

2024

# INOUE Submission on Means Testing and Social Welfare Payments

FEBRUARY 2024



IRISH NATIONAL ORGANISATION OF THE UNEMPLOYED | [www.inou.ie](http://www.inou.ie)

## INTRODUCTION

The Irish National Organisation of the Unemployed (INOUE) welcomes the opportunity to make a submission to the Joint Committee on Social Protection, Community and Rural Development and the Islands on the very important issue of Means Testing for social welfare payments. Given the timescale involved and the breath of this issue, this submission will focus in on Jobseeker's Allowance and Supplementary Welfare Allowance. However, the INOU will undertake further work on this issue with our affiliates and individual members and revert to the Committee later on in the year if any additional issues are raised, proposals made.

*"The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions. The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all. We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society."* (INOUE Mission Statement)

The organisation has almost two hundred affiliated organisations and six hundred individual members. We work at a local and national level on issues affecting unemployed people through the provision of training and welfare rights information services; analysis of Government policies and related advocacy work; and working with a wide range of other organisations on issues of common concern. For example:

- as part a group of social, environmental and voluntary organisations led by Friends of the Earth, a Joint Pre-Budget Statement on Energy Poverty<sup>1</sup> was issued to coincide with the National Economic Dialogue in June 2023, and amongst the actions sought was one to *"Increase Fuel Allowance rates in line with cost-of-living increases, and expand eligibility by:*
  - *including those receiving Working Family Payment*
  - *removing the waiting period for those recently signed on to Jobseekers Allowance*
  - *covering living arrangements of Traveller families"*;
- as a member of the Community Platform the organisation worked on the Platform's submission to the UN CESCR Fourth Review of Ireland<sup>2</sup>, and amongst the many issues raised was *"Our members are very aware that the Irish state had engaged in structured retrogression by deliberately choosing not to adjust the income thresholds for the Medical Card scheme in recent years, in a period when cumulative inflation has reached 20%. This decision has resulted in a large cohort of people being structurally excluded from this critical scheme which provides free GP care and range of supports to assist them with the cost of health care, notably reduced costs for prescriptions. This is particularly disappointing as the medical card scheme is a gateway scheme to other supports for low-income households."* (p64)

The Appendix at the end of the document describes the means tests under social protection.

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<sup>1</sup> The full statement is available at

[https://www.friendsoftheearth.ie/assets/files/pdf/budget\\_2024\\_joint\\_statement\\_on\\_energy\\_poverty\\_1.pdf](https://www.friendsoftheearth.ie/assets/files/pdf/budget_2024_joint_statement_on_energy_poverty_1.pdf)

<sup>2</sup> The full report is available at Ref: <https://communityplatform.ie/publication/submission-to-un-cescr-fourth-review-of-ireland/>

## CONTEXT

On February 22<sup>nd</sup> 2023 the Central Statistics Office (CSO) published the results of the *Survey of Income and Living Conditions (SILC) 2022*. SILC is a household survey which provides the data from which key national poverty indicators are derived, including the at-risk-of-poverty rate, the deprivation rate, and the consistent poverty rate. In 2022 the at-risk-of-poverty rate increased by 1.8 percent-age points to 13.1%, however without social transfers this figure would have been much higher, at 36.7%. Social transfers include, for example, Child Benefit, Housing Assistance Payment, Jobseeker's payment, One Parent Family Payment, Pensions, Illness and Disability payments.

The SILC data is presented under a number of difference categories including Principal Economic Status (PES). Under PES, the at-risk-of-poverty rate for people who identified themselves as unemployed was considerably higher – at 35.6%, a rise of 12.4 percentage points over the year. The CSO noted that the *“enforced deprivation rate is the percentage of persons that are considered to be marginalised or deprived because they live in households that cannot afford goods and services which are considered to be the norm for other households in society.”* This rate captures people in the population who were not able to afford at least two of the items / activities contained in a list of eleven. The deprivation rate for 2022 was 17.7%, an increase of 3.9 percentage points. The deprivation rate for unemployed people was substantially higher - at 48.6%, an increase of 17 percentage points.

