

Submission to Oireachtas Committee on Social Protection, Community, Rural Issues and the Islands - Pre-Budget 2025 - May 2024



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Introduction

One Family welcomes the invitation to make a pre-Budget submission to this Committee ahead of Budget 2025. We will outline our priority asks that fall under the remit of the Department of Social Protection and which we know could make significant positive impact on the lives of thousands of lone parents and their children across the country.

About One Family

One Family is Ireland's national organisation for people parenting alone, sharing parenting, and separating. We were established in 1972 as Cherish and provide specialist parenting, therapeutic and family support services around Ireland. Children are at the core of our work, and we seek to improve their lives by empowering, supporting and up-skilling their parents. We campaign against child poverty, for reform of the family justice system and for the State to recognise and cherish all families equally, regardless of their marital status. More information on One Family can be found at www.onefamily.ie. This submission is informed by our direct work with one-parent families and our role representing these families at a local and national level over more than 50 years.

One Family provide a national helpline for lone parents. We saw a 39% annual increase in contacts made last year, more than double the rate of increase between 2021 and 2022. Most contacts relate to significant income inadequacy issues, housing insecurity and complexities related to accessing the Social Protection system. This demonstrates to us very clearly that poverty continues to tighten its grip around one-parent families and the State must do more to support lone parents and their children.

One-Parent Families in Ireland

There are almost 220,000 one-parent families in Ireland today, making up one in four of all families with children. Almost 85% of those are headed by women, while just over 15% are headed by men.¹ One in six and half of all children (15.5%) live in a single parent family household.² These families are not a homogeneous group and come in all shapes and sizes. However, one constant remains. Lone parents and their children remain one of the most socially and disadvantaged groups in Ireland and shamefully, have been for decades.

¹ CSO Census 2022

² State of the Nation- Department of Children, Equality, Disability, Integration, and Youth 2024
<https://www.gov.ie/pdf/?file=https://assets.gov.ie/292960/3259a3ae-1752-4384-b5e1-5756d8c915f0.pdf#page=null>

Economic Context

One-parent families have consistently been more at risk of experiencing poverty and deprivation than two-parent households. One-parent families have the lowest disposable income of all households with children in the State and deprivation levels remain persistently high at 41.4%, almost two and half times higher than that of two parent households.³ On almost every available metric-income inadequacy, rent arrears, energy bill arrears, disconnection figures, housing insecurity, homelessness, or food poverty, lone parents and their children have been and continue to be consistently and disproportionately impacted.

As decisions are now being made in the lead up to the announcement of Budget 2025, attention will certainly be drawn to declining inflation, with many commentators calling the Cost-of-Living Crisis all but over. It cannot be forgotten however, the extraordinary rise in the cost of goods and services that have been experienced over the last three years. Inflation rates increased by 5.4% in one year alone between 2021 and 2022.⁴ The CSO Consumer Price Index reported that goods and services costing €100 in April 2021, are almost 20% more in April 2023.⁵

The unprecedented increases in the cost of running a household on only one income, coupled with the loss of purchasing power, means that one-parent families have borne the brunt of the impact across multiple crises. If Government are serious about eradicating child poverty and significantly reducing rates of enforced deprivation, is time now that the State provide targeted, sustained supports to lone parents and their children.

Social Protection System

Core social welfare rates and qualified child payments have failed to keep pace with inflation over the past four years. This means that lone parents have experienced a real term cut to their incomes.⁶ One-parent families on lower incomes have lost considerable purchasing power as a result.

Income inadequacy and poverty is not a temporary situation for many one-parent families. One-off measures are not the answer to a decades long issue, nor can they continue to feature in future Budgets indefinitely. We are deeply concerned that poverty rates will spike once again for lone parents and their children if the Government fails to provide adequate social welfare payments.

Recommendations:

- Core social welfare payments to be permanently increased to effectively restore purchasing power for one-parent families at 2020 levels.
- Budget 2025 must ensure that social welfare payments and the National Minimum Wage are appropriately benchmarked to the cost of a Minimum Essential Standard of Living (MESL), so that the essential needs of lone parents and their children are met.

³ 2023 Survey on Income and Living Conditions (SILC)

⁴ <https://www.macrotrends.net/global-metrics/countries/IRL/ireland/inflation-rate-cpi>

⁵ <https://visual.cso.ie/?body=entity/cpicalculator>

⁶ https://www.esri.ie/system/files/publications/QEC2022WIN_SA_DOOLAN.pdf

- Child Maintenance should be disregarded as means for all social assistance payments and secondary benefits including the National Childcare Scheme, Medical Card, SUSI grant, Students Assistance Fund and Legal Aid.

