their partner. There were many common drivers toward cohabitation and marriage, the primary of which were psychological factors. The main barriers to marriage for cohabiting people were financial, particularly the high cost of housing and weddings and the wish to have a secure job/income first.

- **Attitudes of Childcare, Work-Life Balance and Related Policies**

There was almost unanimous support for the universal provision of childcare and a national programme of childcare facilities for pre-school aged children. There was strong support for fathers to have a right to paid paternity leave. Attitudes showed a readiness for greater sharing of childcare between men and woman. Half of the sample felt that both men and women should ideally work part-time and co-parent.

- **Effects of Family Status on Well-being**

Married people were found to have the highest level of well-being on most measures, including social integration, life satisfaction, positive life experiences, etc. In second place were cohabiting people. Single mothers had the lowest life satisfaction and were the loneliest of all groups.

Download this report at: <http://www.tcd.ie/Communications/news/pressreleases>

Households and Family Structures in Ireland

This is the second of two reports on the structure of families in Ireland based primarily on a detailed analysis of Census 2006. It was produced by Pete Lunn and Tony Fahey for the ESRI and funded by the Family Support Agency.

Among the main findings are the following:

- **Cohabitation**

The norm for couples with children, including those in their twenties, remains marriage. Although it is increasingly common for couples with young children to be cohabiting it is estimated that most marry within five years of the birth of a first child. Almost one quarter of cohabiting couples contain at least one partner who has left a previous marriage. Couples with higher educational attainment are significantly more likely to marry, especially among couples with a mean age greater than 30 years.

- **Children's Family Circumstances**

The large majority of children reside within a traditional family structure. It is estimated that one-in-forty children live in a step-family. Nevertheless, children's family circumstances are dominated by two family forms: living with both of their biological parents and living with a lone parent. Second attempts at family formation remain relatively rare. The likelihood of living in one or other of these two dominant family types is strongly linked to socio-economics. Children whose mothers have only lower second-level qualifications are very much more likely to live with a never-married lone parent and also more likely to live with a lone parent who has experienced marital breakdown.

- **Rights and Obligations of Partners**

The Civil Partnership and Certain Rights and Responsibilities of Cohabitants Act 2010 came into force in 2011. Following the introduction of this new legislation a significant number of cohabiting couples who break up may now find themselves going to court to decide the division not only of their property but also of their future income. Crucially a cohabiting couple will now enter a similar contract to

marriage by default. The danger here is that individuals or couples may not be fully apprised of their legal situation. Those with lower educational attainment are more likely to cohabit rather than marry and more likely to have children with a cohabiting relationship and are most likely to acquire new rights and obligations under the Act. (See Treoir's publication 'Cohabitants' at <http://www.treoir.ie/target-co-habiting.php>)

This publication is available to download from www.esri.ie

Child Protection and Welfare Practice Handbook

This publication was launched by the Minister for Children and Youth Affairs Ms. Frances Fitzgerald in November on behalf of the HSE. The HSE states in in this Handbook that *it has been written as a practice resource to support best practice in front-line child protection and welfare work. It is designed to be a companion volume and to complement Children First: National Guidance for the Protection and Welfare of Children (2011) and sets out the key issues in the areas of recognising abuse, responding to referrals, risk factors, assessment, planning and intervention. It is written primarily for HSE Children and Family Services' Social Work practitioners, with Section 2 of the Handbook dedicated to allied professionals and volunteers who work with children and their families. It will be of use to the whole spectrum of agencies and services that are directly or indirectly involved in the protection and welfare of children.*

You can access a copy of Children First, Child Protection and Welfare Practice Handbook and supporting material by visiting:

· <http://www.hse.ie/go/childrenfirst>

Decisionmap.ie

www.decisionmap.ie has been developed by Ordinance Survey Ireland (OSI) and web company Twelve Horses. It uses a combination of statistics already available through sources including the Central Statistics Office and the All Island Research Observatory laid over a combination of different maps.

By illustrating this information over maps by county and electoral district, "you can see a lot more, you can intuit a lot more, and take action", said Gabrielle Stafford of Twelve Horses. The aim of this website is to give policymakers, among others, instant access to easily digestible statistical data.