At the national level the consistent poverty rate, which captures people who are at-risk-of-poverty and experience deprivation, rose by 1.3 percentage points to 5.3%. Again this figure was significantly higher for people who are unemployed - at 18%, an increase of 7.8 percentage points over the year. Amongst the other groups with noticeably higher consistent poverty rates were people unable to work due to long-standing health problems (19.7%); households with one adult aged under 65 years (14.5%); households with one adult with children aged under 18 years (14.1%); no person at work in the household (13.8%); and people whose tenure status was rented or rent free (12.9%).

## LOOKING TO THE FUTURE

### ➤ Streamlining the means test

Over the years, people have raised concerns about the extent of the personal information that is sought when applying for a social welfare payment; issues where the applicant is not the 'named householder' and may not have rental / lease / utility / household bills confirming tenancy status; access to utility bills or statements within any prescribed timeframe may be problematic i.e. documents issued within the last 3 months in some circumstances or where the person has / is moving home; and other people locally becoming aware of their business / personal circumstances. The latter issue is one that arises in particular in smaller urban and rural areas and can put people off making a claim. This issue arises not just with JA, but has also arisen with JB applications, even though the latter is in effect an insurance payment / policy the applicant has made / taken out, indicating the on-going need for good communication that ensures people are fully aware of their rights and entitlements. The development of MyWelfare.ie has been useful in terms of offering people opportunities to engage with the system in a manner that is less locally visible / public. However, it would be

important that online services do not adversely affect personal service provision in what should be primarily a 'customer facing' service.

The National Economic and Social Council's report *The Future of the Irish Social Welfare System: Participation and Protection*<sup>3</sup> discussed the issue of a single portable means test. In 10.4.2 the report notes that *"Currently, when a person becomes unemployed, they might apply for Jobseeker's Benefit/Allowance and Rent Supplement, and have to provide documentation on means (i.e. incomes, savings or assets) for both applications. This duplicates work for both the applicant and the public sector. To help reduce such duplication, during the early 2000s, work was carried out on a 'central means system', under which applicants for state benefits could allow one state body to view financial data collected by another, for the purposes of applying for these benefits. Such options currently exist in the application process for Student Universal Support Ireland (SUSI) and the National Childcare Scheme, and could act as a model for further work in this area, bearing in mind GDPR requirements."* (p117) Such a proposal could alleviate some of the stress on people when they become unemployed, help to streamline social protection supports and services and should be given serious consideration.

#### ➤ Individualisation

On page xiii in the NESC report they note that *"NESC believes that the social welfare system should reflect changing patterns of household and family formation, with a commitment to equal gender roles and rights, and a sharing of family responsibilities. Thus, the welfare and tax systems should be reformed to more closely reflect current family/labour-market patterns. This would involve further individualisation of social welfare, such as requiring Qualified Adults (partners of people in receipt of a social welfare payment), who are on means-tested payments, with children older than seven, to participate in activation, education, training and job-seeking, as lone parents on Jobseeker's Transitional Payment do now. To better support balancing work and family commitments, consideration should be given to parents being entitled to take part-time leave when they have young children, and to flexible work patterns to support those looking after older people."*

In February 2021 the INOU ran a number of online events on the theme of *Developing a Social Welfare System for the Future*. Amongst the issues raised were:

- the journey from JB to the means tested payment Jobseeker's Allowance does not work out from everyone: if the person is under 25 and living at home their parents' income is taken into account; if older and they have a partner the partner's income is taken into account and / or they have means themselves; these rules have particular implications for young people and women and can lead to their exclusion from income supports and employment services.
- arising from the 2008 crisis there was an increased focus on activation and employment services linked to a Jobseeker's payment, many men found themselves, regardless of years of work, not making the transition from JB to JA as their partners worked, where a partner's income from employment / self-employment impacted their underlying eligibility for a means-tested Jobseeker's Allowance payment, and found themselves with no income, no direct access to

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<sup>3</sup> NESC published this report, No. 151, in November 2020 and it is available at [http://files.nesc.ie/nesc\\_reports/en/151\\_Future\\_Social\\_Welfare.pdf](http://files.nesc.ie/nesc_reports/en/151_Future_Social_Welfare.pdf)

- back to work supports / back to work income supports provided by DSP, or access to services or opportunity to re-train. A familiar situation for many women.
- means testing can also lead to a reduced pension rate for people applying for a non-contributory pension; there can be particular implications for people who have worked on the family farm.

