

PRE-BUDGET SUBMISSION

to the

**DEPARTMENT
OF
SOCIAL AND FAMILY AFFAIRS**

September 2004



**National Federation of Services for
Unmarried Parents and their Children**

14 Gandon House, Custom House Square
I.F.S.C., Dublin 1

Telephone: (01) 6700 120, E-mail: info@treoir.ie, www.treoir.ie

TREOIR

Treoir is the national co-ordinating body of both Statutory and Voluntary Agencies working with unmarried parents and their children. Originally known as the Federation of Services for Unmarried Parents and their Children it was founded in 1976 and has as its aim to promote the rights and welfare of unmarried parents and their children in Ireland. Membership of Treoir is open to professional agencies providing services to unmarried parents. They are a combination of statutory and non-statutory bodies, including specialist agencies, health boards, maternity hospitals, adoption societies, self-help groups.

The four Core Principles of *Treoir* are:

- *Treoir recognises the diversity of family life in Ireland*
- *Treoir recognises that all families, including unmarried families, have the same rights to respect, care, support, protection and recognition*
- *Treoir supports and promotes the rights of all children as outlined in the United Nations Convention on the Rights of the Child*
- *Treoir believes that all children have a right to know, be loved and cared for by both parents*

Current Activities of Treoir:

- A national, confidential, comprehensive and free information service for unmarried parents and those involved with them
- A wide range of publications including the *Information Pack for Unmarried Parents, Being there for them* (a booklet for grandparents), a series of *Information leaflets* etc.
- Organising conferences, workshops and other training sessions for unmarried parents and those who work with them
- Networking with other groups
- Policy development
- Promoting research
- Providing support for workers with young parents through the National Resource Centre for those Working with Young Parents
- Co-ordinating the Teen Parent Support Initiative

INTRODUCTION

This pre-budget submission to the Department of Social and Family Affairs draws attention to the responsibilities of the Department with regard to unmarried parents. However it is self-evident that the responsibilities for offering support to unmarried parents and their children extends across several departments including Health and Children, Education and Science, Enterprise, Trade and Employment, Environment and Local Government, and Justice, Equality and Law Reform. In our experience, many of the difficulties faced by unmarried parents are created by inadequacies in the coherence in delivery of services and programmes of these different departments as they impact on the individual lives of unmarried parents and their children. This is in addition to difficulties which are also created by the actual level of financial support offered to unmarried parents and their children

We believe that Government Departments should make greater efforts to work together to ensure that there is both a national coherence in policy preparation as well as coherence in the implementation and delivery of programmes and services.

There is enough experience in the statutory as well as voluntary and community sectors to confirm the need for routinely addressing the knock-on (often unintended) effects of programmes and payments within the remit of different departments on individual families. The purpose of this adjustment (or proofing) would be to ensure unnecessary complexity is not being introduced and that the outcome does not worsen the financial and social situations (by creating traps) of unmarried parents or their children.

Recent Statistics

A recent update from the Central Statistics Office provided the following information for 2002 and 2003 about numbers of births outside marriage, lone parent families and cohabiting couples – some of whom have children:

- In 2003 there were 18,815 births outside marriage, equivalent to 31.1 per cent of all births. There were 2,978 births to women under the age of 20
- There were close to 153,900 lone parent families in 2002. Nearly 85% of them were headed by females (130,364 mothers and 23,499 by fathers). The make up of lone parent families was as follows: 40% widowed, 32% separated or divorced, **23.9% unmarried parents.**
- Overall, cohabiting couples accounted for 8.4 per cent of all family units in 2002 compared in 3.9 per cent in 1996. Those with children accounted for one in five of all couples with children.

Policy

There appears to be a resistance to accepting the reality and scale of unmarried family life in Ireland. Where such families have low incomes, this resistance appears to be illustrated by these families' vulnerability to be at the receiving end of public expenditure cuts, such as the recent cuts in childcare support (for mostly women) in VTOS and Youthreach. The Department of Education and Science reduced by 37% childcare funding for parents attending early school leaving and second chance education programmes. This will result in fewer opportunities for women to reduce their dependency on welfare.

The Review of One-Parent Family Payment in September 2000 clearly acknowledged that poverty is a major issue for lone parents and their children. The qualitative study specially commissioned for the Review, undertaken in July 2000, graphically illustrates the difficulties of living on One-parent Family Payment. Many parents found it difficult to pay for basics such as food, heating, housing, nappies, children's clothes and many reported instances of secondary deprivation (nights out, telephone, cars or even bus/train fares). Much of this was reiterated more recently in "Living on the Book" by OPEN.

