



IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED

Response to the Social Welfare and Pensions Bill 2012

Introduction

The Social Welfare & Pensions Bill (SW&PB) 2012 published on the 5th April 2012 did not contain a number of sections that the INOU has expected as they had been flagged in Budget 2012. The Minister for Social Protection, Joan Burton, T.D. noted that these sections would be included in the Committee Stage of the process: a process that has been shoehorned to such an extent that it has left very little time for proper engagement on the wording in the legislation and even less for discussion on more appropriate methods of addressing the range of issues these amendments seek to address.

The INOU shares the concerns raised by OPEN and the NWCI about the proposed changes to the One Parent Family Payment and the gender implications of many of the proposed changes to the pension regime. In particular, the State pension where the reduced payment for those with a lower average PRSI contribution over their working life will affect those who undertake invaluable child and other caring roles: who are then out of the labour market and who are invariably women. This submission will focus on issues of particular concern to Jobseekers and will be dealt with as they arise in the amendments made to the published Bill.

New Section 8 Sub-section 12

This Section was published on 23rd April under the fourth set of amendments made to the SW&PB. Of particular concern to the INOU is Sub-section 12 which deals with “Entitlement to mortgage interest supplement”. At one level the Government is to be commended at putting it up to the Banks et al to engage with mortgage holders who are facing difficulties and encouraging them to seek alternative

arrangements that will facilitate people to manage their debts and maintain their own homes. However, it is very questionable if the proposal to withhold Mortgage Interest Supplement (MIS) supports from unemployed people and other social welfare recipients until they are long-term recipients will produce such an outcome. Indeed it strikes the INOU that at a time when an individual is at his or her most vulnerable, when they have just lost their job, that they will be expected to negotiate with powerful institutions in a more commanding position. Under this amendment it is the unemployed person, the social welfare recipient who will be penalized and who may well have lost their home by the time they acquire an entitlement to apply for MIS. The INOU is keenly aware from our welfare rights work that accessing MIS is difficult – illustrated by the fact that only 17,648 accessed in 2010¹ in comparison to 97,260 people in receipt of Rent Supplement. Of those on MIS the single biggest group were people on Jobseekers Benefit, 4,077 or 23% - any unemployed person who is in receipt of JB full-time will no longer be eligible for MIS as their JB entitlement will have run out before any entitlement to MIS will arise. In 2010 almost 44% of those in receipt of MIS were receiving it for less than a year. MIS should play a role in assisting people to manage the shock of unemployment and be part of a suite of supports available to unemployed people to facilitate them to get back to work as soon as possible.

☞ **The INOU therefore urges that this amendment under section 8.12 is removed from the Bill.**

New Section 8 Sub-section 14 (1) (4)

The INOU is concerned that the following section *“(4) A landlord who fails to comply with a request made by a designated person within the prescribed period in accordance with this section shall be guilty of an offence.”* In particular the organisation is concerned that no decision made under this sub-section would have a detrimental impact on the social welfare recipient who is a tenant of such a landlord. It is important the person guilty of the offence is the one who is dealt with and in an appropriate manner.

¹ Ref: ‘Statistical Information On Social Welfare Services 2010’, published by DSP

New Section 8 Sub-section 16

In this Section changes will be made to the social welfare entitlements of people on Jobseekers Benefit who secure part-time employment. It strikes the INOU as extraordinary that at a time of high unemployment, at a time when significant full-time job growth is but a distant memory that the social welfare system is becoming less employment friendly and less flexible. The most useful activation measure the State could introduce would be to change the concept of part-time work built into the social welfare code from one based on days worked in the week to hours worked. This would allow unemployed people build up and maintain their connections in the labour market, it would facilitate employers to take people on when they are unsure if there is sufficient paid work for them and it would support more employment friendly economic growth that could be built on as the economy recovers.

☞ **The INOU therefore urges that this amendment under section 8.16 is removed from the Bill and replaced with one that facilitates unemployed people to take-up part-time work and develop their own links to the labour market.**

New Section 8 Sub-section 17

Sub-section 17 proposes to give additional powers to Social Welfare Inspectors. The introduction of these powers is being sought by the State to deal with issues of concern that some people are claiming social welfare payments who are not actually resident in Ireland even though for Jobseekers payments, for example, a recipient is expected to be living and genuinely seeking work in Ireland. However, it is also important to note that unemployed people can apply to transfer their JB to another EU country and seek work there.

Of particular concern to the INOU is the following Section 17 (a) (ii) *“request such person to produce to that inspector any documents or other information as that inspector may reasonably require for the purposes of establishing the identity, and, where appropriate, the habitual residence, of that person.”*

While it is possible to establish the identity of a person at exit or entry into a country it is not feasible to ascertain if the person is habitually resident or not: there is no document can be produced in such circumstances to establish habitual residency. The INOU would also be concerned at the singling out of social welfare recipients for such treatment.

Clearly it is essential that Ireland has a robust social protection system: one that strives to deliver a world class service to its recipients and one that engages with them on a regular basis so that people are aware of their entitlements and are fully informed on all of the options available to them to support them to get back to work. The INOU has long argued that the development of such a pro-active and supportive service would more productively address issues of control and would ensure that unemployed people and other social welfare recipients view the social protection system as being there for them: to assist them when required financially and to provide them with good advice and guidance. A relentless focus on control will not provide such a service and indeed may hamper if not damage its emergence. A culture of enablement must be at the heart of the reform of the social protection and employment services system: a development that would be more effective, efficient and equitable now and into the future.

Thank you for your time and consideration

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