

# **Opening Statement to Joint Committee on Social Protection, Community and Rural Development - *Impact of means testing on the Social Welfare System* - May 2024**



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## **Introduction**

One Family is grateful for the invitation to be here today and we're genuinely pleased that the topic of means testing is being looked at. We are keen to bring the experience of one-parent families into this important discussion.

We acknowledge the recent changes made around child maintenance and the liable relative provision as this something that One Family and other organisations have long campaigned for.

It also demonstrates that reform is possible if the political will is there. With this piece through the Committee and with the Minister initiating a Department review around means testing, we remain hopeful that substantial reform is possible.

## **Context**

You will be aware that lone parent households are consistently over-represented across all metrics-poverty, deprivation, housing insecurity and family homelessness. Lone parents and their children remain one of the most socially and disadvantaged groups in Ireland and have been for decades.

We hear from parents every day who talk of feeling distressed and anxious. They tell us how fearful they are the system will let them down. And too often it does. This is the time when they need compassion, trust, and support from the state the most. It is our belief that the social protection system should act as a safety net that protects, reassures, and helps to build people back up, not one that stigmatises, pushes parents and their children further into poverty and traps them there for years to come.

## **Flexibility and Adaptability**

The system must be flexible and adaptable. In relation to means testing, we currently have an all or nothing situation. If you earn €5 a week more than the threshold set for that payment, you are entitled to zero. Tapered supports should be considered, particularly given recent SILC data related to deprivation levels for those on low to middle incomes.

The current system assumes a male breadwinner model with marriages that last a lifetime. We know that people move in and out of durable relationships over the course of their lifetime. Support needs for those parenting alone or who are in shared parenting arrangements may change over time as a result. The system is failing to keep up with contemporary Ireland and needs to be more fit for purpose.

## **Complexity**

You recently heard from Dr Ray Griffen from SET who told you how he had measured the DSP written guidelines and found you would need a university standard of education to understand it. That is a sad reflection of how complex and arbitrary the system is.

We regularly hear how even INTREO staff have provided incorrect or insufficient advice to service users. And what about parents with low literacy levels, learning disabilities or language barriers? This only adds to feelings of shame, fear, and anxiety.

With complexity can comes hesitation. We regularly hear from parents who feel it might be too risky to make changes in their lives, such as a return to education, even though they know this will benefit them and their children over the long term. They worry about losing benefits and access to HAP, medical cards, fuel allowance etc.

We agree with other stakeholders including the Citizens Information Board and NESC, that a centralised means testing system is required. Currently, if you are applying for more than one means-tested payment you must complete multiple applications. This creates undue stress on parents and is an inefficient use of resources of the state. We can see how a single means testing system might be possible if we look to how Child Benefit and the NCS operate.

## **Irregularities**

- 1.** Across social assistance schemes, income disregards and income thresholds can differ. (eg-OPFP, JST, DA, CA)
- 2.** We need to ensure any disregards, means testing and income thresholds for secondary benefits including Back to School Clothing and Footwear Allowance, National Childcare Scheme, and the Medical Card are automatically raised in line with any core social welfare payment and/or the National Minimum Wage increase.

If parents are on a JST and working part-time and on minimum wage, and when the SW payment and NMW increased, they found they were no longer eligible for the highest NCS subsidy rate as their reckonable income increased but the income thresholds were not reset. The increase in childcare costs took all the good out of the wages increase and defeated the entire purpose of such a raise.

- 3.** Even within schemes, how you earn your living can determine the payment level you will receive and will impact eligibility for secondary benefits including the medical card. (employed v self-employed)
- 4.** Housing costs for rent or mortgage payments disregard is still at a maximum rate of £75 punts (€95-23). This has not been increased in over twenty years despite our calls to do so.
- 5.** Cliff edges exist in the form of arbitrary age thresholds for OPFP and JST. Is it assumed that both the development of the child and the material circumstances of lone parents magically alter once a child moves from six to seven or from thirteen to fourteen years old?
- 6.** When working irregular, casual, or seasonal work, DSP extrapolate this across the rest of the year. Even though the employment has ended, or hours have reduced, parents are still being means tested for an income level they no longer receive. There is no flexibility in the system built in around a change in circumstances for core SW payments. WFP is set for 12 months.

**7.** When moving from one payment to another (such as OPFP to JST), parents can too often face delays, or their claim may be denied, and a review or appeal necessary. While waiting on a decision, parents can make an application for Supplementary Welfare Allowance (SWA). However, capital threshold disregards are much lower for SWA than for other payments (OPFP & DA).

Waiting times for SWA can also vary across the country which is extremely concerning when parents and children are in very serious and immediate financial need.

**8.** WFP rules state you must work 38 hours or more every fortnight (19 hours a week). These hours apply whether you are a two-parent household or parenting alone. This situation fails to consider the extra caring responsibilities a lone parent has. If a minimum hour's threshold is necessary, it should be reduced to fifteen hours a week for this cohort.

There is merit too at looking at a tapered version of WFP for those working but who are unable to meet the threshold in its entirety.

**9.** Despite recent positive changes, there remains some payments and services that still include child maintenance payments as means, irrespective of whether maintenance is paid on time, in full or even at all. These include medical cards, NCS, SUSI and Students Assistance Fund.

**10.** When assessing for HAP and Social Housing differential rents, each Local Authority has their own scheme in place. Many still classify child maintenance as means and rents are higher for some lone parents as a result.

**11.** Social Housing applications impose income thresholds that continue throughout the entirety of their time on the waiting list. Lone parents feel they must limit their earning potential to remain eligible.

This policy is pushing one-parent families into yet another poverty trap. They are unable to afford rent or a mortgage either way and time on lists are 10+years in some areas.

## **Conclusion**

The anomalies we have pointed out are just some of those that exist within the system today. We know this is a result of ad hoc and incremental policy change made over the years. We believe a full analysis and review of the entire Irish social welfare system, to include issues around means-testing, is necessary if we want to create a fair, equitable and efficient system dedicated to looking after all those who live here, from cradle to the grave.

This will of course require significant investment, by way of more targeted supports for lone parents and their children including increases in benchmarked core social welfare rates to allow lone parents and their children have a decent standard of living and accessible opportunities to support them in reaching their full potential. The system needs to be able to provide certainty to one-parent families and offer meaningful pathways out of poverty.

Many thanks for your attention and time today and I am happy to answer any questions you may have.

Ends.