

'Caught in a bind': Targeted Supports Needed to Alleviate Cost of Living Pressures on Citizens'

Citizens Information Board

Pre-Budget Submission 2023

The Citizens Information Board (CIB) supports the provision of information, advice, advocacy, money advice and budgeting services across a wide range of public and social services. These services are delivered in three different ways – online, by phone and in person.

A key role of CIB is to support, promote and develop data and information on the effectiveness of current social policy and services, and to highlight issues that are raised by the users of those services. Through research and analysis of caller and query data and the feedback received from our services, we identify relevant problems and priorities across a range of sectors. These include social welfare, housing, health and social care services, along with the areas of over-indebtedness and financial exclusion. We provide data and analysis to inform public policy and influence budgetary choices.

- ❖ www.citizensinformation.ie – the website had over 13 million users in 2021, and recorded over 45 million page views.
- ❖ Citizens Information Services (CISs) - 338,167 people contacted CISs with 693,921 queries in 2021
- ❖ Money Advice and Budgeting Service (MABS) – dealt with 37,484 new clients/callers who were helped with problem debt last year - includes 23,501 callers to the MABS National Helpline
- ❖ Citizens Information Phone Service (CIPS) - dealt with 161,683 telephone enquiries and responded to 2,789 clients through its Live Advisor (web chat) service
- ❖ National Advocacy Service (NAS) – provided 3,833 instances of advocacy, and full representative advocacy support in 1,006 cases. The NAS national phone line received 1,890 calls in 2021.

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Introduction

This submission is informed by the concerns raised by citizens in their queries to and contact with CIB delivery services since last year's Budget - Citizens Information Services (CISs), Citizens Information Phone Service (CIPS), the Money Advice and Budgeting Service (MABS), and the National Advocacy Service for People with Disabilities (NAS)) - as well as the policy issues identified by staff in services during the course of processing queries and case referrals.

Almost half a million people contacted CIB funded information services with three quarters of a million information and advice queries in 2021. 338,167 people contacted CISs with almost 694,000 queries (including over 66,000 queries via the web-based Call-back Request Service). In addition, CIPS, the national phone service, dealt with over 161,000 callers.

Callers' queries were mostly in relation to social welfare, 43% of all queries, followed by employment (9%) and housing matters (9%). In the first half of 2022, there were almost 350,000 queries to CISs, the main issues relating to social welfare (44%), housing (almost 10%), and health (7%).

In 2022, public services have also responded to the arrival of Ukrainian refugees, almost 48,000 people by the week ending 7 August 2022.¹ CISs recorded 7,597 Ukrainian specific queries in the first half of 2022, and of these 37% were social welfare related, 14% healthcare, 9% housing, and 9% education. Key issues centred on information and clarification about accessing social welfare, housing, health, and education services and supports.

CIB's Budget 2023 submission comes at a time of ever-increasing costs for citizens due to a variety of factors. Evidence from services continues to demonstrate the pressures people are facing as well as their experiences of being 'caught in a bind' between eligibility requirements for a range of schemes involving different means tests, income thresholds, and disregards combined with increasing rents, energy, and food prices. Our data indicates that lower income households, including people with disabilities, older people, and people living in rural areas are more negatively impacted by energy price increases, which represents a higher proportion of their household spending.

This submission reflects the key concerns emerging from the query trends and feedback from the CIB funded network of services providing information, advocacy, money advice and debt management supports across the country. Budget priorities relating to housing supports, meeting energy costs and income adequacy measures are outlined with targeted measures and more flexible welfare supports proposed for consideration. MABS recommendations relating to cost of living, housing debt and financial exclusion are set out in the second part of this submission.

¹ www.cso.ie CSO confirms 47,962 Ukrainian refugees now in Ireland (rte.ie)

Housing

CIB funded Services deal with significant levels of queries relating to social housing need across local authority and private rented sectors. There were **65,691 queries** on housing in 2021 to CISs; and over half of these queries (55%) were related to Local Authority and Social Housing such as applying for Local Authority/Social Housing (15,464) and the Housing Assistance Payment (11,639). Services have dealt with over 50,000 housing need queries to date in 2022.

The evidence recorded by Services across the country demonstrates the linked aspect of housing costs to the rising cost of living overall, and to poverty. Estimations of poverty escalate when the costs of housing are factored into poverty definitions, e.g., it has been estimated that 19% of the population are at risk of poverty, once housing costs have been factored in; and that amongst renters with housing supports (HAP, RAS, etc.) almost 60% are at risk of poverty after housing costs are included. The corresponding figure for lone parents is 51% and for those unable to work due to disability illness/ill-health it is nearly 54%.²

At a national level, there has been a rise in the homelessness statistics, with 10,568 registered as homeless in July of this year (30% higher than the figure for July 2021).³ There has also been a steady increase in the number of notices of termination during the past year (1,132 at Q1 2022) which can be linked to the lifting of the ban on evictions earlier in the year. Evidence from Services demonstrated an increased risk of homelessness amongst callers seeking advice, information and advocacy from CISs, e.g. there was a 40% increase in the Social Policy Returns (SPRs)⁴ on Homelessness between the first half of 2021 and the first half of 2022.⁵ The reasons for this increased risk were linked to tenancy terminations, delays in processing of social housing applications, unavailability of rental accommodation, unaffordability of HAP and eligibility for Homeless HAP. The challenges experienced by callers are outlined below:

Tenancy termination: due to sale of properties, and people being given a valid notice to quit HAP approved accommodation.⁶

Unavailability of rental accommodation: inability to source any private rented accommodation within HAP rent limits, and even with Homeless HAP criteria.

Unaffordability of HAP: official and unofficial top ups to HAP, and HAP limits not being realistic and not reflecting market rents.

Impact on older people in rental accommodation: this is being increasingly reported by Services, where for example, older people are receiving a valid notice to leave their

² <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

³ [Record 10,568 people homeless in July as charities seek fresh eviction ban \(irishtimes.com\)](https://www.irishtimes.com/news/ireland/2022/06/03/1302821-housing-assistance-payment/)

⁴ SPRs are cases submitted by services by way of feedback relating to issues impacting on their callers/clients and which are indicative of wider policy or public service administrative barriers.

⁵ SPRs increased from 900 to 1,200 over this period.

⁶ A welcome development in this regard announced in June is that local authorities will now be able to purchase homes where tenants in receipt of HAP are living and whose landlords are selling the property. <https://www.rte.ie/news/ireland/2022/06/03/1302821-housing-assistance-payment/> 3/6/22

accommodation, and are unable to source alternative accommodation, and where any savings accumulated are now being depleted to service HAP top-ups.

A caller in X is 67 years of age, lost her job due to Covid-19, is in receipt of Rent Supplement and is living alone. Her rent is €600 per month, and she has been given a RS limit of €600. She is being evicted from her current accommodation and the only place she can find to rent costs €900 a month. She is on the LA housing list and is being told her only option is HAP. The HAP rent limit is €380 and with the 20% increase is €456. The caller isn't happy with the level of communication with the Local Authority and is extremely stressed about her housing future. Currently her only income is the State Pension.

Fears about homelessness were also expressed by families who are approaching retirement, who are on low to middle incomes - and thus not eligible for housing supports - in terms of the future affordability of rents on a fixed retirement income.

Financial Implications of Delays in processing social housing applications were reported in respect of local authorities throughout the country. Delays for a housing needs assessment varied from between 18 weeks, to 24 weeks, to 28 weeks, and up to 8 months. Cumulative delays resulted in financial hardship, the threat of homelessness, rent arrears, and ultimately to a notice of eviction.

HAP is running at a 20-week processing time and our client does not meet the criteria for rent supplement. An interim measure is required for these circumstances.

There were also criticisms of the impact of delays in applying for social housing, in that there is no backdating of a subsequent claim for HAP, in contrast to the procedure for making a claim for Rent Supplement.⁷ In one example, a client, dependent on a Disability Allowance income was required to pay four months in rent and a deposit (equating to €3,000).

Abuse/Violence: delays in the processing of social housing applications are also problematic when a person has to remain in their current accommodation in abusive/violent situations.

Relationship Breakdown and Separation: The challenges faced by those experiencing relationship breakdown, separation and divorce in a housing crisis emerged from the data. The risk of homelessness was also evident in cases of relationship breakdown and separation.

A lack of advance planning in terms of identifying future need for housing affected households who knew the date they would be made homeless, but the local authority could not prioritise their social housing applications as they had not yet been determined as homeless.

Income Limits for Eligibility for Social Housing

Issues arising here involved the inclusion of social welfare payments (i.e., the Working Family Payment (WFP)) as assessable income for those in low-income working households and the creation of a poverty trap for those seeking housing supports combined with the

⁷ Where the claim would begin from the date of submission of the application form and not the decision date.

inconsistencies across local authorities where some LAs include the WFP as assessable income, and others do not.

There was evidence of different caller experiences in relation to the inclusion of the WFP in the definition of assessable income with the result that household income was pushed above the income limit for eligibility for housing support. Services reported different rules for calculating rent contribution and income across local authorities. The effect of this is that a tenant in one local authority area might be eligible for housing support, while a person on the same income but living in a different local authority area will not.

Client has two children and husband is earning €26,450. Client is applying for social housing as the rent on their property is increasing by €200 a month to €750. The family need to get assistance with their rent. The council will take their WFP as assessable income and the family may not qualify for social housing. WFP should not be taken as assessable income for low-income families.

CIB has previously highlighted the complexity of the social welfare system in terms of the interactions between payments and different means tests which can create poverty traps. In a similar vein, the interaction between the current system of housing supports, and social welfare is leading to problems for callers who are trying to manage costs.⁸

The variation in definitions of assessable income across local authorities has already been identified in the Government's Housing for All Strategy 2021 as an area in need of reform under the Differential Rents Scheme, to ensure that tenants pay an equivalent amount of rent regardless of their location and identified that this reform would be supported by MABS. Action therefore is needed to implement this reform.

Another issue arising affected callers who were divorced/separated, paying maintenance on top of high rents and who were slightly over the income limit for social housing and thus not eligible for support. These cases illustrate the need to take maintenance into account when assessing income.