Make Work Pay

Lone parents must apply for the Job Seekers Transitional Payment (JST) once their youngest child turns seven. On this payment, they are no longer eligible for the Working Family Payment (WFP). JST is only paid until the youngest child reaches 14 years. Income disregards for both OFP and JST remain at €165, despite increases to the National Minimum Wage rate, and income thresholds increasing for WFP, meaning lone parents now receive even less support.⁷

To be eligible for WFP, households must be working a minimum of 38 hours a fortnight. This threshold applies whether it's a two-parent or lone parent household. A lone parent is at a significant disadvantage as they are just one person and have sole responsibility to care for their child/ren.

Recommendations

- Jobseekers Transitional Payment (JST) should be extended from 14 years to 18 years, or once their youngest child has completed full-time education.
- Recipients of JST should be entitled to Working Family Payment (WFP) to help encourage more lone parents into work or education.
- Income disregards for One Parent Family payment and Jobseekers Transitional payment currently stands at €165 per week. This should be increased to €205 to further encourage lone parents to take up employment and/or increase their hours of work.
- Working Family Payment hours threshold should be reduced to 30 hours a fortnight for lone parents in employment.

Targeted supports to help eradicate Child Poverty

The Vincentian MESL Research Centre forecast that Budget 2024 will only provide 81% of MESL need to a lone parent with two children (one in primary and one in secondary school), who is in receipt of social welfare payments.⁸

The Qualified Child Increase is considered a both a progressive and targeted measure as it reaches those on the lowest incomes much more than an increase to universal child benefit can.⁹ Research is clear that the cost of raising a child over the age of 12 increases quite considerably and this was recognised by Government when in 2019, an age differentiation was put in place. However, over the last two years, only small flat rate increases have been provided for. This has not only reduced purchasing power but has also eroded the differentiation.

⁷ https://www.budgeting.ie/download/pdf/mesl_impact_briefing_-_budget_2024.pdf

⁸ . https://www.budgeting.ie/download/pdf/mesl_impact_briefing_-_budget_2024.pdf

⁹ https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2023/2023-09-27_pre-budget-2024-selected-impacts-on-households_en.pdf

Recommendations

- Qualified child increase must at a minimum be restored to 2020 levels of purchasing power for one-parent families.
- The age differential within the qualified child payment must be protected and restored to ensure that the 12 and over payment is at least 20% higher than under 12s.

Targeted supports to help eradicate Energy Poverty

Lone parents have less disposable income than two-parent households and must spend a greater proportion of it on essentials including energy bills. Last year, one in five one-parent families went into debt to meet essential living expenses.¹⁰ While emergency energy credits have helped in the short-term, a more progressive and targeted approach would be to increase Fuel Allowance and expand eligibility to families in receipt of the Working Family Payment.¹¹

Recommendations

- Fuel Allowance rates should be raised to reflect actual energy costs and increase from 28 to 32 weeks.
- Eligibility for fuel allowance should be widened to include families in receipt of Working Family Payment.

Means Testing issues

One Family hears from parents every day who talk of feeling distressed and anxious, from all walks of life. They tell us how fearful they are of the system, that it will let them down. And too often it does. This is 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 supports families to live a dignified life, 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. The current system assumes a male breadwinner model, yet 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.

¹⁰ CSO

¹¹ https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2023/2023-09-27_pre-budget-2024-selected-impacts-on-households_en.pdf

Recommendations

- Tapered supports should be considered to eliminate steep cliff edges, particularly given recent SILC data related to deprivation levels for those on both low and middle incomes. For lone parents, a tapered approach could be considered initially for the transition from One Parent Family Payment to Job Seekers Transitional Payment.
- The hours limit regarding Carers Allowance/Benefit and Working Family Payment would benefit enormously from a tapered approach. If someone chooses to take up employment and works too little or too much, and still on a low income, this flexibility could encourage more people to take up employment that fits around their caring responsibilities.

Complexity and Anomalies regarding Means Testing

Karen Kiernan (CEO of One Family) and I recently gave evidence before this Committee on the 29th of May in relation to means testing. We were kindly invited to expand on the issues we raised, and this next section looks to do just that.

This Committee also recently heard testimony from Dr Ray Griffen from SET who advised that he had measured the DSP written guidelines and found a person would need a university standard of education to understand it. We regularly hear from service users that INTREO staff have provided incorrect or insufficient advice to them. For anyone with low literacy levels, learning disabilities or language barriers, it is even more problematic.

With complexity can come uncertainty and hesitation. We regularly hear from parents who feel it might be too risky to make changes in their lives, such as take up a job or make 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.

Recommendations

- Review written guidelines to make them easier to understand.
- Ensure INTREO staff can properly help and advise service users of their rights and entitlements and are encouraged to do so.
- Review gaps where secondary benefits may be lost by moving from one core payment to another. For example, when moving from One Parent Family Payment (OFP) and working part time for 19hrs a week, they can also claim Working Family Payment (WFP). When the youngest child turns seven, the parent must then come off OFP and apply for Job Seekers Transitional Payment (JST), even if they are in work. However, they are not entitled to WFP while on JST, which is highly illogical given JST was devised as a payment with a work activation clause included.