Since then several further reports have been issued on lone parents, particularly on young lone parents and all indicate that poverty is a major issue for one-parent households. Social exclusion is addressed in the National Development Plan, the Programme for Prosperity and Fairness, the National Anti-Poverty Strategy and yet progress is very slow. Ireland continues to have one of the worst rates of child poverty in Europe and research clearly shows that unmarried families are most at risk of poverty (see references).

One-Parent Family Payment

The current rate of the One-Parent Family Payment, relied upon as the only source of income by the majority of lone parents, creates families living below the poverty line (26% of lone parent families are at risk of 'consistent' poverty – Barnardos, *Children Living Without*, 2003). A significant increase in the One-parent Family Payment is necessary in order to lift unmarried families out of poverty. An increase in line with inflation would be inadequate.

It has been clearly established that the main route out of poverty is through employment. Costs of childminding, transport, accommodation etc. have increased significantly since the earnings disregard of 15,236 was introduced (in 1997) as a means of facilitating unmarried parents to enter employment. The disregard should be increased to take into account the increased costs, especially in childcare, associated with entering employment.

Treoir recommends an increase in One-parent Family Payment as well as an increase in the level of the earnings disregard which will allow recipients of One-Parent Family Payment to live above the poverty line.

Conditionality



Positive efforts have been made over the years to develop policies to remove the disincentives associated with moving from welfare dependency into employment. While assistance and incentives to enter employment are laudable and necessary it is essential that all parents, but especially unmarried parents, continue to have a choice as to whether to work outside the home or to choose fulltime parenting. We concur with the Commission on the Family's recommendation that ***it should be each parent's individual decision whether to participate in paid employment outside of the home or to work within the home and that state support should be forthcoming regardless of which option parents choose.***

Maintenance



Treoir fully supports the concept of fathers taking responsibility for their children but has major questions about the legality of the Department of Social and Family Affairs recouping more from the father in maintenance than the Department is paying in child dependant additions. The argument of the Department that the unmarried father of the child is in some way responsible for the mother becoming a recipient of One-Parent Family Payment (and implying a new social welfare recipient) rings somewhat hollow when the Department's own research sometime ago revealed that 84% of claimants were receiving a Social Welfare payment prior to receiving OFP.

The fact that the resident parent on behalf of the child is allowed to benefit to the amount of 50% of the maintenance is welcome. However there have been serious problems in the operation of the system e.g. mothers not benefiting from direct payments to the Department from fathers, increase in maintenance being sought from fathers without the knowledge of mothers. We have repeatedly raised our concerns in this area but regretfully difficulties are still arising.

Treoir strongly recommends that the amount of maintenance sought from fathers should not exceed the amount of the Child Dependant Addition of the Social Welfare Payment. (If fathers are in a position to contribute more to their children then that is a private matter and of benefit to the children concerned).

Difficulties identified in the operation of the Maintenance Recovery System need to be addressed urgently.

Rent/Mortgage Interest Supplement

Unfortunately many of the benefits that have been introduced in the treatment of income for One-Parent Family Payment purposes over the years have been negated because of clawbacks in Rent/ Mortgage Interest Supplement.

Where an unmarried parent who is in receipt of Rent/Mortgage Interest Supplement returns to work on a part-time basis 50 is disregarded for Rent Supplement purposes. The rest of the Rent Supplement is reduced on a pro-rata basis. This means that effectively the unmarried parent is working for 50 per week. This is not a strong incentive to return to work.

We recommend that part-time workers be treated in the same way as full-time workers for rent purposes – a phased withdrawal of Rent or Mortgage Supplement over three years.

Treoir recommends a phased withdrawal of Rent/ Mortgage Interest Supplement for part-time as well as full-time workers.

A second issue is the level of Gross Household Income (€ 317.43 per week) under which the income of an unmarried parent must be in order to qualify for the retention of the Rent/Mortgage Interest Supplement while in employment. This amount has not increased since its introduction and is now totally inadequate to meet the needs of working unmarried parents.

A second issue with regard to Rent or Mortgage Interest Supplement is that where 50% of maintenance from the other parent is disregarded for One-parent Family Payment purposes the amount in total is taken into account for Rent Supplement purposes. The same disregard should apply to both payments.