Client is separated from his partner and is struggling to pay rent and maintenance for his son. He is slightly over the threshold for housing support based on earnings but said he can't afford to continue to pay €1,800 per month for rent, he has custody of his son for 2 days a week so needs a two-bed apartment but also pays €800 per month on maintenance. Client extremely distressed as he is worried about falling into rent arrears.

Income Limits for Eligibility for Social Housing and Work

There were an increasing number of households with queries about eligibility for social housing who were in work and were above or slightly above the income limits, yet who demonstrated a need for housing supports. The income limits in terms of eligibility for social

⁸ CIB's submission to the Commission on Tax and Welfare, 2021. ESRI research has observed that the interaction of housing supports, tax, social welfare and childcare costs is resulting in higher marginal tax rates.

housing haven't changed since 2011,⁹ which emerged as a barrier for callers of CISs and CIPS over the past year.

The CIS data highlighted many cases where there is a disincentive to continue in, take up work or take on additional hours, as the income limit for housing support would be exceeded. Removing households from eligibility for social housing because of modest wage increases - in the context of no increase in income limits in recent years - impacts on the financial incentive for housing support applicants to increase their earnings. Research has demonstrated that reliance on HAP to meet the short to medium term housing needs weakens financial incentives to earn more, due to the variation in the operation of the differential rent scheme across local authorities and affecting those in receipt of other means tested payments.¹⁰

It has been estimated that housing supports such as HAP, RAS, and Rent Supplement and Rent Allowance currently assist around one-third of supported renters (95,535 households) compared to one-fifth (29,594) in the early 1990s.¹¹ There were over 15,753 queries to CISs about housing supports: 11,639 queries on HAP, and 4,114 queries on Rent Supplement in 2021. At the same time there have been no increases to the household income limit for eligibility for most social or supported housing schemes since 2011. The HAP rent limits likewise have not changed since 2017, which means that the rent limits are not relevant for the majority of properties in some areas.

Criticisms of HAP as a housing support were expressed by CISs as it exposes vulnerable families to the vagaries of the private rented market and feeds the increase in private rents. There were examples in the data of households in receipt of HAP paying 35 – 40% of their monthly income on covering rental costs, which indicates that HAP is not currently functioning as originally intended.

Particular housing issues for **people with disabilities or chronic conditions** were identified by information staff, including:

- Finding suitable or appropriate accommodation.
- Completing social housing application forms.
- Being impacted by the 12-month time period in which income is assessed for eligibility for housing supports in terms of onset of illness/disability.
- Needing to remain in an area with services for children with disabilities.

CIB's forthcoming research¹² on the housing needs of people with disabilities identifies the difficulties people have in finding appropriate housing and supports for independent living

⁹ ESRI (2022). Although changes were introduced for households with more than four children, see CIB's Pre-Budget Submission, 2022, page 11.

¹⁰ ESRI, 2022

¹¹ ESRI, page VI Executive Summary

¹² Joint research with DFI – Disability Federation of Ireland.

and sets out a multi-pronged framework for identifying housing needs and the measures needed to address these.¹³

Recommendations on Housing

- Provide significant investment to further increase the social housing supply. There is a need for a fundamental change in the over-reliance on rental supports such as HAP, RAS and Rent Supplement. People with disabilities and mental health difficulties have been particularly impacted by long social housing waiting lists.
- Revise HAP rent limits overall in line with market rents to remove the need for tenants to 'top-up' their rent, in addition to the increase in the discretionary rate to 35% introduced in July. Increase the limits for Rent Supplement.
- Increase the social housing income limits in line with inflation (or in line with the yearly average pay increase).
- Implement the reform in the differential rent system observed in the Housing for All strategy of ensuring that tenants pay an equivalent amount of rent regardless of their location.
- Ensure consistency across local authorities in the definitions of assessable income, e.g., in relation to the inclusion of social welfare payments.
- Improve targeting of supports to low-income renters, recognising recent research which showed that many lower-income renters receive no support from the State for their housing costs.
- Provide the resources for greater enforcement of Rent Pressure Zones, a nationwide expansion of Rent Pressure Zones; to help address affordability in the private rented sector. Incentivise smaller landlords to remain in the market through specific tax measures.
- Ensure local authorities have specific funds to purchase homes in the private rental sector where tenants in receipt of HAP are living.
- Increase resources to Local Authorities for the Housing Adaptation Grant for Older People and People with a Disability providing for a higher maximum grant of €60,000, as well as limiting the means test to the income of the disabled person in the household. The grant should also be extended to the occupants of new houses, those building their own homes and those renting in the voluntary / non-profit housing sector who have security of tenure.

Energy

Energy costs have been increasing over the past year, for example, there was a 56% increase in the price of electricity, gas, and other fuels, between May 2021, and May 2022.¹⁴

Research has shown that lower income households, older people, and rural households are more affected by energy price increases as these costs make up a larger proportion of their

¹³ CIB (2022) Addressing the Housing Needs of People with Disabilities. A Citizens Information Board/Disability Federation of Ireland Social Policy Report.

¹⁴ Consumer Price Index, sub-indices, electricity, gas and other fuels. <https://data.cso.ie/>

spending, as compared to other groups.¹⁵ Higher income households, younger people and more urban households tend to spend more on services.¹⁶

Fuel Allowance

While the increases in the Fuel Allowance that were provided in response to the cost of living increases this year are welcome,¹⁷ the combination of these measures has just maintained the value of the Fuel Allowance relative to the 46.7% home energy inflation as measured by the CPI.¹⁸ Some people who needed the Fuel Allowance could not access it, i.e. people on Jobseeker's Allowance or Supplementary Welfare Allowance, had to wait 15 months before qualifying for Fuel Allowance (reducing to 12 months from September 2022).

The national picture discussed above is reflected in the CIS data, which indicates that there were 14,251 queries on the Fuel Allowance in 2021, and the number of queries on this support doubled in Q1 2022, compared with Q1 2021.¹⁹ In addition, there was a 50% increase in queries relating to the Household Benefits Package, which assists with the cost of electricity or gas bills.

The main issues arising with the Fuel Allowance were callers not being able to afford their heating costs, and people's access to it, and so questions about eligibility featured strongly in the data, particularly from those groups who were just outside the qualifying criteria for the allowance. It was felt that qualification for this support should be based on means in the first instance, rather than on being in receipt of a particular qualifying social welfare payment, or the duration of time on a payment, or the conditions in relation to living alone or only with certain individuals who meet particular conditions. For those outside the qualifying criteria for Fuel Allowance, the problems were related to:

- Income being slightly above the means test income threshold.
- Living with family members (e.g., son or daughter) earning a small income.
- Being in receipt of Carer's Allowance which is not a qualifying payment for Fuel Allowance.
- Being on a non-qualifying social insurance payment, (e.g., Illness Benefit, Disablement Benefit) but within the means test limit.²⁰ In relation to Illness Benefit, it is recognised that this is an insurance-based payment, not a long-term payment, and it is expected

¹⁵ VPSJ (2022) MESL Pre-Budget 2023. https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2023_submission.pdf

¹⁶ Makhoulf, G. (2021) Inflation dynamics in a pandemic: maintaining vigilance and optionality – Central Bank of Ireland. <https://www.centralbank.ie/news/article/speech-inflation-dynamics-in-a-pandemic-maintaining-vigilance-and-optionality-gabriel-makhoulf-23-november-2021>

¹⁷ An extra payment of €125 was paid to people getting Fuel Allowance in the week beginning 14 March 2022. In addition, another extra payment of €100 was paid to people getting Fuel Allowance in the week beginning 16 May 2022.

¹⁸ VPSJ (2022) MESL Pre-Budget 2023. https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2023_submission.pdf

¹⁹ <https://www.citizensinformationboard.ie/en/data-hub/>

²⁰ Of note here is the review being carried out by the DSP of the treatment of Disablement Benefit under the Fuel Allowance scheme where the person is on a qualifying payment for fuel allowance and is in receipt of disablement benefit at a rate less than the allowable means. <https://www.oireachtas.ie/en/debates/question/2022-03-22/7/>

that the person will return to the workforce, yet there is a need in the interim amongst this cohort. It was suggested that there could be a waiting period introduced before an Illness Benefit claimant would be eligible for Fuel Allowance, e.g., 6 weeks.

- Being on a qualifying social insurance payment including State Pension (Contributory) or the Widows/Widowers Pension (Contributory) and a half-rate Carer's Allowance, where the half-rate Carer's Allowance is taken into account in the means test for Fuel Allowance.²¹
- Not being long-term unemployed.
- Time spent on Benefit Payment for 65-year-olds (who had formerly been on Jobseekers Benefit) not recognised as part of the 15-month time period qualifying criterion for Fuel Allowance.

Retrofitting Grants and Schemes

Research has shown the importance of combining income support with improvements in energy efficiency to tackle fuel poverty.²² In relation to free energy upgrades, changes introduced this year to the Better Energy Warmer Homes scheme are welcome for social welfare dependent households. This includes the increased funding, allowing qualifying homeowners who received supports under the scheme previously, to reapply and benefit from deeper measures, as well as extending the scheme eligibility criteria. However, a range of other households are experiencing difficulties paying heating bills who do not qualify for this scheme or who cannot afford other retrofitting schemes. Not meeting the eligibility criteria for Fuel Allowance can block some individuals from accessing the free energy upgrades.

Recommendations on Energy Supports

- Re-instate the duration of the Fuel Allowance to 32 weeks from its current level of 28 weeks.²³
- Increase the rates for Fuel Allowance and Household Benefits Package.
- Widen eligibility for Fuel Allowance to include those in receipt of the Working Family Payment and Carer's Allowance.
- Expand eligibility to cover the specific living arrangements of Traveller families.²⁴
- Remove the waiting period for people on Jobseeker's Allowance and Supplementary Welfare Allowance.
- Introduce a partial rate of Fuel Allowance for those just outside of the income limit

²¹ The Minister for Social Protection in this regard gave a commitment to carry out a report on the inclusion of all half-rate carer's allowance recipients under the fuel allowance scheme late last year. Dail debate, 15/12/21

²² Reanos, M.V. & Lynch, M. A (2022) ESRI Are Fuel Poverty Metrics Fit for Purpose? Evidence from Ireland.