- Establish a centralised Means Testing system.

Irregularities

1. Across social assistance schemes, income and social welfare payment disregards, capital means as well as income and hours thresholds can differ.

Eg- WFP is not considered as means for OFP, but when moving to JST, they are no longer eligible for WFP.

Eg-capital means for Basic Supplementary Welfare Allowance is only €5,000 but increases to €20,000 and €50,000 for other payments.

Recommendations

- Review schemes and consider harmonising rules but only to match better terms of other payments rules.
- Ensure that core payments at a minimum restore purchasing power to 2020 levels and benchmarked thereafter.

2. When changes are made to payments and the National Minimum Wage (NMW), secondary benefits are not always considered as part that change. For example, lone parents on low incomes were eligible for the highest National Childcare Scheme (NCS) subsidy. However, when the NMW increased this year, the income threshold for NCS was not also raised to match this increase. These parents then found that though their wages had increased, their childcare costs went up result.

Recommendation

- 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.

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.

Recommendation

Harmonise income disregards for OPF and JST, whether employed or self-employed.

4. Cliff edges exist in the form of arbitrary age thresholds for OFP and JST. Child development does not alter significantly from age six to seven or thirteen to fourteen and child care is not free or affordable for lone parents.

Recommendations

- Extend JST until youngest child is 18 or completes full-time education or simply scrap JST and extend OPF until youngest child is 18 or completes full-time education. They will then be entitled to apply for WFP, which if tapered and more flexible, could act as a work activation incentive that works for everyone.
- Provide free childcare places to lone parents on lower incomes.

5. 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.

Recommendation

Make it less difficult for lone parents to work different hours. This could be done by allowing working parents to provide a reconciliation at regular intervals online. This could also be connected to a centralised means testing system once it is in place.

6. When moving from one payment to another (such as OFP 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 Basic Supplementary Welfare Allowance (SWA). However, capital threshold disregards are much lower for SWA than for other payments (OFP/JST or 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.

Recommendation

Capital means allowance for SWA is set at just €5,000. If an application for SWA is made while waiting on a decision regarding OPF or JST (or other welfare payment), mirror the capital means allowance of the relevant payment to ensure their claim is not denied during that waiting period.

For example, increase the capital means allowance for SWA to €20,000 if the claimant is waiting on a decision while moving from OPF to JST whose own capital allowance means is set at €20,000.

7. 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.

Recommendations

- If a minimum hour's threshold is necessary, it should be reduced to fifteen hours a week for one-parent families.
- We would like to see the introduction of a tapered version of WFP for those working but who are unable to meet the threshold in its entirety. This would allow more lone parents to find employment that fits around their caring responsibilities.

8. 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 and Legal Aid.

Recommendation

Remove child maintenance as means for all secondary benefits and schemes.

9. 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.

Recommendations

- Request that all Local Authorities review their differential rent schemes to ensure that lone parents and their children are paying a fair and affordable rent. Child maintenance should not be considered as means as well as secondary benefits including Fuel Allowance, Carers Benefit/Allowance, Working Family Payment and Educational scholarships.
- Consider reducing the differential rent where a top-up has to be paid to a private landlord while in receipt of a housing payment such as HAP.

10. 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.

Recommendation

There now exists a significant inequality whereby social housing applicants, who go on to find HAP accommodation and are therefore considered as housed, can pursue higher earnings over and above the income thresholds set by Local Authorities for eligibility for social housing. Their differential rent is simply adjusted to reflect any increases in income. However, if a social housing applicant cannot access a HAP property, they must choose to earn below this income threshold in order to stay eligible for social housing but wait many years to be housed, effectively forcing them into a poverty trap, or earn more than the threshold, wait for years to be offered a property only to be turned down and removed from the social housing after a financial assessment is carried out to check their earnings fall below the income eligibility.

Conclusion

In the long-term, we would welcome a full analysis and review of the entire Irish social welfare system, to include issues around means-testing and benchmarking, to help create a fair, equitable and efficient system dedicated to looking after all those who live here, from cradle to the grave.

For Budget 2025, their aftermath of the cost-of-living crisis remains with us and a lot of catch up is required. Poverty amongst one-parent families was a huge issue before energy prices rocketed and will remain persistent without more targeted supports for lone parents and their children. These should include increases in their core social welfare payments and for Qualified Child increases as well as changes to Working Family Payment and Fuel Allowance eligibility. These changes would provide more certainty for one-parent families and offer meaningful pathways out of poverty.

We would like to thank all members of this Committee for taking the time to read through our Social Protection asks ahead of Budget 2025. We understand that difficult decisions must be taken. We only ask that such decisions are evidence based and targeted.

We would welcome any opportunity to speak with Committee members in the future on this or related issues and thank you again for your work related to this Department.