Treoir recommends that 50% of maintenance payments in respect of children be disregarded in the Rent/ Mortgage Interest Supplement means test.

Treoir welcomes the proposals to place long term responsibility for accommodation with the Department of the Environment. We hope that it will have the effect of reducing the disincentives to return to work and education and we expect that the facilities to be put in place by the Department of the Environment will be such that unmarried parents (especially young parents) will have adequate accommodation and will have a choice of location, given their urgent support needs from family etc.

Treoir recommends the abolition of the restriction on rent supplement for young parents in full-time education.

Maternity Benefit

Difficulties have been emerging for women on Maternity Benefit. There are many women who wish to avail of Maternity Leave/Benefit and then return to employment but they have to seriously consider leaving work as they cannot meet the high cost of their rents while in receipt of Maternity Benefit only. Some Community Welfare Officers deem them to be in employment and therefore ineligible for Rent/Mortgage Interest Supplement. The same issue arises for women who qualify for maternity leave but do not have the required number of social insurance contributions in order to avail of Maternity Benefit.

Treoir recommends enabling women on Maternity Benefit to avail of Rent/Mortgage Interest Supplement during the maternity leave period and also that women who qualify for Maternity Leave and do not qualify for Maternity Benefit should receive Supplementary Welfare Allowance.

Child Benefit

Research indicates that households with children have twice the risk of poverty of those without. In addition, one-parent households have twice the risk of poverty than two parent households. One-parent households are therefore doubly disadvantaged. Increases in child income support over the past few years have centred on increasing Child Benefit and not increasing Child Dependant Additions. Child Benefit, while it has increased significantly over the years, nevertheless is insufficient to meet the daily requirements of rearing a child.

Treoir recommends continuing the policy of increasing Child Benefit to adequately reflect the actual cost of rearing a child in Ireland. (See recent Combat Poverty Agency annual report 149.50 per month recommended in 2002)

Treatment of cohabiting couples

Treoir has for a long number of years been highlighting the anomalies and inequities in the treatment of cohabiting couples in the tax code and also the disincentive in the Social Welfare system to form family units. The OFP Review found difficulty in arriving at “solutions” to issues around cohabitation, custody of children and formation of new relationships. The Review states that disincentives in the system to form relationships can only be resolved in a context where the status of individuals is not relevant to the support received. This would suggest an individualised system focussed on income support rather than contingency.

Given that the Working Group examining the Treatment of Married, Cohabiting and One Parent Families under the Tax and Social Welfare Codes could not agree on many of the issues it is difficult to see how to proceed in the absence of dialogue between the various parties concerned. Treoir recommended on numerous occasions that the Department of Social and Family Affairs should bring together consumers, policy makers, practitioners, academics to discuss how best to devise a fair system. Policies should encourage fathers to share in the parenting in general and not just in terms of maintenance. Currently the cohabitation rule discourages supportive family units because of fear of having the payments cut off.

The current system, which, it is acknowledged, has failed to resolve these issues, continues to encourage unmarried parents to deny cohabitation, thereby creating fraud. A system which creates, over time, independent entitlement is advocated in the NWCi report *A Woman's Model for Social Welfare Reform*, April 2003. We concur with this.

Treoir strongly believes that a complete overhaul of the Social Welfare System is necessary in order to deal with the issues of today. We feel strongly that the concept of dependency which is inherent in the social welfare system is now out of date.

Treoir recommends that the Department of Social and Family Affairs bring together the relevant parties in order to address the disincentives in the welfare system to form families.

Barriers to employment/education

Childcare

Our member organisations and our participation in the Teen Parents Support Initiative have informed Treoir's recommendations in previous pre-budget submissions about meeting the needs of young parents, based on this local experience over several years.

Recommendations concern especially the need to offer support to young parents to continue in education – within the formal or informal systems. A key focus has been on childcare and Treoir repeats its recommendation of last year that adequate, affordable, accessible, flexible childcare be made available to all parents, but especially unmarried parents and young unmarried parents. A comprehensive funding programme for childcare to support young parents to stay in school, further education or avail of training should be developed.