²³ In 2012, the duration of the fuel season was reduced from 32 weeks to 26 weeks.

<https://www.oireachtas.ie/en/debates/question/2018-07-24/2575/> The Fuel Allowance was also increased to 32 weeks in 2020 in response to the pandemic.

²⁴ National Traveller MABS, 2019. Accommodating Ethnicity: Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers

- Further promote the Community Welfare service’s increased discretionary funds through the Supplementary Welfare Allowance Scheme²⁵ and through the Additional Needs Payment.²⁶
- Expand eligibility for people on low to middle incomes currently not able to avail of the Better Energy Warmer Homes scheme through providing other qualifying options for this scheme for low/middle income households.
- Introduce changes to direct taxation to support low earners without children, as well as renters who face higher rates of energy deprivation relative to homeowners, for example through increasing the PRSI credit.²⁷

Income Adequacy/Protection

The latest SILC data for 2020 shows the highest at risk of poverty and deprivation rates are for those unable to work due to long-standing health problems, those who are unemployed, for those in one adult households with children under 18 years, one adult households aged less than 65 years, and one adult households aged over 65 years.²⁸ Research on the Minimum Essential Standard of Living (MESL) has demonstrated that social welfare payments are inadequate for low-income households.²⁹ The Vincentian Partnership’s Living Wage estimate, which is benchmarked against the cost of the minimum standard of living is €12.90 per hour for 2021/2022.³⁰ CIB has welcomed the Low Pay Commission’s recommendations to move towards a living wage, and setting it at 60% of the median wage in the economy, recommending that this should be a minimum level target.³¹

Overall, there were over 300,644 social welfare queries recorded in CISs in 2021 related to income supports and related benefits. The chart below shows the payments/schemes with the highest number of queries in 2021.

²⁵ Note that a Heating Supplement under the SWA provides an additional weekly payment to help with the cost of heating one’s home, for those with extra heating needs due to their age, medical condition, or disability, who were living alone or only with a dependent adult or children and satisfied a means test.

²⁶ The Additional Needs Payment includes the Exceptional Needs and Urgent Needs payments. https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/additional_needs_payment.html

²⁷ Barratt, M, Farrell, N & Roantree, B. (2022) Energy Poverty and Deprivation in Ireland. June 2022.

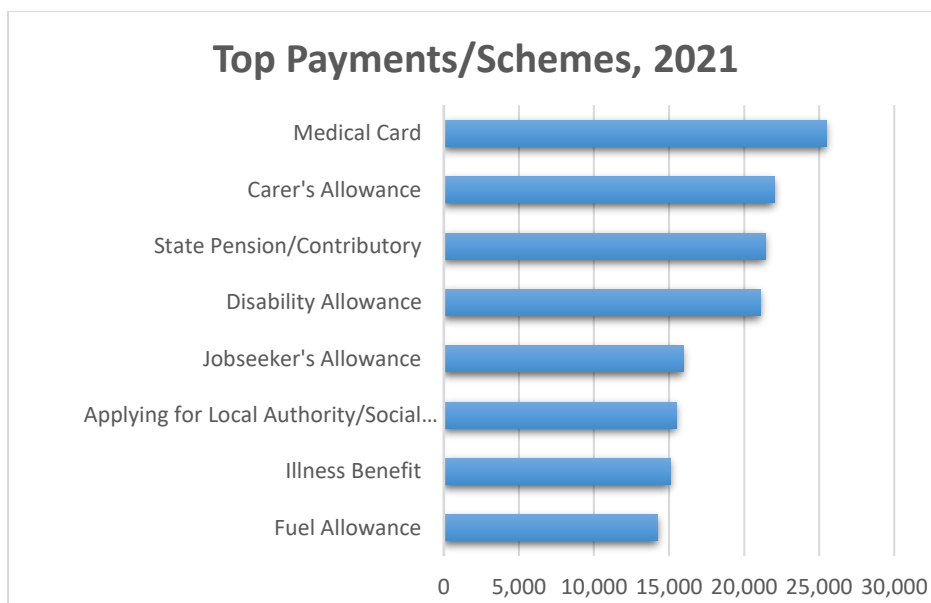
²⁸ <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

²⁹ VPSJ (2022) MESL Pre-Budget 2023. Submission to the Dept. of Social Protection. June 2022.

https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2023_submission.pdf

³⁰ The Living Wage rate is calculated by researchers at the VPSJ’s Minimum Essential Budget Standards Research Centre and is set by the Living Wage Technical Group. <https://www.budgeting.ie/living-wage/>

³¹ CIB (2022) Submission to the DETE on the Public Consultation on the phase in of the Living Wage.



In the first half of 2022, queries about the Household Benefits package increased to become one of the top payments along with the others in the chart above. Queries on Supplementary Welfare Allowance (SWA) were also high with 14,153 queries on basic SWA as well as Exceptional Needs/Urgent Needs Payments now Additional Needs Payments recorded in 2021. Of note is that these queries increased by 40% in Q1, and Q2 in 2022, compared to the same period in 2021.

Means-testing

The impact of means testing is a consistent thread throughout the CIS and CIPS data, and applicants not being entitled to benefits as they were just over the threshold for eligibility, similar to what we have seen in relation to social housing applications. Examples of this include:

- With the rising cost of living and the housing crisis, more family members are moving back into homes, pushing household income over the threshold for eligibility for social welfare payments, e.g., entitlement to Fuel Allowance, Living Alone Increase, as well as telephone support.
- Assessment of all of self-employment income for State Pension (Non-Contributory) claimants wishing to do part-time work, in contrast to employees who can avail of a €200 earnings disregard.
- Non-entitlement to Illness Benefit for the self-employed with insufficient PRSI to qualify for Invalidity Pension, and where SWA cannot be paid due to spouse's income.
- Callers were concerned about the impact of means testing on maintenance. **Child maintenance** is assessed as means and, whether paid or not, 50% is deducted from social welfare payments. CIB's submission highlighted that child maintenance should be viewed as a payment towards the child's upbringing, not as household means in the context of means-testing for social welfare payments that are needed by lone

parent families in order to avoid financial hardship. In addition, non-custodial parents paying maintenance are unable to use these payments as expenses in respect of means-tested social welfare payments.³²

- Elderly people on State Pension (Contributory) or Widow's, Widower's Pension Contributory and a half rate Carer's Allowance being over the means for eligibility for Fuel Allowance as discussed above.
- Although treated usually as a family unit for means assessment for social welfare purposes, where a partner in a **cohabiting couple/unmarried parent** dies, the surviving partner is ineligible for Widow's/Widower's or Surviving Civil Partners (Non-Contributory) Pension or Grant even where both have sufficient PRSI contributions, and where they may have been cohabiting for many years.

Replacement of income due to interruptions in work

CIS data demonstrates the need for maintaining living standards during periods of interruption to work due to unemployment, illness, injury, or retirement. CIS data has highlighted over recent years issues for those employed in **atypical work** who experience more difficulties in accessing supports when unemployed, ill or have a disability or who are accessing maternity leave. CIS data indicate that those in low-income **self-employment** require greater access to benefits such as Illness Benefit, and Carer's Benefit. People paying Class S contributions are also not eligible for the in-work support, the Working Family Payment.³³ CIB has recommended the introduction of an option for the self-employed to increase PRSI contributions to enable access to a full range of entitlements.³⁴ Of note here is that the Pensions Commission (2021) recommended the self-employed social insurance contribution be increased gradually to the employer rate (11.05%).

Last year, CIB's PBS highlighted the need for cushioning the impact of loss of income in the early stages of unemployment, with a movement towards a greater link between Jobseeker's Benefit rates and an individual's previous wages. Unemployment benefit levels in Ireland (without housing or family top-ups) are low by EU standards.³⁵ The Programme for Government also made reference to increasing all classes of PRSI to help pay for changes to pay-related jobseekers benefit.

Problems relating to social insurance payments were raised by callers of CISs and CIPS. There were multiple difficulties connected to a lack of sick pay policy, in the absence of **the Sick Leave Scheme**, which was signed into law in July, as the Sick Leave Act, 2022. In 2021, CISs recorded over 15,000 queries about Illness Benefit. For those who are self-employed not

³² CIB (2021) Citizens Information Board Submission to the Child Maintenance Review Group. <https://www.citizensinformationboard.ie/en/publications/submissions/submissions2021.html>

³³ The self-employed however, are eligible for the Back to Work Enterprise Allowance or Jobseeker's Allowance for the self-employed.

³⁴ CIB (2021) Submission to the Commission on Tax and Welfare.

³⁵ Congress (2022) The Social Wage

being eligible for Illness Benefit, to cover short to medium term illness related work absences was frequently raised.

The non-replacement of employment income was problematic too for claimants on social welfare payments who have the required PRSI contributions for eligibility, for example, non-eligibility to Illness Benefit for One Parent Family (OPF) recipients or Widow's/Widower's/Surviving Civil Partner's Contributory Pension recipients on sick leave to compensate for the loss of income through loss of wages.

People with disabilities and carers

Services reported on the worsening in the situation for **people with disabilities as well as people affected by illness/chronic conditions** due to the rise in the cost of living. CISs recorded nearly 50,000 queries from individuals about the main disability and illness payments in 2021³⁶ as well as 33,256 queries on carer's payments. Data on the situation for people with disabilities, as well as those unable to work due to illness/chronic conditions continues to demonstrate the particular impact on welfare dependent groups with low employment participation rates. There has been little change in either employment or inactivity rates of those affected by disability over the past fifteen years. Given that social welfare represents a larger component of income for people with a disability, and due to their higher costs of living, the lack of movement in social welfare rates affects people with disabilities more.³⁷ Comparing households with a member who has a disability and households who do not showed that disabled people are twice as likely to be in arrears on utility bills, more likely to be in arrears on mortgage or rental payments or to be unable to afford to keep their home adequately warm.³⁸

The government introduced some significant measures in Budget 2022 for people with disabilities and carers towards alleviating financial costs including increases in earnings disregards and supports to employers. Under the Roadmap for Social Inclusion 2020-2025, the Department of Social Protection has a commitment to develop and consult on a "strawman" proposal for the restructuring of long-term disability payments which will also incorporate the findings from the cost of disability research.³⁹ The issues arising in relation to disability and illness payments clearly reflect the need for this restructuring to incorporate the findings of the cost of disability research. The lack of a replacement for the Mobility Allowance and the Transport Grant continues to present problems for callers, in the context of the cost of disability.