Increasing individualisation within our social protection system could help to address some of these issues. It was interesting to see the effect of the rules that applied for claims under the Pandemic Unemployment Payment, where in effect each claimant was treated as an adult in their own right regardless of their wider personal or family circumstances, as it was their relationship with the employment / labour market that mattered.

However, for people, more than likely women, who are Qualified Adults on their partners payment, it would be very important that Genuinely Seeking Work criteria do not apply. An approach similar to that introduced for people, more than likely women, moving from a One Parent Family Payment to a Jobseeker's Transient Payment should be used. The Department of Social Protection have undertaken an evaluation of the EaSI Lone Parents Digital Activation project<sup>4</sup> and amongst their findings they noted that to address the issue of a poor response to the initial letter that was sent out informing people of the project, a more focused, active, and informative recruitment process was required. This finding highlights the importance of a person centred pro-active service that creates opportunities for people to engage in ways that are meaningful for them.

As NESC noted in their report *"On the individualisation of social welfare, NESC proposes that it would be useful to apply the changes made in income supports to lone parents to Qualified Adults also, as first proposed by the Department of Social and Family Affairs in 2005."* And that *"Equally, Qualified Adults should be made aware that they have access to employment support services. This approach takes into account the caring role of Qualified Adults with young children, while also moving towards greater individualisation in the treatment of Qualified Adults."* (p xxx)

### ➤ Personal Injury Awards

Before moving on to the themes of capital disregards and part-time working, the INOU would like to raise an issue with regard to the means test and cash income, and that is the issue of personal injury awards. In the context of the overall means testing process, and the numbers of payment recipients affected by 'income' from personal injury awards the numbers are quite low.

It should be noted that the award of any personal injury claim is rigorously scrutinised and commensurate within any assessed injury / disability and the impact on that person's life going forward. Equally, any compensation process, either through the courts / legal system recognises, *de jure*, an individual's right to recompense for injury or disability caused by others under common law. These monies are not earned income, savings, investments or an inheritance and should not be treated or valued as such given its 'source'.

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<sup>4</sup> Further information is available in the INOU's e-bulletin on this project at <https://www.inou.ie/analysis/e-bulletin/2023/12/08/easi-lone-parents-digital-activation-project/>

The process in obtaining compensation can take months, if not years to complete and result in an award / payment, all while the individual lives with the personal, physical and financial impact of the injury / disability and any associated impact on their ability or capacity to seek, obtain and sustain employment.

It should therefore be recognised that any incident which lead to the payment of such an award could be life altering for the recipient, and result in the person living with a lifelong disability and the associated costs of living with that disability. It can reasonably be argued that making an adjustment for such a payment, where a recognised disability exists which potentially impacts job seeking in previous fields of employment, but is such that does not impact the persons status as a Jobseeker overall, would be in keeping with some of the other income not assessed as means - income that reflects traumatic experiences that have occurred for the people concerned. As noted on pages 9-10 under the heading “Income not assessed for the means test”.

➤ **Capital Disregards**

In the course of our work, the INOU deals with a broad range of issues and challenges facing unemployed people and others of working age. As noted in the previous section, many people do not make the transition from Jobseeker’s Benefit (JB) to Jobseeker’s Allowance (JA) for a variety of reasons, including failing the means-test associated with JA. If an unemployed person can no longer access income supports they can find themselves unable to fully access employment service supports or education, training and employment programmes.

The proposed new Pay-related Jobseeker’s Benefit payment, like the Pandemic Unemployment Payment, is a flat rate payment, that is to say no Qualified Adult or Child Increase will be paid to recipients. According to the *Statistical Information On Social Welfare Services Annual Report 2022*, in 2022 claims were made for 2,149 Qualified Adults; 3,810 Qualified Children (Full Rate); and 2,233 Qualified Children (Half Rate). In terms of the Qualified Adult Increase, 2,149 adults is 5.25% of the number of Jobseeker’s Benefit payment recipients in 2022. In 2018 this percentage was 7.93%, and in 2013 it was 9.85%.

If an unemployed person has family responsibilities they may well be better off on a Jobseeker’s Allowance payment. However, to ensure that this support would be available to and be meaningful for more people the means test will have to improve considerably. The capital disregard for a Jobseeker’s Allowance payment has remained at €20,000 for more than eighteen years. Using December 2016 as the base, in January 2005 the Consumer Price Index stood at 87.3, while in January 2024 it stood at 119.6, an increase of 37%. If a person is saving to buy a house, a deposit of only €20,000 will not get them very far.