Cuts in childcare support

The recent cut in childcare support for participants with childcare responsibilities who are participating in VTOS and Youthreach is inexplicable. The timing and immediacy of the decision resulted in many participants being left, without notice, without the means to make alternative arrangements for childcare – resulting in having to opt out of the courses they were doing. The economic argument for supporting lone parents to avail of education opportunities in order to improve their life chances has been well made (NESF *Early School Leavers: Forum Report 2002*). The NESF report noted that in 1999, almost 13,000 young people left school before the completion of the Leaving Certificate and the report acknowledges that supports are still needed to enable young mothers to remain at school, particularly in relation to childcare. Work ongoing with young parents indicates that support for their continuing in education is essential if they are not to become trapped in welfare dependency indefinitely.

The current system actually encourages young women who become pregnant or have children to drop out of school as young women must be two years out of school to avail of the Back to Education Programme and its supports. It is vital that young parents are encouraged and facilitated to remain in school if that is their choice.

Treoir recommends that adequate, affordable, accessible, flexible childcare be made available to all parents, but especially unmarried parents and young parents.

A funding programme for childcare to support young parents to stay in school, further education or avail of training should be developed. There should be no disincentives to remaining in school.

Education and training

The provision of appropriate education and training for lone parents is essential if they are to gain adequately paid employment in order to lift themselves out of poverty. A. McCashin in *Employment Aspects of Young Lone Parenthood in Ireland* states that “if policy is specifically directed at herding large numbers of low skill, low income women into low paid employment or into ‘schemes’, without real training and secure child care, then it may fail.” A national strategy to implement appropriate training for unmarried parents at local level with all the necessary supports is essential, especially for young parents. This would be in line with the Government’s strategy to reduce child poverty through facilitating the transition from unemployment to employment, though only where it is the decision of the parent to (re)enter the workforce rather than continuing as a full-time parent.

Treoir recommends the development of a national strategy to implement appropriate training for unmarried parents at local level with all the necessary supports especially for young parents.

Treoir recommends the abolition of existing allowances and grants in the education and training sector and the introduction of a One-Parent Family Education and Training Supplement to cover childcare costs and other costs associated with education. This payment should be paid by the Department of Social and Family Affairs.

Treoir recommends that the conditions of the Back to Education Allowance be changed in order to allow young parents to apply at any stage during their study.

Treoir recommends that the qualifying period for the BTEA be changed back to 6 months claiming the One Parent Family Payment.

Treoir recommends that the Third Level Higher Education Grants system be changed in order to allow young parents to be assessed on the basis of their own income, disregarding that of their parents, regardless of where they reside.

Family-friendly work policies

The development and promotion of family-friendly work policies which recognise the dual role of employees as parents and as workers is essential. The Government committed itself under the National Development Plan to meeting the diverse needs of parents and children through supporting the development of family friendly policies in the workplace. We see little evidence of such developments.

We urge the Government to seriously and urgently address issues of family friendly work policies.

Non Irish Unmarried parents and their children

The National Information Centre for unmarried parents has seen an increase in the number of calls from unmarried parents who are non-Irish in the past few years. We are concerned that the recently introduced residency requirement may lead to high levels of poverty and social exclusion among this group.

We recommend that cognisance be taken of the fact that non-Irish unmarried parents and children have the same income support needs as other families.

Simplifying the Social Welfare System/Information Giving

Great advances have been made in the development of schemes and education opportunities of which unmarried parents can avail but the complexities of the different schemes and the interaction with the secondary benefits, income tax etc is very difficult to grasp. There are now a plethora of schemes and supports available to unmarried parents who are (re)entering the workforce and there can often be a difficult decision to make as to which is the most beneficial route to follow. Many unmarried parents do not have all the information necessary to make this decision.

Treoir, with the financial assistance of the Department of Social and Family Affairs, has published an information booklet on work and educational opportunities for lone parents, “*Work it Out*” a guide for lone parents entering or re-entering the workforce, education or training. However the Department itself needs to continue to make greater efforts to make the public aware of current Social Welfare entitlements and also to streamline the existing system into a more simple model accessible to the public.

In simplifying the system there is a danger that what flexibility is within the system is reduced. However, understanding that it is essential to retain flexibility (especially, for example in the allocation of Rent/Mortgage Interest Supplements – where the market controls prices), it is essential that some coherence and simplicity is introduced – to enable unmarried parents to be in receipt of their entitlements and to be advised of options they may make in the future.

Treoir recommends that the Department continue to disseminate accurate information to its client base and to continue to support voluntary efforts in order that accurate information is available to the public.