There were 33,256 queries relating to **carer's payments**, and two-thirds of these specifically on Carer's Allowance. Eligibility difficulties and problems relating to the cost of living were the main issues for callers.

³⁶ Of these 42% were on Disability Allowance, 30% on Illness Benefit, and 19% on Invalidity Pension.

³⁷ Doorley, K. & Regan, M. (2022) The impact of Irish budgetary policy by disability status. ESRI

³⁸ Indecon report on Cost of Disability. CSO figures from 2003 - 2017

³⁹ Disability Services, Dáil Éireann debate, Thursday, 3 February 2022.

<https://www.oireachtas.ie/en/debates/question/2022-02-03/14/>

There is no free travel for a child with a disability for whom a **Domiciliary Care Allowance** is being paid to a parent. Domiciliary Care Allowance recipients are entitled to the Free Travel Scheme, but their children whom they are caring for are not.

Challenges in **combining work with disability/illness** centred on the lack of flexibility in existing payments, i.e., Illness Benefit, Partial Capacity Benefit, Disability Allowance, Invalidity Pension to accommodate fluctuating conditions. CISs have reported on excessively long delays (e.g., up to six months) in having a Disability Allowance claim re-instated after a period of inability to work. The fact that an application for the Partial Capacity Benefit requires a person to be claiming Illness Benefit for 6 months **lacks the flexibility** needed to facilitate those with illness /disability return to work. Examples of this included:

Person was out sick with cancer for a year. They returned to work 3 months ago but find that they are not well enough to work fulltime. They want to reduce their hours so they can fully recover. The 6 months IB claim requirement prior to applying for PCB is a barrier for people who cannot work fulltime, but who have not been out of work claiming IB long enough.

Caller is 63 and on Invalidity Pension as her only income. She is upset that she cannot accept two hours paid work earning €37 without applying for PCB. She says that she fought long and hard to get IP and is very reluctant to jeopardise her payment by applying for PCB. She says that she is anxious that she might not get the full amount of PCB and would be down money. She lives alone and this is her only income. She said the PCB section spoke about medical assessors/panels and that made her feel very stressed. She said she would have liked the work to feel connected to the working world and feel that she is making a contribution. She is too worried that she will not get enough money if she changes and worries that she will not get her IP back without difficulty.

CIB's PBS 2022 recommended removing the age differentiated reduced rate payment of Jobseeker's Allowance for **young people aged between 18 and 24 years**. This issue persists and was also raised in the case of the reduced rate of Supplementary Welfare Allowance for those aged 18 – 24 years and not living independently having an impact on a social welfare dependent family.

Policies that do not support **older people to remain in work longer** affected those in receipt of the Benefit Payment for 65 year olds.

A key issue arising for callers who are **lone parents** was the loss of the One Parent Family payment, when their child turned 7 years of age. Callers felt that the OFP should be extended until child reaches the age of 14 years. For those in employment, this also meant the loss of the Working Family Payment (WFP). CIB's PBS 2022 recommended allowing lone parents in employment, whose children are aged between 7 and 14, to claim both Jobseekers Transition Payment and the Working Family Payment.⁴⁰

⁴⁰ This was also recommended in the Joint Oireachtas Committee report on Lone Parents in 2015. (7.2) Lone parents on Job Seekers Transition Payment (JST) who are working need access to full income disregard

In terms of in-work supports, the issues arising in relation to the **Working Family Payment** included non-eligibility for low-income self-employed workers; exclusion of those in temporary or low hours work (less than 19 hours per week) and impact of a change in hours of work. The WFP rate of payment is only reviewed every 52 weeks. This leaves a gap for families who experience loss of income, for example due to reduced working hours, or where an ex-partner ceases their maintenance payment, in the interim.

Previous CIB submissions have pointed to the **‘three day rule’** in relation to jobseekers payments – where a person must be unemployed for four consecutive days in seven – as a barrier in combining welfare and work. Many low paid employees are involved in work such as cleaning that provides these patterns of hours. This results in poverty traps. The Part-Time Job Incentive Scheme may not be an option either due to the need to be on a long-term payment for 15 months for eligibility.

Callers also experienced problems with the administration of applications and payments which affected their financial situation.

Recommendations on Income Adequacy/Protection

- Progressively establish the Minimum Essential Standard of Living as the benchmark for social welfare payments.
- Ensure progression to a living wage at 60% of median hourly earnings at a minimum and moving to a target rate of 66% after an initial period.
- Change eligibility for jobseeker’s payments to criteria based on hours worked rather than the number of days worked to better support part-time and casual working patterns.⁴¹
- Further support pathways back into work by reducing the time requirement of 15 months on a Jobseekers Allowance payment for eligibility to the Part-Time Job Incentive Scheme.
- Remove the age differentiated reduced rate payment of Jobseeker’s Allowance and Supplementary Welfare Allowance for young people aged between 18 and 24 years.
- Consider increases to the self-employed PRSI contribution rate in line with the recommendations in the Report of the Commission on Pensions.
- Increase the qualified child rates both for over 12s and under 12s aligned with the VPSJ’s MESL recommendations.
- Extend eligibility for the Jobseeker’s Transitional payment until the youngest child reaches 18 years or completes second level education.⁴²
- Consider extending eligibility for the Working Family Payment to low-income self-employed people who fulfil all other qualifying criteria.

(already implemented), and they should, if they meet the qualifying criteria, be able to receive JST and FIS simultaneously.

⁴¹ Pre-Budget 2022; Pre-Budget Submission 2019; Pre-Budget Submission 2018;

https://www.citizensinformationboard.ie/en/publications/social_policy/prebudget_submissions.html

⁴² VPSJ (2022)

- Consider permitting Working Family Payment claims to be reassessed outside of the 52 week period, for particular circumstances, for example, where there is a fall in income due to the non-payment of maintenance, or fall in earnings.
- Disregard child maintenance in the means test for social welfare payments, in particular, in relation to the One-Parent Family Payment (OFP).
- Provide entitlement to the Widow's, Widower's Pension or Surviving Civil Partner's Pension on the death of co-habiting partner.
- Provide improved supports for those experiencing domestic violence in terms of accessing social welfare without interference from abusive/coercive partner.
- Progress a review of long-term disability payments, and ensure it incorporates the key findings of the Indecon report on the cost of disability. Ensure the provision of the necessary resources to implement the recommendations of this report.

Health

Medical card issues remains the top query area presented to CIS with over 25,000 related queries in 2021 – a similar figure has been recorded to date in 2022. Accessing GPs continues to present as a barrier for medical card holders, highlighting health inequalities. These impacts in particular on, migrants, different ethnic groups, the elderly, people with disabilities, and low-income groups that are particularly reliant on the public healthcare system. CIS callers who had moved to a new location within Ireland, or from abroad faced particular barriers in access. This inability to access primary care services at a local level has also affected private patients. This issue also impacted those who needed medical certification to access Illness Benefit, or a 'fitness to return to work' certificate or to get a medical report from the GP for a disability payment application.

Access to dental treatment for medical card holders persisted as an issue as reported by services across the country and was particularly problematic in the case where urgent treatment was required. In April, new measures⁴³ were announced to provide expanded dental health care for medical card holders in the Dental Treatment Services Scheme (DTSS). It was also announced that a review of the Scheme was imminent.

Services reported that some callers on low incomes felt that the **income limits** in the means test for the full **medical card** were too low, where callers were not on social welfare. There were also examples of where people on social welfare payments did not have an entitlement including where Carer's Benefit was included in full in the means assessment; and where small occupational pensions pushed claimants' income over the eligibility threshold.

Accessing **disability services** and excessively long waiting times for an assessment of need, as well as long waiting times for treatment/support services, continued to be raised as a barrier for children and young people with disabilities. Callers reported having to borrow and go into debt to pay for a private assessment. It also means having to deal with the impact of delays in accessing the benefits of early intervention services.

⁴³ Including increased fees for contracted dentists for examinations, fillings, and cleaning.

Client who has a child with additional needs requires an occupational therapist to sign a form for an adapted bed and pushchair, but the post has not been filled in the Southeast for over 12 months. The client was told they could engage a private occupational therapist, but the client cannot afford to pay privately and therefore cannot access the equipment required by his child.

Delays in accessing non-urgent care, and community health services such as physiotherapy, counselling, occupational therapy, and non-urgent elective surgeries (e.g., cataracts removal, and joint replacement) are forcing people into financial hardship and debt through having to pay for these services privately. CIS services reported that when callers are unable to work because of illness and are relying on social welfare income supports, the cost of paying privately for essential health therapies and services is causing financial hardship and impacting on their basic living standards and ability to pay the bills.

A lack of **care services/options** for older people was also reported by services. A new statutory home support scheme is currently being piloted and recent ESRI research which looked at the feasibility of introducing a contribution to the cost of home help hours, had indicated that setting an income above which a sliding scale of contribution would be introduced on a means-tested basis would cause “minimal” impacts on poverty.

Recommendations on Health

- Increase the income threshold for the Medical card.
- Continue to invest in free GP care in support of universal healthcare, a key action under the Sláintecare Implementation Strategy (2017).
- Increase investment in GP services, primary care, and community care services via the Enhanced Community Care Programme.

Conclusion

Budget 2023 is being delivered in challenging times with the ever-increasing costs of living, and inflation at its highest in decades. Data on poverty indicators was produced in 2020 (SILC), and since then, there have been significant changes in the economic outlook due to rising costs, including the sharp increase in energy and other prices, as well as the invasion of Ukraine. Evidence has shown that targeted measures are necessary to support those who are most impacted by inflation, and that such measures will not add to excess demand.⁴⁴ The main goal of budgetary policy therefore should be distributary, focusing on those who are in lower income households. Greater flexibility is also needed in eligibility criteria for the various social welfare, housing, health schemes and supports.

