

## National Women's Council Submission re: Means-testing and the Increase for a Qualified Adult

To: Joint Oireachtas Committee on Social Protection, Rural Development and the Islands  
February 2024

The National Women's Council welcomes the Joint Oireachtas Committee on Social Protection, Rural Development and the Islands' consultation "*on the means testing for the increase for a qualified adult*".

Our submission focuses on the overall impact of means-testing, and the Increase for a Qualified Adult, and includes recommendations for both overall structural reform of the social protection system focused on the need for individualisation, and specific measures to be addressed within the current system.

### Summary of NWC recommendations

#### Full individualisation of the social protection system

1. **Individualisation:** fulfil the Roadmap for Social Inclusion commitment to examine the feasibility of individualising the social protection system, and in particular moving away from dependent payments like the IQA – taking into consideration the importance of this process for advancing gender equality
2. **Universal State Pension:** move towards a Universal State Pension for all – with decoupling the Non-Contributory State Pension means-test from household income to individual income and equalising Non-Contributory and Contributory State Pension levels an important first step

#### Means-testing reform

3. **Benchmarking of thresholds and disregards:** ensure that thresholds and disregards proactively account for increases in the National Minimum Wage and other relevant changes
4. **Protect secondary benefits:** ensure cross-Departmental co-operation so that access to secondary benefits is not impacted by increases in the National Minimum Wage, social protection rates or other relevant changes
5. **Design means-testing to encourage social engagement:** ensure that means-testing models are not designed so as to adversely impact people who want to increase their engagement in paid employment, community or advocacy work
6. **Tackle anomalies within the current system:** including in the Working Family Payment, Jobseekers' Transition and housing income disregard

## Moving away from the IQA – social protection individualisation

At the outset, the NWC submits that the state should move away from the aspects of the social protection system which are based on dependent payments such as the Increase for a Qualified Adult (IQA), towards a *fully individualised social protection system* where each person is entitled to appropriate income and other supports *in their own right* and not as a dependent under measures like the IQA. This is a vital step in advancing gender equality within our state social protection supports.

The IQA is a very real indication of the impact of the ‘male breadwinner’ nature and history of our social protection system. The position of Qualified Adults (QA) has been raised repeatedly by the NWC<sup>1</sup>, as the available data shows that 90% of QAs are women.<sup>2</sup> Under this system, payments to two parent families comprise a payment for the main claimant and a QA payment to additional adults in the household – as women are less likely to be engaged in the labour market and more likely to be undertaking unpaid caring roles in the home than men, women are more likely to be reliant on their partner (often a man) for access to social protection income supports. This system creates a relationship of dependency for Qualified Adults: they do not receive an income in their own right and are excluded from accessing many active labour market programmes that require a core social protection payment as a condition of eligibility. Though appearing to be ‘gender neutral’, the gendered effects of this system have clear implications for women’s economic independence.

Individualising the social protection system would ensure that everyone has access to supports in their own right, and is a very important step in realising autonomy of access to financial supports for many women. However, any reform of this system must be done in a way that ensures that those currently supported through IQA payments – particularly, but not only, those who are outside of the paid labour market due to unpaid caring and support responsibilities – do not lose out, and that recognises that much of the work done by women in the home and community outside of paid employment is valuable and should be supported.

Either folding IQA payments into existing supports, or the creation of relevant new individualised supports, would have a significant impact for means-testing across the social protection system. While means-testing for the IQA is currently focused on the income of the Qualified Adult rather than the household, means-tests for many primary payments are assessed in a way that includes means available to a spouse, civil partner or cohabitant. Social protection individualisation would involve decoupling means-testing from the household level for a large number of social protection payments, though this must be done in a way that does not disadvantage those, predominantly women, who are impacted by dependent payments. This also may need to be done in different ways for different payments – for example for pensions, as we advocate an approach based on a Universal State Pension, as outlined below.

The Covid-19 income supports have demonstrated that it is possible to administer payments in an individualised way.<sup>3</sup> We now have an opportunity to abolish the system of dependency and implement an individualised approach, based on equality where women and men are paid in their own right and have individual entitlement to all of the benefits and supports that accompany a social protection payment.

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<sup>1</sup> For example: NWC (2023) [Pre-Budget Submission 2024](#); NWC (2022) [Submission to the Commission on Taxation and Welfare 2022](#); Mary Murphy (2003) [A Woman’s Model for Social Welfare Reform](#), publ. by NWC

<sup>2</sup> NES (2021) [Background Paper 151/4, 2021 – Ireland’s Social Welfare System: Gender, Family and Class](#)

<sup>3</sup> ERSI (2021) [COVID-19 and the Irish Welfare System](#)

As examined below, exploring the feasibility of individualisation is a commitment under the Roadmap for Social Inclusion – and we submit that it is vitally important that this commitment is progressed.

## Current commitments and the Roadmap for Social Inclusion

The Roadmap for Social Inclusion commits to the examination of the feasibility of individualising welfare payments. This is an extremely important commitment, but one which has seen limited advancement under the Roadmap so far. An excerpt of the text of the commitment is as follows:

The Roadmap commits, on page 50, that *“In addition the Government is open to adapting the current ‘adult-dependent’ concept that is currently an ingrained feature of the welfare system. . . In order to address this issue the Government commits to examine the feasibility of individualising welfare payments, through the provision of a direct payment to the second ‘dependent’ adult in a household, with a view to reducing co-dependency and improving employment and earnings outcomes.”*<sup>4</sup>

The primary update from the Department on this work in 2023 relates to the implementation of pay-related benefit, which is currently at the Heads of Bill stage, and there has been no update so far under the Progress Reports for the Roadmap of the broader examination of this issue committed to.