SUMMARY OF RECOMMENDATIONS

Treoir recommends an increase in One-parent Family Payment as well as an increase in the level of the earnings disregard which will allow recipients of One-Parent Family Payment to live above the poverty line.

It should be each parent's individual decision whether to participate in paid employment outside of the home or to work within the home and that state support should be forthcoming regardless of which option parents choose.

Treoir strongly recommends that the amount of maintenance sought from fathers should not exceed the amount of the Child Dependant Addition of the Social Welfare Payment. (If fathers wish to contribute more to their children then that is a private matter and of benefit to the children concerned).

Difficulties identified in the operation of the Maintenance Recovery System need to be addressed.

Treoir recommends a phased withdrawal of Rent/Mortgage Interest Supplement for part-time as well as full-time workers.

Treoir recommends that the amount of Gross Household Income be reviewed upwards in order to increase the incentives for unmarried parents to re(enter) the workforce.

Treoir recommends that 50% of maintenance payments in respect of children be disregarded on the Rent/Mortgage Interest Supplement means test.

Treoir recommends the abolition of the restriction on rent supplement for young parents in full-time education.

Treoir recommends enabling women on Maternity Benefit to avail of Rent/Mortgage Interest Supplement during the Maternity Leave period and also that women who qualify for Maternity Leave and do not qualify for Maternity Benefit should receive Supplementary Welfare Allowance.

Treoir recommends continuing the policy of increasing Child Benefit to adequately reflect the actual cost of rearing a child in Ireland. (€149.50 per month recommended by the Combat Poverty agency in 2002)

Treoir recommends that the Department of Social and Family Affairs bring together the relevant parties in order to address the disincentives in the welfare system to form families.

Treoir recommends the mainstreaming of the Teen Parent support Initiative in order that young parents in areas not currently covered by the Initiative will be able to avail of it.

Treoir recommends that adequate, affordable, accessible, flexible childcare be made available to all parents, but especially unmarried parents and young parents. A funding programme for childcare to support young parents to stay in school, further education or avail of training should be developed. There should be no disincentives to remaining in school.

Treoir recommends the development of a national strategy to implement appropriate training for unmarried parents at local level with all the necessary supports especially for young parents.

Treoir recommends the abolition of existing allowances and grants in the education and training sector and the introduction of a One-Parent Family Education and Training Supplement to cover childcare costs and other costs associated with education. This payment should be paid by the Department of Social and Family Affairs.

Treoir recommends that the conditions of the Back to Education Allowance be changed in order to allow young parents to apply at any stage during their study.

Treoir recommends that the qualifying period for the BTEA be changed back to 6 months claiming the One Parent Family Payment.

Treoir recommends that the Third Level Higher Education Grants system be changed in order to allow young parents to be assessed on the basis of their own income, disregarding that of their parents, regardless of where they reside.

We urge the Government to seriously and urgently address issues of family friendly work policies.

We recommend that cognisance be taken of the fact that non-national unmarried parents and children have the same income support needs as other families

Treoir recommends that the Department continue to disseminate accurate information to its client base and to continue to support voluntary efforts in order that accurate information is available to the public.

REFERENCES

Barnardos, *Children Living Without*, Dublin 2003

Combat Poverty Agency Annual Report 2002.

Commission on the Family: Strengthening families for life. Government publications 1998.

Centre for Social and Educational Research : The Invisible Student? Young parents in education. Discussion paper by Sinead Riordan, 2002

Centre for Social and Educational Research: "I hadn't a penny" A Review of State Income Supports Available to Young Parents. Discussion paper by Sinead O'Riordan, 2002

Department of Social Community and Family Affairs : Review of the One Parent Family Payment. Programme Evaluation Report no 7. 2000.

Joint Committee on Family, Community and Social Affairs : Teenage Parenting Contemporary Issues 2001.

McCashin, A : Employment Aspects of Young Lone parenthood in Ireland. Irish Youthwork Press, Dublin 1997

National Anti Poverty Strategy : Ireland, National Action Plan Against Poverty and Social exclusion (NAPPincl) 2001/2001

National Economic and Social Forum : Early School Leavers : Forum report 2002, Dublin.

National Women's Council of Ireland, A Woman's Model for Social Welfare Reform, Dublin, April 2003.

OPEN : Living on the Book. Dublin 2004.

Dr. Valerie Richardson : Young mothers, a study of young single mothers in two communities. Vincentian Partnership. 2000.

Vincentian Partnership for Justice : One Long Struggle. 2001.