⁴⁴ Inflation dynamics in a pandemic: maintaining vigilance and optionality - remarks by Gabriel Makhoulouf. November 2021. <https://www.centralbank.ie/news/article/speech-inflation-dynamics-in-a-pandemic-maintaining-vigilance-and-optionality-gabriel-makhoulouf-23-november-2021>

Summary of Recommendations

Housing

- Provide significant investment to further increase the social housing supply. There is a need for a fundamental change in the over-reliance on rental supports such as HAP, RAS and Rent Supplement. People with disabilities and mental health difficulties have been particularly impacted by long social housing waiting lists.
- Revise HAP rent limits overall in line with market rents to remove the need for tenants to 'top-up' their rent, in addition to the increase in the discretionary rate to 35% introduced in July. Increase the limits for Rent Supplement.
- Increase the social housing income limits in line with inflation (or in line with the yearly average pay increase).
- Implement the reform in the differential rent system observed in the Housing for All strategy of ensuring that tenants pay an equivalent amount of rent regardless of their location.
- Ensure consistency across local authorities in the definitions of assessable income, e.g., in relation to the inclusion of social welfare payments.
- Improve targeting of supports to low-income renters, recognising recent research which showed that many lower-income renters receive no support from the State for their housing costs.
- Provide the resources for greater enforcement of Rent Pressure Zones, a nationwide expansion of Rent Pressure Zones; to help address affordability in the private rented sector. Incentivise smaller landlords to remain in the market through specific tax measures.
- Ensure local authorities have specific funds to purchase homes in the private rental sector where tenants in receipt of HAP are living.

Energy Supports

- Re-instate the duration of the Fuel Allowance to 32 weeks from its current level of 28 weeks.⁴⁵
- Increase the rates for Fuel Allowance and Household Benefits Package.
- Widen eligibility for Fuel Allowance to include those in receipt of the Working Family Payment and Carer's Allowance.
- Expand eligibility to cover the specific living arrangements of Traveller families.⁴⁶
- Remove the waiting period for people on Jobseeker's Allowance and Supplementary Welfare Allowance.
- Introduce a partial rate of Fuel Allowance for those just outside of the income limit.

⁴⁵ In 2012, the duration of the fuel season was reduced from 32 weeks to 26 weeks.

<https://www.oireachtas.ie/en/debates/question/2018-07-24/2575/> The Fuel Allowance was also increased to 32 weeks in 2020 in response to the pandemic.

⁴⁶ National Traveller MABS, 2019. Accommodating Ethnicity: Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers

- Further promote the Community Welfare service's increased discretionary funds through the Supplementary Welfare Allowance Scheme⁴⁷ and through the Additional Needs Payment.⁴⁸
- Expand eligibility for people on low to middle incomes currently not able to avail of the Better Energy Warmer Homes scheme through providing other qualifying options for this scheme for low/middle income households.
- Introduce changes to direct taxation to support low earners without children, as well as renters who face higher rates of energy deprivation relative to homeowners, for example through increasing the PRSI credit.⁴⁹

Income Adequacy/Protection

- Progressively establish the Minimum Essential Standard of Living as the benchmark for social welfare payments.
- Ensure that progression to a living wage at 60% of median hourly earnings, at a minimum, and moving to a target rate of 66% after an initial period.
- Change eligibility for jobseeker's payments to criteria based on hours worked rather than the number of days worked to better support part-time and casual working patterns.⁵⁰
- Further support pathways back into work by reducing the time requirement of 15 months on a Jobseekers Allowance payment for eligibility to the Part-Time Job Incentive Scheme.
- Remove the age differentiated reduced rate payment of Jobseeker's Allowance and Supplementary Welfare Allowance for young people aged between 18 and 24 years.
- Consider increases to the self-employed PRSI contribution rate in line with the recommendations in the Report of the Commission on Pensions.
- Increase the qualified child rates both for over 12s and under 12s aligned with the VPSJ's MESL recommendations.
- Extend eligibility for the Jobseeker's Transitional payment until the youngest child reaches 18 years or completes second level education.⁵¹
- Consider extending eligibility for the Working Family Payment to self-employed people who fulfil all other qualifying criteria.
- Consider permitting Working Family Payment claims to be reassessed outside of the 52 week period, for particular circumstances, for example, where there is a fall in income due to the non-payment of maintenance, or fall in earnings.
- Disregard child maintenance in the means test for social welfare payments in relation to the One-Parent Family Payment (OFP).
- Provide entitlement to the Widow's, Widower's Pension or Surviving Civil Partner's Pension on the death of co-habiting partner.
- Provide improved supports for those experiencing domestic violence in terms of accessing social welfare without interference from an abusive/coercive partner.

⁴⁷ Note that a Heating Supplement under the SWA provides an additional weekly payment to help with the cost of heating one's home, for those with extra heating needs due to their age, medical condition, or disability, who were living alone or only with a dependent adult or children and satisfied a means test.

⁴⁸ The Additional Needs Payment includes the Exceptional Needs and Urgent Needs payments.
https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/supplementary_welfare_schemes/additional_needs_payment.html

⁴⁹ Barratt, M, Farrell, N & Roantree, B. (2022) Energy Poverty and Deprivation in Ireland. June 2022.

⁵⁰ Pre-Budget 2022; Pre-Budget Submission 2019; Pre-Budget Submission 2018;
https://www.citizensinformationboard.ie/en/publications/social_policy/prebudget_submissions.html

⁵¹ VPSJ (2022)

- Progress the review of long-term disability payments, and ensure it incorporates the key findings of the Indecon report on the cost of disability. Ensure the provision of the necessary resources to implement the recommendations of this report.
- Provide additional investment to childcare to address affordability for low-income households, as well as pay for childcare workers in the sector.

Health

- Increase the income threshold for the Medical card.
- Continue to invest in free GP care in support of universal healthcare, a key action under the Sláintecare Implementation Strategy (2017).
- Increase investment in GP services, primary care, and community care services via the Enhanced Community Care Programme.

Section Two: MABS Pre-Budget Submission: Budget 2023

Introduction

In this Submission, the Money Advice and Budgeting Service (MABS) outline our recommendations to the Government for Budget 2023. We believe that now is a time for sustained and targeted public spending, and very much support the Government's plans outlined in the Summer Economic Statement⁵² and the overall €6.7 billion that will be available in Budget 2023.

It is an exceptionally trying and turbulent time, both globally and for the Irish State. We recognise the difficult position the Government is in, as we emerge from a worldwide pandemic with high levels of national debt, facing the exceptional challenges of rapidly increasing levels of inflation and the geo-political ramifications of the conflict in Ukraine. We endorse the Government's commitment to continue to support households during this period of uncertainty, and would adamantly advocate for sustained and even increased funding for essential public services. These services deliver fundamental support for persons and families who experience immense financial difficulties, difficulties expected to intensify significantly in the coming months.

At MABS, we do not only support those people who face unmanageable levels of debt in the present, but we also support those persons who are, for whatever reason, on the path towards situations of over-indebtedness. In our mission, we are committed to working towards the 'elimination of over-indebtedness' in Irish society, and our remit includes undertaking preventative measures to realise this objective, such as providing specialised money advice, debt negotiation with creditors, helping clients build budgeting skills as well as broader outreach in the areas of money management education and financial inclusion. Today, the dramatic rise in the cost of living, in particular related to household utilities and accommodation costs, is bringing many people to our doors at MABS. These clients are coming to us simply to find a way to pay their bills and cover everyday expenses, never mind be in a position to service debts. We feel strongly that the country moving forward is going to need MABS, and the community-based, independent, free, confidential and non-judgmental money advice and budgeting service we provide, more than ever before.

Established in 1992, MABS helps persons to cope with personal debt and take control of their own financial wellbeing. It operates from over 60 offices nationwide and is funded and supported by the Citizens Information Board. There are currently 10 Companies in the MABS network – 8 Regional Companies (North Dublin MABS, Dublin South MABS, North Connacht & Ulster MABS, North Leinster MABS, North Munster MABS, South Connacht MABS, South Leinster MABS and South Munster MABS), National Traveller MABS and MABS Support CLG.

⁵² See: July 2022 [Summer Economic Statement](#)

We base the recommendations put forward in this Submission on the insights and expertise provided by Regional Managers and staff across all 10 MABS companies.

We have divided this submission into two main parts. The first outlines an overview of the persons who have been coming to MABS in recent months, both as new clients and as queries through the MABS Helpline, and the types of financial struggles they face. Related, in this first section we also provide a breakdown of the Hardship Schemes we have been administering, in conjunction with St Vincent de Paul and various private and publically owned energy providers, to provide immediate relief to those who are in and/or those who are at high risk of falling into utility arrears.

The second section of the submission outlines our central asks of Budget 2023 and where we believe the Government should increase resources and funding. It is important to note that MABS supports the pre-budget recommendations from our colleagues at National Traveller MABS and our funders Citizen's Information Board, as well as expert analysis from stakeholders St Vincent de Paul,⁵³ the Vincentian Partnership⁵⁴ and Social Justice Ireland.⁵⁵ It is essential that Budget 2023 allocate significant resources to supporting those who are low-income, reliant on social transfers and living in and at risk of poverty. All budgetary decisions should be poverty, gender, and equality proofed to assess the likely impact that they will have on poverty rates and at-risk groups.

In Section 2, we outline our recommendations as they relate to all MABS clients, such as expanding eligibility requirements for State supports and supplementary allowances and the development of a public financial inclusion strategy. We further expand on these provisions throughout this Submission.

[Part 1: The challenges facing MABS Clients in 2022](#)

In this section, we briefly outline the impact of the pandemic on the MABS service, and the types of financial issues new clients are facing based on available 2022 data. Such analysis is necessary to set the context of the Budget 2023 recommendations we outline in Part 2. In this section, we also discuss the key challenges facing MABS clients in 2022, with a particular emphasis on utility debts and the payments administered by MABS through the Hardship Schemes with utility providers.