Table 1 below outlines the current position and the proposed changes the INOU are recommending.

<b>TABLE 1 JOBSEEKER’S ALLOWANCE CAPITAL MEANS TEST</b>			
<b>Current Capital</b>	<b>Weekly Means Assessed</b>	<b>Proposed Capital</b>	<b>Proposed Weekly Means Assessed</b>
First €20,000	Disregarded	First €35,000	Disregarded
Next €10,000	€1.00 per €1,000	Next €17,500	€1.00 per €1,000

Next €10,000	€2.00 per €1,000	Next €17,500	€2.00 per €1,000
Balance	€4.00 per €1,000	Balance	€4.00 per €1,000

### ➤ SWA Means Test

The organisation is also concerned at the difference in the current capital disregard for Supplementary Welfare Allowance (SWA), which is €5,000, in comparison to €20,000 on a Jobseeker's Allowance payment or €50,000 on a Disability or Carer's Allowance payment.

The difference in capital assessments can present problems where a person is applying for JA/OPFP/CA/DA<sup>5</sup> and is relying on SWA pending the outcome of the application; or a person who is appealing a refusal / suspension of JA/OPFP/CA/DA and applying for SWA pending the outcome. As a way to streamline the system, the INOU would advise that the SWA capital disregard be treated as follows:

- Where a person is transferring / moving from one Means Tested Allowance payment to another Means Tested Allowance payment, and by some necessity is required to apply for an SWA payment, that the lowest rate non-SWA capital disregard be applied (currently €20,000) rather than the SWA €5,000 disregard – subject to any assessable means of the original means tested payment.
- Where a person is in the process of applying for a Means Tested Payment and such application is the subject of a review or appeal (for non-means tested issues) that the means test / capital disregard for an SWA payment be brought into line with the payment the person is applying for until the review / appeal is completed.

### ➤ Working Part-Time

Another issue that came up at the INOU online events *Developing a Social Welfare System for the Future* in February 2021 was improving the interaction with people who are underemployed. It was recommended that the assessment for part-time work needs to change to hourly rather than daily system: not being able to take up work over 5 days has implication for particular sectors e.g. home help. Attendees felt that means-testing should be done over a month not a week. For example, in the home help situation a person might get 30 mins a day one week and be completely cut off, but work 25 hours another week and still retain some payment. When people are living week-to-week, the current system is not sustainable - people want to work, but the complications within the system presents a barrier.

This issue was acknowledged in *Pathways to Work 2021-2025*. On page fifty-eight it states *"This need not be the case. For example, the existing approach to means-testing based on income bands and setting thresholds based on 'days of work' was established during a period when real-time information on earnings was not available and, even if it was, could not have been easily incorporated into the calculation of payment rates."*

It is an on-going issue for the INOU, whereby if a person on a Jobseeker's Allowance payment receives an offer of part-time work, they could find themselves in a dilemma if that work is

<sup>5</sup> JA/OPFP/CA/DA = Jobseeker's Allowance; One Parent Family Payment; Carer's Allowance; Disability Allowance

spread over the whole of the working week, rather than concentrated over three days or less. In recent budgets we have called on the Government to:

- Introduce a work-friendly Social Welfare system for Jobseekers reflective of changing work practices, based on hours worked rather than days worked.
- In the meantime increase the daily earnings income disregard for JA to €25 per day for both the main claimant and qualified adult equally.

The ESRI in their publication<sup>6</sup> *“Eliminating cliff edges in the tax-benefit system would help improve work incentives”* noted that *“The social welfare system mainly avoids cliff edges through the gradual withdrawal of benefits as incomes rise. However, two cliff edges exist. The 4-in-7 rule, whereby those working part-time can only receive a Jobseekers Allowance (JSA) payment if fully unemployed for 4 days out of 7, can disincentivise employment as it means that a person working part-time, but whose hours are spread out over the week, will have no JSA entitlement. A second cliff edge exists for lower-income workers – those working at least 38 hours a fortnight can receive the in-work support, the Working Family Payment, while those just under this cut-off cannot.”*

