

# **Issues Relating to Disability Allowance and Domiciliary Care Allowance Social Welfare Payments**

## ***A Citizens Information Board Submission to the Advisory Group on Tax and Social Welfare***

### **Introduction**

Further to our previous submissions to the Advisory Group on Tax and Social Welfare, the Citizens Information Board (CIB) welcomes the opportunity to make a submission on the eligibility criteria and underlying rationale for Disability Allowance and Domiciliary Care Allowance payments to young people.

The CIB is aware of the widespread concern expressed by people with disabilities and their families, the wider public and disability organisations about the options which were proposed initially as part of Budget 2012 provisions. Recent feedback from CIB delivery partners indicates the following as areas of concern:

- The proposal to bring DA payments to young people in line with Jobseeker's Allowance payments would result in a significant reduction in income for young people aged under-25 – under current payment rates €4,576 per annum for those aged 18-21 and €2,288 a year for people aged 22 to 24.
- Transfer to Disability Allowance from Domiciliary Care Allowance represents a significant increase in income (from €309.50 to €752.00 per month) and is an important consideration for families. This is particularly relevant for families incurring additional costs associated with a child/young person's disability.
- There is a need for any proposals to take full account of the additional costs incurred by households with a person with a disability (whether a child or adult).
- The fact that recipients of Disability Allowance are not eligible for new activation measures such as the Tús Scheme, the Springboard Programme and the JobsBridge Initiative puts such people in a different position to other young unemployed people. This matter should be dealt with as part of any mainstreaming of DA payment structures being considered.
- The entitlement to secondary benefits associated with Disability Allowance such as a free travel pass and companion pass is of special value to parents caring for a young person with a disability.

## **Mainstreaming of Disability Payments**

Aligning Disability Allowance with Jobseeker's Allowance in the context of mainstreaming and integrating disability payments within the broader social welfare system merits further active consideration. However, the following factors need to inform the deliberations:

Firstly, the rationale for the reductions to the Jobseeker's Allowance introduced in April 2009 may not be applicable to many young people with disabilities, *viz.* "receiving the full adult rate of a jobseeker's payment at 18 years of age, without a strong financial incentive to engage in education or training, can lead to welfare dependency from an early age" (Minister for Social and Family Affairs PQ 15794/09). The reality is that the majority of young people who are awarded Disability Allowance at the age of 16 years have a lifelong disability that will seriously affect their potential to take up mainstream employment. It is likely that in many instances it is not the receipt of Disability Allowance that is the significant factor in a person taking up a job but rather the lack of suitable job opportunities for people with a disability. This is clearly evident in the case of people with reduced capacity. The proportion of workers with a disability (5-6% of the total workforce) has remained relatively unchanged since 2003.

Secondly, it is important that cognisance is taken of the additional costs associated with disability. Research has continually pointed to the fact that the cost of living for households with a person with a disability is generally higher than for the rest of the community – higher medical costs, paying for disability aids and home adaptations, the cost of transport, help with care and higher costs on day to day living.

Thirdly, research shows that people with disabilities are a group which is highly vulnerable to poverty. For example, the most recent EU-SILC data shows that four out of ten people not at work due to illness or disability experienced a deprivation rate of 42.8%, compared to a rate of 22.5% for the State and 12% for those at work. This was an increase from 35.7% in 2009.

Fourthly, the situation of people with disabilities generally does not compare favourably with that of those who do not have a disability in relation to, for example, educational outcomes, employment opportunities, activation supports and public transport.<sup>1</sup>

## **Cost of Disability**

It is recognised nationally and internationally that people with disabilities incur many extra living costs as a result of their disability and that these include above average transport and heating costs. The Indecon Report on the Cost of Disability, published by the NDA in 2004, showed that people in Ireland face extra costs of living related to disability over and above those which are currently met by state services or supports, for example extra costs for heating or transport.

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<sup>1</sup> See *A Social Portrait of People with Disabilities* (2011), ESRI and Department of Social Protection.

## **Developing a More Integrated Approach to Meeting the Income Support Needs of People with Disabilities across the Life-cycle**

There are three inter-related approaches required to dealing with the income and welfare needs of people with disabilities:

- Promoting employment and financial independence for people with disabilities who can work
- Ensuring adequate levels of income for those who depend on social welfare
- Providing additional assistance with meeting the extra costs of disability

### **Supporting Community Integration**

One of the objectives of the Disability Allowance payment scheme should be to promote the participation in economic and social life of people with disabilities, including, in particular, supported employment. To this end, and as part of the income support system, it is essential that assessment of employment ability should be carried out with a particular focus on providing the necessary supports to maximise participation. Where a person is assessed as not being able to work (in the conventional sense), but is able to engage in alternative activities which enable him/her to participate in society, (e.g., through training, education or participation in social and community activities), supports should be available to assist in this regard.