The pandemic and temporary closure of MABS offices and in-person supports resulted in an overall drop in the number of new clients to the MABS service in 2020 and 2021 compared to previous years. However, calls to the MABS Helpline service remained at relatively high levels. We observed that State-level and household-focused interventions, in particular the Covid-

⁵³ [SVP-PBS-2023-The-Cost-of-Surviving.aspx](#)

⁵⁴ [MESL Pre-Budget 2023 \(budgeting.ie\)](#)

⁵⁵ [Budget Choices 2023 Policy Briefing | Social Justice Ireland](#)

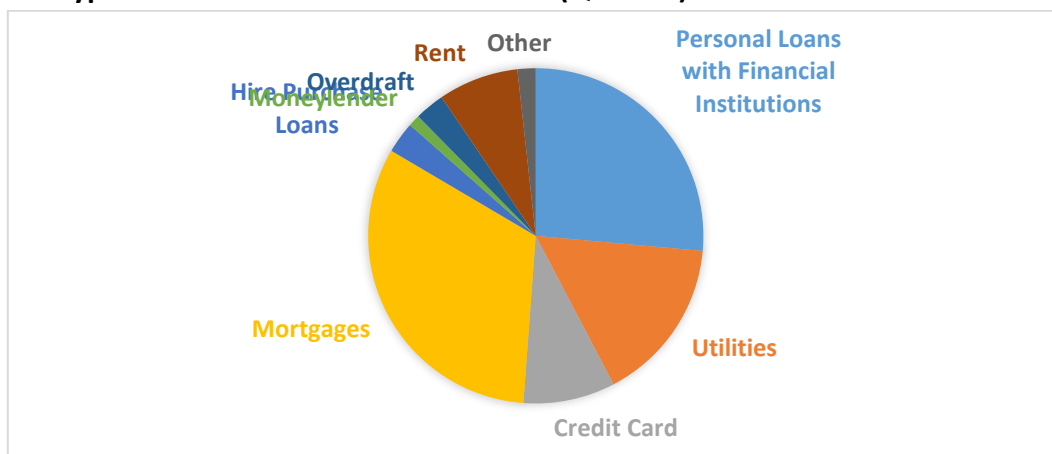
19 income supports, mortgage breaks, and extended moratoriums on both disconnections and evictions, had an overwhelmingly positive effect on financial and emotional wellbeing for many persons, and served to keep households afloat during the pandemic. However, we have also observed an upsurge in clients approaching MABS in severe financial distress since those interventions began to wane – in particular, those facing rent and utility debts. Increases to the cost of living and in particular the cost of energy and utilities has resulted in local MABS offices becoming extremely busy throughout the summer 2022. For example, August 2022 was the busiest month on record for the MABS Helpline, as the Helpline dealt with an unprecedented number of calls.⁵⁶ We discuss this further throughout this Submission.

In terms of types of debts, according to available 2022 figures, the top three common types of debts bringing persons to MABS are:

- mortgage debts (32% of new clients)
- personal loans with financial institutions (26%)
- utilities (16%)

This has been the pattern in recent years, and there is evidence that utility debt is increasing as a proportion of overall debt types. We expand on utility debt in more detail in the next section. Rent (8%) and credit card debts (9%) are also substantial. In recent years, MABS Money Advisors have expressed a particular concern with the cost of renting in the private sector and the difficulty dealing with cases of private rental arrears. We expand on this further in Section 2. For a full breakdown of debts for new clients, see Figure 1 below. Please note that ‘Other’ in Figure 1 includes debts related to: Catalogue, Fines, Sub Prime and Waste Charges.

Figure 1: Types of Debts for New MABS Clients (Q1 2022)



MABS New Client Data Q1 2022, Source: [Statistics - MABS](#)

It is also important to note the most common household types and age profile of new MABS clients. In recent pre-budget submissions, MABS has noted its client base is aging over time.

⁵⁶ Almost 3,000 callers based on internal MABS statistics from the MABS Helpline

This year-on-year growth in the number of new clients in the age cohort 65+ continues into 2022. New clients aged 41+ accounted for 70% of the new client base in 2021 – a significantly higher figure when compared to ten years ago, when this figure was 42% in 2011. This trend is on track to continue in 2022, with at least 71% of new clients to date being over 41 years of age. This is consistent with trends in terms of the progressively aging population of first time-home ownership.⁵⁷

In addition, when the pandemic hit in 2020, the leading status of new clients who accessed MABS services were ‘single adults’ and ‘single adults with children’.⁵⁸ This is consistent with historic MABS figures, in which single adults, and in particular lone parents with dependent children, have been over-represented compared to the general population. This trend is on track to continue into 2022, with ‘single adults’ being the most represented household type profile of new MABS clients according to available figures to date. Those single adults and lone parents who are reliant on State supports are at particular risk of high levels of financial deprivation. We expand on this throughout the Submission.

Utility bills and Hardship Schemes with providers

As mentioned previously, one of the most predominant financial concerns that has brought people to MABS in recent months is in relation to utility bills and utility debts. When working on money management and household budgets with clients, MABS Advisors categorise utilities as a ‘priority’ household expenditure, due in large part to the negative consequences for non-payment. Facing the threat or actual penalty of disconnection oftentimes has a truly compounding impact on the overall wellbeing of clients and their families.

Dealing with utility debts is not new for MABS and we consistently work directly with utility providers to put sustainable, appropriate and affordable repayments plans in place when arrears arise, and to support alternative payment arrangements when necessary to avoid situations of arrears. However, what we are seeing now, even during the spring and summer months, is that the dramatic increase in baseline charges to home energy costs (electricity, gas and oil) has resulted in a surge in the number of clients presenting to MABS who cannot afford to cover their monthly usage let alone contribute to an arrears balance. This has resulted in difficulties for MABS Advisors trying to put in place a sustainable payment plan between suppliers and MABS clients.

Since 2021, MABS has administered Hardship Schemes with utility supplies, including Electric Ireland, Bord Gais, PrePay Power and Energia, in order to direct small grant amounts to clients in need. This is a targeted support, as these funds come directly through the MABS service. As such, the Hardship Schemes help bring people into the holistic service MABS provides, and

⁵⁷ For more see: [statistics_Q1_2022.pdf \(mabs.ie\)](#) and [Age of Purchasers - CSO - Central Statistics Office](#)

⁵⁸ MABS (2021) [social-distancing-margins-covid19-mabs-report.pdf](#)

access continual support in terms of budgeting, money management and maximising income. Below is a Table with the number of current MABS clients who have been supported by the Hardship Scheme grants (as of July 2022).

Figure 2: Hardship Grants, MABS Clients supported (as of 15 July 2022)

Provider	Start Date and End Date (if relevant)	Number of MABS clients supported	Total amount awarded
Bord Gais	18 March 2022 – still active	408	€204,373.61
PrePay Power	Scheme 1: 12 December 2021 – 4 April 2022 Scheme 2: 24 June 2022 – still active	762	€38,000
Electric Ireland	March 2021 – end of June 2022 (queries still being processed)	3,282	€1,177,126
Energia	May 2022 – still active	29	€1,450
<u>Totals</u>		<u>4,481 Clients</u>	<u>€1,420,949.61</u>

Source: Based on available figures at time of publication, as reported by MABS Support CLG & MABS National Helpline

As illustrated in Figure 2, the Electric Ireland (EI) Fund has recently ended for new applications. However, EI are still finalising all applications outstanding, and have made a commitment to continue to work with MABS in the coming months.

For us at MABS, the overall objectives of these funds are as follows:

- To assist those who are struggling financially.
- To provide clients with a ‘fresh start’ in some cases.
- To assist clients to redirect their funds to other priority payments.
- To provide emergency credit to clients who are without power.

It is important to note that a client does not have to have arrears on their utility account to avail of the Hardship Scheme support. As such, the Hardship Funds are providing direct support to persons and families who are in trouble. This targeted vehicle of direct support from utility providers offers an alternative approach than the universal electricity credit of €200 adopted by the Government in April 2022 – and we further expand on this point in our Budget 2023 recommendations outlined in Part 2.

MABS has seen firsthand the impact of the payments on clients, and the immediate relief they provided for persons who were struggling. Since the first Hardship Scheme was launched in 2021, MABS has distributed nearly €1.4 million in aid directly to over 4,000 clients to help cover utilities costs. This amount and the scale of the support provided by the Scheme further sheds light on the influence of rising inflation on households across Ireland.

In the next Section, we outline how working within this context has shaped our targeted recommendations for Budget 2023.

Part 2: MABS Recommendations for Budget 2023

Theme 1: Addressing the cost of living and household burdens

As illustrated with the number of people accessing the Hardship Schemes in recent months, inflationary pressures are having an impact in real-time on persons and families. Prices are going up, but income levels across the board are not keeping pace for social welfare recipients and many of those in work, in particular those in low-paid employment. Household discretionary income is being further squeezed in order to cover rising costs. From a MABS perspective, this creates particular problems for those over-burdened by debt as they have fewer resources to service their debts. These households have very little resilience to withstand any, even a seemingly minor, change in monthly expenditure, such as an unexpected bill, a car breakdown, a family member falling ill, and so on.

While inflation is ‘universal’, it has a disproportionate impact on those who are lower incomes.⁵⁹ The challenge is when households do not have the space/resources to absorb these levels of consistent price inflation. We welcome recent Government policies that will help support persons and families, such as the package to curb back to school costs,⁶⁰ subsidies for the public transport sector, and a commitment towards raising the minimum wage towards a Living Wage.

We recommend that Budget 2023 also include the following measures to help further insulate households, including low and middle-income households, against rising inflation:

⁵⁹ Findings: TASC 2022 Inequality Report: [2205-4_tasc_inequality_in_ire_2022.pdf](#) Report found that increases in inflation disproportionately and adversely affects those on lower incomes (the bottom two quintiles) – due in large part to energy costs. This report recommends baseline increases in social welfare supports and incomes in order to curb this impact.