In the Department of Social Protection’s Pay Related Benefit consultation held earlier in the year, a proposed Working Age Payment<sup>7</sup> was outlined which could help to address some of the challenges facing people who are underemployed. It could also recognise the employment and job-seeking challenges faced by unemployed people for whom part-time work may be the only practical option – because of local / regional economic circumstances, ongoing technologies impact on employment opportunities, and / or available and accessible employment options. It will be important to see what is in the Strawman / Green paper for this proposal when it is published in 2024. It will be particularly important that point nine on page thirty of the consultation document is realised, which states: *“This would be to guarantee a basic income floor and ensure that in all cases a person’s income increases when they work.”*

#### ➤ **SWA and Part-Time Work**

SWA was introduced for persons whose means are insufficient to meet their needs and those of their dependants. It can consist of a basic payment and/or a supplement in respect of certain expenses a person may not be able to meet. All SWA payments are means tested. This means that any extra income a recipient receives could affect how much they receive.

The main purpose of Supplementary Welfare Allowance is:

- To provide immediate and flexible assistance for those in need who do not qualify for payment under other State schemes;
- To guarantee a standard basic minimum income;
- To provide people with low incomes with a weekly supplement to meet certain special needs (e.g. rent and mortgage interest payments) or a payment to help with the cost of any exceptional needs they may have;

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<sup>6</sup> Further information is available at <https://www.esri.ie/news/eliminating-cliff-edges-in-the-tax-benefit-system-would-help-improve-work-incentives>

<sup>7</sup> The INOU’s submission to this consultation is available at <https://www.inou.ie/analysis/submissions/inou-prb-submission/>



- To help those whose needs are inadequately met under the major schemes and those confronted with an emergency situation.

Of particular concern to the INOU is the issue that arises for people on Supplementary Welfare Allowance (SWA) who are working part-time, that any weekly income i.e. wages they earn will be taken into account in full. For example, a single person on Jobseeker's Allowance who works for three days a week and earns €300 will lose €144 on their Jobseeker's Allowance payment. However, if another person on SWA earns the same amount of money, they will lose their whole SWA payment, €230, an €86 difference. People on SWA can be in difficult circumstances, falling through the cracks in the system, not quite meeting the criteria for one scheme or another. Given that one of the objectives of SWA is *"to guarantee a standard basic minimum income"*, it would be important that people are supported to improve their circumstances and enjoy a minimum essential standard of living.

*Thank you for your time and consideration*

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## APPENDIX: THE MEANS TEST

The following material is drawn from pages thirteen to nineteen of the INOU's publication *Working for Work* which is available on the organisation's website<sup>8</sup>.

All social assistance payments are means-tested but the means test can differ depending on the type of payment you are applying for. The Department's rules on means testing are set out in its guidelines, which are available at [www.gov.ie/welfare](http://www.gov.ie/welfare). If you are not happy with a decision on the means test and feel you are being treated unreasonably, you may seek a Review of any statutory decision made by the Department and any new evidence or information provided to the Department will be considered as part of this review. You may also have the right to appeal the decision if a Review is unsuccessful or if you do not seek a Review.

The following income is taken into account for the means test:

- Cash income belonging to you or your spouse, civil partner, cohabitant and cash in hand.
- Any property you have (other than your own home).
- Property partly occupied by the claimant i.e., when the claimant rents out a portion of his/her home (certain disregards apply).
- The value of any savings, investments, pension shares or land, Credit and/or Debit Cards (including pre-paid cards).
- Any maintenance paid to you by an ex-spouse or civil partner.
  - OPFP changes will remove assessment of means from maintenance, but other associated payments may not: no date on this change yet.<sup>9</sup>
- Parental income if you are 24 years of age or under and living in your parents' home.

This is not an exhaustive list. The legislation states that income from all sources will be included in the means test unless there is a specific exclusion clause or disregard for this in the statutory rules.

### ➔ Means Test – Cash income

This can include any income you or your spouse, civil partner or cohabitant receive from employment, pensions, rental income from property (not second properties which is assessed under capital assessment means rules), renting a room in your home (partially occupied) or the short-term letting of land owned.

Income not assessed for the means test:

- Payments from the Department of Social Protection.
- A social security payment from an EU Member State or the UK, that is equivalent to an Irish Social Welfare payment, if the equivalent Irish payment is similarly excluded.
- Supplementary Welfare Allowance (SWA) payments.
- Rent Supplement.
- Income earned under certain schemes in Gaeltacht areas.
- Income from certain non-profit making charitable organisations.
- Income from the HIV Haemophilia Fund and the Hepatitis C Fund.