*The Report on the Desirability and Feasibility of Introducing a Single Social Assistance Payment for People of Working Age* identifies the existing Jobseeker's Allowance payment as the overarching payment for people of working age structured in such a way that meets individual circumstances and support needs. It is envisaged that the payment would consist of three levels allowing for tailoring of conditionality at each level and related to the level of supports required by the individual. The report draws on the model envisaged in the NES *Developmental Welfare State* Report -- people who are 'work-ready' and have light support needs; those with moderate support needs (including some DA recipients) and those with significant support needs (including those with a long-term illness/disability) . These three tiers are also broadly reflected in the three categories (levels) included in the 2011 Value for Money Review of Disability Allowance.

#### *Level 1*

DA claimants with relevant capacity who have well-developed job skills and are 'job- ready' with some training and skills development

#### *Level 2*

DA claimants who have some capacity but who are considerably distant from the labour market and who will need interventions on 'soft skills' to get them to level one standard

### *Level 3*

DA claimants who by virtue of their medical conditions have needs which may not be directly related to the labour market but which are equally important in terms of personal development and social participation and inclusion.

Both the *Value for Money Review of Disability Allowance (2011)* and the *Report on the Desirability and Feasibility of Introducing a Single Social Assistance Payment for Adults of Working Age* recommended that an assessment would have to be carried out to establish the person's capacity for work and ultimately to decide at which level the person should enter the payment and consequently what supports would be available.

While the above framework provides a useful context for moving the discussion forward, caution must be exercised to ensure that: (a) targets for job/training activation are realistic in respect of each individual at each level and (b) that the required infrastructure of supports are in place to ensure adequate case management and progression.

On the face of it, it would appear that there would be merit in exploring the applicability of the recently announced Partial Capacity Benefit scheme<sup>2</sup> (which will allow people with disabilities to return to work while retaining part of their social welfare payment) to people in receipt of Disability Allowance.

The current provision where people can earn €120 per week (from rehabilitative employment) without loss of DA is an important one but could be reconstituted to encourage people to use some of this earned income to avail of additional work transition supports.

There is a need for a stronger cross-departmental approach to meeting the income and other support needs of people with disabilities. Such an approach would look in an integrated manner at matters such as the costs of medical care and medications for people with disabilities; access to training and activation supports and access to transport. The recently announced consolidation of 24 programmes for people with disabilities nationwide into one EmployAbility Service is an important stepping stone in this regard. However, other supports necessary for daily living must be integrated into an overall programme of support to enhance progression at the level appropriate to each individual.

### **Raising the Age for Payment of Disability Allowance from 16 to 18**

Concerns have been expressed over the years with regard to the automatic entitlement to DA of young people with disabilities at age 16. There is a view that the provision creates a culture of dependency and passivity and can have the effect of acting as a disincentive for a young person to stay in school or progress to further education, training or employment. The problem is exacerbated by the fact that DA is a long term payment that carries little or no

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<sup>2</sup> The Partial Capacity Benefit scheme will allow people who are currently in receipt of Invalidity Pension or who have been drawing Illness Benefit for more than six months, to enter employment while continuing to receive some support from the State

expectation or requirement for the recipient to work, unlike other benefits such as Jobseeker's Allowance where recipients must prove they are actively looking for work in order to qualify for the payment. This passivity is also reinforced by the fact that DA recipients are not part of the live register.

The option of payment of DA at the age of 18 rather than 16 years should be explored further on the basis of ensuring that there is no disincentive in the system for a child to pursue work/education options and to eliminate any potential dependency trap. This would require some targeted increases to the Domiciliary Care Allowance payment during the intervening two-year period.

### **Key Points**

- The model of a single social assistance payment integrating DA with Jobseeker's Allowance on the basis of a tiered provision of supports in accordance with individually assessed support needs should be considered further with a view to shifting the focus on to what people are 'able' to do rather than what they cannot do.
- Provision for meeting the extra costs of disability is a key consideration in any restructuring of disability payments
- Educational provision for those under 18 should work in tandem with the income support system to ensure that children/young people maximise their education/training opportunities.
- People with disabilities aged 18-25 need sustained supports to help them to take up training and work opportunities – income support is but one aspect of such support
- Measures to increase the age eligibility for DA from 16 to 18 years should be accompanied by some targeted additional supports.
- Effective and tailored activation measures are required to enable young people with disabilities to pursue meaningful educational and training opportunities appropriate to their needs, abilities and aspirations.
- Pending the introduction of more mainstream and integrated activation programmes in the longer-term, current activation measures such as the Tús Scheme, the Springboard Programme and the JobsBridge Initiative should be available to recipients of DA in the short-term.
- The significant additional support needs of DA recipients with reduced capacity need to be kept to the forefront of discussions on mainstreaming income supports.