⁶⁰ The new package to curb back to school costs will include a scrapping of school transport fees, expansion of the hot meals programme, an additional back-to-school clothing and footwear allowance and so on. For more, see: [gov.ie - Ministers Foley, Humphreys, and McGrath announce initiatives to assist families with Back to School costs \(www.gov.ie\)](#)

Recommendation 1: Social welfare changes for utility costs

The ESRI⁶¹ has recently reported that social welfare changes would have a more targeted benefit for lower income households versus indirect tax cuts. We observe that, although not without some issues, the €200 credit for electricity customers provided immediate relief for many MABS clients. Other welfare changes recommended by the ESRI include a double social welfare payment similar to the annual Christmas bonus, a doubling of fuel allowance (subject to review as appropriate) and additional lump-sum electricity credit. On top of this, similar to recommendations made in the Pre-Budget Submission by the Citizen's Information Board, MABS recommends that the eligibility criteria is expanded to include those, not just on social welfare, but low-middle income households and all those in receipt of the Working Family Payment. We outline further recommendations related to the Working Family Payment and means tested social supports in Recommendation 2.

In terms of the April €200 lump-sum electricity credit, safeguards are needed in order to ensure that any additional credit schemes are accessible to all households, not only per domestic connection. MABS had several clients who are renting in private apartment blocks where the property owner only has one ESB meter and 'sub meters' in each apartment – and these tenants missed out on the credit. Tenants in these positions are often very reluctant to raise a complaint, for risk of losing their accommodation as a result. Many Traveller families were also excluded from accessing this support, and we endorse our colleagues in National Traveller. MABS and their pre-budget recommendations regarding the necessity of any additional lump-sum credit scheme being inclusive to all.

Recommendation 1: Social welfare changes for utility costs

MABS strongly recommends that Budget 2023 allocate additional resources towards an increase in social welfare rates and targeted public supports (including the Fuel Allowance and lump-sum electricity credits) to help households cover utility costs ahead of projected inflation.

Recommendation 2: Widening eligibility criteria for social supports

MABS sees the impact of inflationary pressures on every household. Once people get into difficulty, they look to reduce costs in other ways, and face unavoidable payment lapses/reductions for rent, utility bills, health insurance, house insurance and mortgage protection, as well as self-disconnection and/or rationing by those with prepay meters. As such, relaxing and expanding the eligibility criteria for State supports would allow these persons, including low-middle income households and families, to avoid situations of over-indebtedness. MABS would endorse blanket increases in eligibility criteria for the medical card (including for households who are in work) and expanded access to the social housing and rental

⁶¹ ESRI 2022 Energy Poverty Report: [Energy Poverty and Deprivation in Ireland \(esri.ie\)](https://www.esri.ie)

supplements. In addition, we recommend a reboot of mortgage interest supplements to support those who are on lower incomes and trying to pay mortgages, particularly given the future increases in mortgage interest rates announced for July and September 2022, with a gradual but sustained path of further increases expected beyond these dates. We would also recommend the indexing of means test limits for Working Family Payment in line with inflation increases, for example, 10% in 2022 and 5% expected in 2023. Such indexing would be beneficial if applied across all means tested social welfare payments, providing targeted social protection for those at the lower end of the income spectrum.

In terms of access to social housing, the income thresholds for the county-by-county means testing mechanism have not been updated since 2011. The cost of living has dramatically increased during this time. In particular, local authorities have repeatedly denied MABS clients' requests for social housing supports (such as access to HAP and the Mortgage-to-Rent Scheme) where they do not fall within the strict income criteria. These issues are also evident in recent housing related queries to Citizen Information Services and are reflected in the CIB submission. We would support a review and change of this system.

Related to this, the 2021 Household Means Policy (HMP, published in March 2021) by the Department of Housing, replaced the prior 2011 policy. New text in the HMP 2021 reads: "The determination of whether an applicant household meets the income criteria is based on a calculation of *their preceding 12 months' net average income* prior to the date of receipt of application". The income threshold is €26,250. There was no such stipulation in the 2011 Policy. This move away from a point in time calculation is having an impact on MABS clients, in particular those who are recently unemployed/ find themselves unexpectedly above the income threshold. Such a net average income calculation does not exist in other areas of MABS work, for example, supporting clients with creditors and payment arrangements, as these entities look at a client's current situation/ ability to repay. We would recommend the removal of this condition to allow anyone who needs social support to be able to avail of it.

Recommendation 2: Widening eligibility criteria for social supports

MABS strongly endorses relaxing and expanding the eligibility criteria for means tested social welfare payments, including for the medical card, the Working Family Payment and social housing and rental supplements. We also endorse a reboot of mortgage interest supplements.

Recommendation 3: Overhaul of the HAP Scheme

For those clients who do qualify for rental support, the HAP Scheme presents a significant challenge for MABS Advisors. Firstly, the HAP rental limits have not been raised since 2016,

despite private rental figures rising significantly on a national level since that time.⁶² HAP limits both then and now are not enough to cover rental costs, and persons are required to pay top-up amounts to the private landlord, in addition to the rent they pay to the local authority. Although we welcome the Government's June 2022 announcement that it was raising the discretionary HAP limit from 20 – 35%,⁶³ this is for new HAP tenants only, and local authorities do not yet apply these limits in a universal manner.⁶⁴ For MABS clients reliant on social welfare, managing the rising cost of living in addition to covering HAP-top up amounts have become nearly impossible, pushing people further into debt and at-risk of homelessness. Citizen's Information Services has also seen a rise in HAP-related queries, as highlighted in CIB's Pre-Budget Submission.

The fundamental challenge with HAP is that it is a quasi-private-public system, and HAP tenants do not have the same rights and protections as those in social housing. HAP tenants are considered 'socially-housed' according to government figures, yet the vast majority do not have security of tenure or tenancies of unlimited duration. If they fall into arrears, then the local authority stops paying the private property owner HAP and they are at risk of eviction and homelessness. As highlighted in previous CIB pre-budget submissions, MABS Advisors and Citizen Information Services have been addressing issues around HAP and their clients for a number of years. We would support the movement of those in receipt of rental supplements into social housing in a timely manner. In light of recent spikes in the cost of living, HAP issues have become more and more prevalent in MABS casework.

Recommendation 3: Overhaul of the HAP (Housing Assistance Payment) Scheme

Due to the increasing pervasiveness of HAP-related issues in MABS casework, MABS strongly recommends a comprehensive review and overhaul of the Scheme and increased interventions that adequately address Ireland's social housing needs.

Recommendation 4: Increased supports for persons with disabilities

In February 2022, MABS made a presentation to the Joint Oireachtas Committee on Public Expenditure and Reform⁶⁵ regarding the Disabled Drivers and Disabled Passengers Scheme (DDDP Scheme), operated by the Office of the Revenue Commissioners. We recommended an overhaul of the DDDP Scheme and related transport, social welfare and income supports for persons with disabilities. This includes a re-evaluation of medical criteria and accessibility,

⁶² See the recent report from the Simon Community: [Press Release: June's Locked Out of the Market Report Finds Just 37 HAP Properties Available Across 16 Areas - Simon Communities in Ireland](#)

⁶³ [Housing Assistance Payment \(HAP\) \(citizensinformation.ie\)](#)

⁶⁴ According to MABS Money Advisors, there is no standard practice across local authorities for the application of the HAP discretionary limits.

⁶⁵ For a full copy of MABS Opening Statement, see: [Opening-statement-by-the-Money-Advice-and-Budgeting-Service-MABS_16-Feb-2022.docx.pdf](#)

and re-opening the Mobility Allowance and Motorised Transport Schemes to new applicants. This is also informed and supported by data and evidence from Citizen Information Services with significant levels of queries presented to these services in relation to these schemes and transport needs.

Persons with disabilities already face increased household expenses when compared with the general population,⁶⁶ for instance someone may have to keep warm when they are not mobile, and/or they may be homebound and require continuous electricity, lighting, and so on. As such, they are even more sensitive to rises in energy prices than the general population. MABS maintains that increased, targeted social supports for persons with disabilities is particularly important in light of the current inflationary pressures.

Recommendation 4: Increase supports for persons with disabilities

MABS strongly endorses the provision of additional financial supports for people with disabilities and their families, including for costs associated with housing, transport, and utilities.

Recommendation 5: Inflation-proofing policies related to mortgage debt and consumer protection

MABS advocates that existing resolution mechanisms and important policies as they relate to mortgage debt and consumer protections should be 'inflation-proofed', in light of interest rate increases announced for July and September 2022, with further increases expected. These include the Code of Conduct on Mortgage Arrears (CCMA), mortgage restructuring and repayments, and insolvency supports. One possible way to implement such a mechanism would be to add an additional buffer into mortgage restructures and payment plans to account for inflation. Similar to an interest rate stress test, 'an inflation stress test' should be developed. For example, where a client with a mortgage has affordability for a repayment of €1,000 per month, the repayment could be set at €917⁶⁷ to allow for the rising cost of living. Lenders are not in the practice of allowing a buffer when it comes to restructuring loans, although they do so at draw down.

In addition, we argue that financial institutions need to take a more progressive, longer-term view of mortgage arrears themselves. This would involve working closely for sustained periods with people who fall into difficulty due to circumstances outside their control, rather than resorting to legal proceedings for repossession in those cases. Such a mechanism would address situations where the shock to a household situation is short to medium term in

⁶⁶ For more, see: [gov.ie](http://www.gov.ie) - [The Cost of Disability in Ireland – Research Report \(www.gov.ie\)](#)

⁶⁷ Inflation rate at 9.1% in June 2022, see: CSO announcement from 14 July 2022 [Press Statement Consumer Price Index June 2022 - CSO - Central Statistics Office](#)

nature. This perspective is particularly apt in light of increases to mortgage interest rates from September 2022.

Recommendation 5: Inflation-proofing policies related to mortgage debt and consumer protection

MABS strongly endorses the ‘inflation-proofing’ of relevant policies related to mortgage debt, including the Code of Conduct on Mortgage Arrears (CCMA), mortgage restructuring and repayments, and insolvency supports.

Recommendation 6: Supporting opportunities for social mobility

MABS advocates for the expansion of existing schemes to further support those who would like to return to education or training but cannot access the programmes due to cost and the loans they would need to take out in order to do so. For instance, the SUSI grant does not extend to part-time courses or part-time students, and in order to qualify, many single parents have to wait until their children are old enough to allow them to go back to full-time study so they can qualify for grants.