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<sup>8</sup> *Working for Work* is available at [https://www.inou.ie/assets/files/pdf/wfw\\_2023\\_for\\_website.pdf](https://www.inou.ie/assets/files/pdf/wfw_2023_for_website.pdf)

<sup>9</sup> Ref <https://www.gov.ie/en/press-release/fb394-over-16000-lone-parents-to-benefit-from-child-maintenance-reforms-minister-humphreys/>

- Any amount received as a training allowance while undergoing a course of rehabilitation training by an organisation approved by the Minister for Health.
- Up to €104 per year from certain Army pensions (inc. British War Pension).
- Compensation awards by the Residential Institutions Redress Board.
- Income from insurable seasonal employment if the seasonal employment has finished.
- Home Care Grant (HSE).
- Foster Care Allowance (Tusla - Child and Family Agency).
- PRSA Contributions.
- Back to Work Enterprise Allowance, Back to Education Allowance (any monies earned from employment will be assessed) or Part-Time Job Incentive payments made to your spouse, civil partner or cohabitant.
- SOLAS or ETB (Educational & Training Boards) payments made to your spouse, civil partner or cohabitant.
- Ex gratia payments for the benefit of women admitted to Magdalene Laundries, or Surgical Symphysiotomy Payment Scheme/Lourdes Hospital Redress Board.
- University Scholarships or Awards under the 1916 Bursary.
- Compensation for Stardust Victims.
- Compensation for the Cervical Check Screening Programme.
- Residential Institutions Statutory Fund.
- Sport Ireland under the International Carding Scheme.
- Northern Ireland Victim and Survivor Service (VSS) for Victims and Survivors.
- Special Transport Grant for Children with Special Educational Needs.

### ➔ Means Test – Income disregards

There are certain disregards allowed on income, for example, if you make a claim for Jobseeker's Allowance and your spouse is working then their PRSI, pension contributions and union subscriptions are deducted from their gross earnings before the means test is done. There are a range of different income disregards for different types of payment. These are explained in Chapter 4 of Working for Work.

### ➔ Means Test – Pensions

The value of a pension fund is only assessable for means when a person has access to the pension fund. Any benefits in the form of a regular payment will be treated as income for means purposes. The value of any cash otherwise available from a pension fund will be assessed on the basis of the capital valuation of that fund, taking into account penalties for early encashment.

Where a Personal Retirement Bond or Buy-Out-Bond is held, (a bond which offers a lump-sum payment at a specific point in time), the terms of this bond will determine what and when benefits are payable to the holder of the bond. A person should provide details of the bond to the Department in order to prove that they do not have access to any of the benefits of the bond. This can be provided by supplying the department with a copy of the Annual Benefit Statement associated with the bond.

Some pensions restrict access to funds until the beneficiary of the pension reaches the age of 60. These legal restrictions, in accordance with Revenue rules, means that this type of pension cannot be cashed, sold, borrowed against or traded in any way. These pensions cannot realise any financial value until the beneficiary reaches the age of 60, and as such cannot be assessed as means or as a source of income for the means test.

If a person knowingly invests money in a fund that is not accessible in order to qualify for a payment from the Department, the issue of depriving themselves of an income is considered.

### ➤ Means Test – Property

The Department will assess the capital value of any property you or your spouse, civil partner or cohabitant own, including any second home, holiday home, unoccupied property, and apartment, residential or commercial buildings in Ireland or abroad. The value of your own home will not be assessed.

Property which you do not live in is assessed at its capital value. This is the likely sale value of the property minus any outstanding mortgage. The capital value of the property may be assessed by the Department based on similar properties for sale in the area.

If you believe the actual ‘sale’ value of your property varies from the Department’s valuation because of specific issues, i.e., BER rating, condition of the property, etc. you can seek to have this valuation reassessed. You would be required to produce evidence of the ‘real’ value of the property i.e., estate agents’ valuation, estimate for repairs, etc.

If a property is in negative equity, it is not assessable. You will have to provide documentary evidence to support your position that negative equity exists.

In a situation where a person offers his/her principal home for sale and it is lying idle, no capital value can be assessed for two years from the date the property has been put on the market. If the property is let / rented out, then the capital value of the property is assessable. Confirmation must be obtained that the property is up for sale and will be reviewed periodically.