The Citizens’ Assembly on Gender Equality also recommended that the state *“adopt a fully individualised social protection system to reflect the diversity of today’s lives and to promote an equal division of paid work and care.”*<sup>5</sup> The Joint Oireachtas Committee on Gender Equality also recommended the *“[e]stablish[ment of] an inter-departmental review into how best to adopt a fully individualised social protection system which supports financial independence for all persons and ensure that caring responsibilities are acknowledged and accommodated.”*<sup>6</sup>

Significantly more work needs to be done in the lifetime of the Roadmap for Social Inclusion to actualise the breadth of the above commitment, and the examination feasibility of individualisation must extend to all benefits upon which the IQA. This examination is a vital first step in ensuring that every person has a right to state social protection and employment supports in their own right, and therefore an important one for advancing gender equality.

## Towards a Universal State Pension

NWC has consistently advocated for a Universal State Pension, a base pension tier through which every person of pension age is entitled to a state pension which provides an adequate income to support a minimum essential standard of living, regardless of social insurance contribution.

As women are more likely to be in low paid, part time jobs on precarious contracts, this makes it difficult to collect sufficient PRSI contributions to be eligible for the full State Pension (Contributory) and so women are more likely to be reliant on the State Pension (Non-Contributory) than men.<sup>7</sup> The gender pension gap in Ireland by most recent data sits at 29%.<sup>8</sup>

<sup>4</sup> Department of Social Protection (2020) [Roadmap for Social Inclusion 2020-2025](#)

<sup>5</sup> Citizens’ Assembly on Gender Equality (2021) [Final Report](#), Recommendation 13

<sup>6</sup> Joint Oireachtas Committee on Gender Equality (2022) [Final Report](#), comment on CA Recommendation 13

<sup>7</sup> Department of Social Protection (2023) [Statistical Information On Social Welfare Services, Annual Report 2022](#)

<sup>8</sup> NWC (2021) [Submission to the Commission on Pensions](#)

It is NWC's view that a Universal State Pension is the best way to support women and those who encounter barriers to the labour market, including disabled people, carers, lone parents, Travellers and Roma. This would result in the transferring of IQA payments where the QA is above pension age to the Universal State Pension, while the impacts for those QAs under pension age would have to be incorporated into broader reform of the IQA payment system to ensure that no-one loses out.

Although provision has been made in recent years for the IQA for pensioners to be paid directly to the QA rather than the claimant<sup>9</sup>, this doesn't change the fact that the payment is still dependent upon the original claimant and not available to the QA in their own right. Similarly, while welcome changes to recognise the provision of care for social insurance contributions (Homemaker's Scheme, HomeCaring Periods Scheme and the Long-term Carers Pension) have positively impacted women's access to the Contributory State Pension, gaps still remain for many women.

Decoupling the means-test for a Non-Contributory State Pension from household income would allow a significant number of women who do not have access to a pension because of their spouse, civil partner or cohabitant's income to have access to a pension payment in their own right. This, combined with raising the rate of the Non-Contributory State Pension to the level of the Contributory State Pension, would move Ireland closer to a Universal State Pension, and would be a significant support for many women.

## Specific recommended reforms related to means-testing

### Benchmarking of means-testing thresholds

To provide income security for women, families and everyone accessing social protection services, supports, as well as means-testing thresholds and disregards, must be benchmarked to changes in wages and the cost-of-living, including pro-active accounting for increases in the National Minimum Wage. These levels should be set to ensure a minimum essential standard of living for all, and they must be linked to meet the changing circumstances that people face. Legislative benchmarking of thresholds and disregards is the most effective way of ensuring income security year-on-year for those accessing social protection supports.

### Protect secondary benefits

Benchmarking of thresholds must be done in a cross-departmental way that accounts for the impact of changing social protection rates and the National Minimum Wage on secondary benefits – so that people accessing social protection supports do not lose secondary benefits due to an increase in social protection rates or the National Minimum Wage. This includes, but is not limited to, access to Medical Cards and the mean-tested element of the National Childcare Scheme. This is a whole-of-Government issue, and requires increased linkages between the Department of Social Protection, the Department of Health, the Department of Children, Equality, Disability, Integration and Youth, and all other relevant Departments.

### Design of thresholds and disregards

The overall design of earnings disregards for each social protection support must ensure that recipients are able to get the benefits of increasing their earnings and hours without the fear of their social protection supports or access to secondary benefits being affected. This should apply to

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<sup>9</sup> NES (2021) [Background Paper 151/4, 2021 – Ireland's Social Welfare System: Gender, Family and Class](#)

engagement in paid employment, but also to engagement in activity such as community work and being part of advocacy/policy forums.

Particular anomalies with certain current supports should be ended/amended to reflect this and to ensure consistency across social protection supports. This includes, but is not limited to:

- **Working Family Payment:** uneven application of hours thresholds for different family types – particularly for the Working Family Payment, which is harder to meet for lone parent than a couple<sup>10</sup>.
- **Jobseeker’s Transition:** differential treatment of income from self-employment for Jobseeker’s Transition without clear rationale – it should be disregarded in the same manner as employed income.
- **Housing income disregard:** Currently, where a court orders a non-custodial parent to discharge the mortgage, the Department of Social Protection assesses payments made to a mortgage provider as maintenance and reduces the social welfare payment as if it was cash received by the custodial parent. The housing income disregard has not increased since 1997 and is not reflective of current housing costs. This means that a custodial parent may often have to make a choice between having the mortgage paid but forfeiting an adequate social welfare income for their family, or allowing the mortgage to fall into arrears and put the family at risk of homelessness. Reviewing the income disregard would help keep families in their homes.

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<sup>10</sup> One Family (2023) [Pre-Budget Submission 2024](#)