As such, these measures exclude many parents with caring responsibilities. That exclusion will ultimately bring further debt to their door, while simultaneously preventing social migration and leaving these persons in a poverty trap and struggling to return to work. MABS has observed that, post-pandemic, many persons have expressed an increased appetite to re-skill and re-train, and all groups need to be able to access these opportunities regardless of circumstances.

Recommendation 6: Supporting opportunities for social mobility

MABS strongly recommends the expansion of existing State-funded schemes for those (including single parents) who would like to return to education or training but cannot access the programmes due to high costs.

Theme 2: Promoting financial inclusion

The final area where we would like to make recommendations is in terms of financial inclusion. Over a number of previous pre-budget submissions, MABS has identified measures to advance the financial inclusion of its clients and other low-income households, with a particular focus on access to affordable credit⁶⁸. MABS itself is an important tool for financial inclusion, through our ‘money advice process’ which empowers clients to take control of their money and brokers solutions between clients and their creditors. We also support the Budget

⁶⁸ ‘Building the Box’ A report by National Traveller MABS expands further on relevant issues <https://www.ntmabs.org/publications/development/2020/ntmabs-building-the-box-equality-report-final.pdf>

2023 recommendations from our colleagues at National Traveller MABS, including the development of a culturally affordable rental scheme for Irish Travellers. We further support piloting and expanding into all communities the no-interest loan schemes (NIL) Schemes such as those supported by Good Shepherd Ireland.⁶⁹

Recommendation 7: Review of the Household Budget Scheme

The Household Budget Scheme, administered by An Post, is a very important resource for MABS clients. It helps people on lower incomes to manage their money and pay their basic expenses. The Scheme continues to be a key tool of financial inclusion for many Irish households and for the MABS client group, enabling routine making of payments via direct deduction at source from social welfare payments. However, and as highlighted in previous pre-budget submissions, the Scheme should be reviewed with a view to broadening access and facilitating the making of payments to a greater number of creditors. This includes an expansion to allow repayments from the new, recently piloted and soon to be nationally available, Caravan Loan Scheme, as recommended from our colleagues at National Traveller MABS.

In addition, the Scheme is only available for those who receive social welfare payments in cash from their local post office, and is not available to those who receive this directly into their bank accounts. This serves as a massive administrative barrier for access to a government scheme. We argue this further promotes banking and financial exclusion for particularly marginalised groups. We recommend that An Post complement the Scheme by offering Basic Bank accounts.⁷⁰ This would enable both the payment of social welfare into these accounts and the introduction of digital services to a cohort of consumers still dependent on cash and cash transfers. It also has the potential to help modernise/expand/diversify the Household Budget Scheme. We support a prompt review of the Household Budget Scheme in light of these challenges and our suggested solutions.

Recommendation 7: Review of Household Budget Scheme

MABS strongly endorses a timely review of the Household Budget Scheme (HBS), and the expansion of the HBS to allow payments to be made to a greater number of creditors and to enable those who receive social welfare payments directly into their bank accounts access to the Scheme.

Recommendation 8: Publically backed savings initiative for low-income households

We recognise that there are a number of savings vehicles in Ireland – from Banks, An Post,

⁶⁹ For more, see: [NILS Microfinance - Good Shepherd Ireland](#) | [NILS Microfinance](#) | [Housing](#)

⁷⁰ For more on basic bank accounts, or no/low fee banking options, see: [IBCB Basic Bank Account Guide - Irish Banking Culture Board](#)

Credit Unions, Community Savings clubs, Savings stamps in prominent retailers and new digital providers. However, a government-backed scheme for low-income persons would be favourable to counteract the high number of households with little to no savings.

Surveys⁷¹ have consistently shown that a substantial section of the population have low levels of savings (in particular long-term savings and retirement) and low financial resilience to weather negative financial shocks. At MABS, we see the impact having little savings has on households. We would support the introduction of a savings incentive scheme, similar to the 'Help to Save' initiative in the UK,⁷² targeted at those who are low-income and reliant on social welfare. The Government could be the lead partner in this with the Banks, Credit Unions and An Post to initiate such a scheme. In addition, the CCPC 'nudge and boost' strategy⁷³ should be encouraged by the government and used as part of this initiative. It is important to note that such initiatives are vital to support the long-term financial resilience of low-income persons, but should not be provided in a vacuum, or under the assumption that individual actions in terms of savings, budgeting and entitlement maximisation are sufficient in the face of insurmountable structural barriers.

Recommendation 8: Publically backed savings initiative for low-income households

MABS endorses the introduction and facilitation of a State-sponsored savings incentive programme that targets those on lower incomes.

Recommendation 9: National Financial Inclusion Strategy

In MABS view, financial inclusion is both a means through which all consumers regardless of income, circumstance or capability can access necessary financial services, as well as an important policy tool for the emergence of life-enhancing financial services and products. To this end, MABS recommends that a national 'Financial Inclusion Strategy for Ireland' is developed – based on the previous strategy from 2011.⁷⁴ Such a strategy would require all providers of financial services to become more active in promoting financial inclusion and access.

Such a strategy is especially pertinent due to the ways recent developments in the Irish financial services sector have had a massive impact on Irish consumers. These developments include (but are not limited to) the following:

- the withdrawal of Ulster Bank and KBC and resulting consolidation of the market;
- widespread closures of local bank branches;
- introduction of new Buy-Now-Pay-Later services;

⁷¹ For example, see CCPC 2018 Research: [CCPC publishes financial well-being research - CCPC Business](#)

⁷² [Get help with savings if you're on a low income \(Help to Save\): How it works - GOV.UK \(www.gov.uk\)](#)

⁷³ For more on this, see: [CCPC recommends shock tactics to boost savings \(businessplus.ie\)](#)

⁷⁴ See the NT MABS response to the 2011 Strategy for Financial Inclusion: [response-strategy-financial-inclusion-final-report-july-2011.pdf \(ntmabs.org\)](#)

- prevalence of FinTech and expansion of non-bank lending; and
- increased digitalisation of basic financial services.

MABS, through our work with clients at local level, offers a unique perspective into this impact, in particular for those who are traditionally categorised as ‘vulnerable’ and financially excluded.

While often supporting borrowers who are heavily over-indebted, MABS also sees the significant value that savings, payment technologies and access to affordable credit can deliver in enabling social and economic progression for our clients and other low-income or otherwise marginalised households and consumers.

Recommendation 9: National Financial Inclusion Strategy

MABS strongly endorses the development of a national ‘Financial Inclusion Strategy for Ireland’ that seeks to combat financial exclusion through the promotion of social and economic rights for low-income or otherwise marginalised households and consumers.

[Conclusion and Summary of MABS Recommendations](#)

To conclude, MABS has a number of recommendations concerning where the Irish Government should direct public resources in the 2023 Budget. We recognise that now is a particularly challenging time for policymakers. MABS would support a targeted public policy approach inspired by the positive impact of pandemic policies on the overall wellbeing of the general population. We understand that the consequences of high inflation are further compounded due to the historic barriers regarding investment in public services in the areas of climate change, health, social housing, childcare, education, and transport. We posit that, even in light of current challenges, increased investment in these areas would support overall household financial wellbeing. The long-term return on this investment would positively benefit across all of Irish society.

In this Submission, we have advocated for nine total recommendations for further public investment across three major themes. Please see the summary of these recommendations in Figure 3 below.

Figure 3: Summary of MABS Pre-Budget Submission Recommendations

Theme	Recommendations
Theme 1: Addressing the cost of living and household burdens	<p><u>Recommendation 1: Social welfare changes for utility costs</u></p> <p>MABS strongly recommends that Budget 2023 allocate additional resources towards an increase in social welfare rates and targeted public supports (including the Fuel Allowance and lump-sum electricity credits) to help</p>

	households cover utility costs ahead of projected inflation.
	<p><u>Recommendation 2: Widening eligibility criteria for social supports</u></p> <p>MABS strongly endorses relaxing and expanding the eligibility criteria for means tested social welfare payments, including for the medical card, the Working Family Payment and social housing and rental supplements. We also endorse a reboot of mortgage interest supplements.</p>
	<p><u>Recommendation 3: Overhaul of the HAP System</u></p> <p>Due to the increasing pervasiveness of HAP-related issues in MABS casework, MABS strongly recommends a comprehensive review and overhaul of the Scheme and increased interventions that adequately address Ireland’s social housing needs.</p>
	<p><u>Recommendation 4: Increased support for persons with disabilities</u></p> <p>MABS strongly endorses the provision of additional financial supports for people with disabilities and their families, including for costs associated with housing, transport, and utilities.</p>
	<p><u>Recommendation 5: Inflation-proofing polices related to mortgage debt and consumer protection</u></p> <p>MABS strongly endorses the ‘inflation-proofing’ of relevant policies related to mortgage debt, including the Code of Conduct on Mortgage Arrears (CCMA), mortgage restructuring and repayments, and insolvency supports.</p>
	<p><u>Recommendation 6: Supporting opportunities for social mobility</u></p> <p>MABS strongly recommends the expansion of existing State-funded schemes for those (including single parents) who would like to return to education or training but cannot access the programmes due to high costs.</p>
Theme 2: Promoting financial inclusion	<p><u>Recommendation 7: Review of Household Budget Scheme</u></p> <p>MABS strongly endorses a timely review of the Household Budget Scheme (HBS), and the expansion of the HBS to allow payments to be made to a greater number of creditors and to enable those who receive social welfare payments directly into their bank accounts access to the Scheme.</p>
	<p><u>Recommendation 8: Publically backed savings initiative for low-income households</u></p> <p>MABS endorses the introduction and facilitation of a State-sponsored savings incentive programme that targets those on lower incomes.</p>

	<p><u>Recommendation 9: National Financial Inclusion Strategy</u></p> <p>MABS strongly endorses the development of a national ‘Financial Inclusion Strategy for Ireland’ that seeks to combat financial exclusion through the promotion of social and economic rights for low-income or otherwise marginalised households and consumers.</p>
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To conclude, MABS Support CLG would like to thank our colleagues across the MABS Regional Companies and National Traveller MABS for their collaboration in the formulation of this submission. We hope for continual engagement with the Government on these issues in the future.