Property partly occupied by the claimant i.e., when the claimant rents out a portion of his/her property the rent is assessed as means, with disregards for certain property maintenance expenses e.g., repairs for wear and tear.

### ➤ Means Test – Investments, savings, shares or land

The capital value of any money you or your spouse, civil partner or cohabitant have in the bank or credit union, stocks, bonds, shares or land will also be assessed. The method of assessing capital for entitlement to social assistance payments is as follows:

Capital	Weekly Means Assessed
<b>First €20,000</b>	Disregarded
<b>Next €10,000</b>	€1.00 per €1,000
<b>Next €10,000</b>	€2.00 per €1,000
<b>Balance</b>	€4.00 per €1,000

These amounts apply to Jobseeker’s Allowance, Jobseeker’s Transitions, and One Parent Family payments. For Disability Allowance or Carer’s Allowance the first €50,000 is disregarded. However, the disregards are lower for Supplementary Welfare Allowance payment as the following table illustrates:

Capital	Weekly Means Assessed
<b>First €5,000</b>	Disregarded
<b>Next €10,000</b>	€1.00 per €1,000
<b>Next €25,000</b>	€2.00 per €1,000
<b>Balance</b>	€4.00 per €1,000

You will be asked to provide documentation such as bank statements etc. for the means test. If you fail to provide this information without just cause or good reason, the Deciding Officer will not be able to make a decision on your claim and you may not receive any payment based on your application.

If there is any extended delay in providing requested information your claim may be closed and any future application would be treated as a new application. If you deliberately dispose of income or property to qualify for a payment, you will be assessed with the value of this income and property.

#### ➔ Means Test – Maintenance

If you are separated from your spouse, civil partner or cohabitant and receive maintenance from them, this will be assessed. However, for Jobseeker's Allowance, One-Parent Family Payment<sup>10</sup> and several other schemes (does not apply to Carer's Allowance), vouched housing costs up to a maximum of €95.23 can be deducted from the maintenance payment and half the balance will be assessed as means.

#### ➔ Means Test – Benefit and Privilege

If you apply for Jobseeker's Allowance or Supplementary Welfare Allowance (SWA) and you are under 25 years and are living at home, your parents' income will be considered for the means test. This assessment is known as Benefit and Privilege and is assessed because there is a certain benefit from living in the family home.

#### ➔ Means Test – Benefit and Privilege does not apply

- To persons 25 years of age or over on Jobseeker's Allowance living in their parents' home.
- Where a person is claiming Jobseeker's Allowance and is living in their parents' home with a spouse, civil partner or cohabitant.
- To a person with qualified children.
- If you return to the parental home having had an independent lifestyle elsewhere in Ireland or abroad for at least 3 years, Benefit and Privilege is assessed at €7.
- Benefit and Privilege does not apply to persons claiming One-Parent Family Payment or Disability Allowance who are living in their parent's home.

#### ➔ Assessing Benefit and Privilege

The gross income of the parent/s you live with is taken, minus certain disregards and then 34% of the balance is assessed. Income from the following is counted when assessing Benefit and Privilege: insurable employment, self-employment, all pensions, rental income from property or land, maintenance payments, Social Welfare payments (few exceptions), SOLAS training allowances and from Community Employment (CE) schemes.

The Department of Social Protection will allow the following deductions:

- Income tax (Including the Universal Social Charge).
- Health Insurance Contributions.
- PRSI.
- Superannuation / PRSA.
- Union subscriptions.

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<sup>10</sup> As noted earlier OPFP changes will remove assessment of means from maintenance, but other associated payments may not: no date on this change yet.

- Rent/mortgage payments.
- Pension Levy.

#### ➔ **Additional Disregards**

There is a further €600 disregard for a two-parent family and €470 for a one-parent family. There is a €30 disregard for each child up to 18 years of age and for children over 18 years of age in full time education.

#### ➔ **Deductions not allowed**

No deductions are allowed for travelling expenses, life assurance premiums, club subscriptions, or saving schemes. In cases where parents have property other than the family home, the current market value of the property is assessed as capital in the means assessment. Where that property is yielding an income, the net income of that property is assessed e.g., rental income less expenses such as mortgage repayments, insurance costs, repairs etc.

If a person's only source of income is from their parents and the assessable means from that parental income is so high that their payment would be less than €40, they will receive a minimum payment of €40 per week.

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