

Office of the Minister for Social and Family Affairs Oifig an Aire Gnóthaí Sóisialacha agus Teaghlaigh

Ms. Ciara Conway, T.D. Dáil Éireann Leinster House Kildare Street Dublin 2.

January, 2012.

Dear Ciara.

I refer to your correspondence, dated 22 December, 2011, on behalf of Ms. Karen Kiernan, Director, One Family, regarding the changes to the One-Parent Family Payment (OFP) announced in Budget 2012.

Until 2011, the OFP provided long-term income support, until children were aged 18, or 22 if in full-time education, to lone parents – without any requirement for them to engage in employment, education or training.

The best route out of poverty and social exclusion is through paid employment. It is recognised that work, and especially full-time work, may not be an option for parents of young children. However, it is believed that supporting parents to participate in the labour market, once their children have reached an appropriate age, will improve both their own economic situation and the social well-being of themselves and of their families.

Legislative changes were introduced to the OFP scheme in the Social Welfare (Miscellaneous Provisions) Act, 2010. These came into effect on 27 April, 2011, and reduced the maximum age limit of the youngest child for receipt of the OFP to 14.

Further changes to the maximum age limit of the youngest child for receipt of the OFP were announced in Budget 2012.

- (i) There are no changes for existing customers until 2013.
- (ii) For new customers, from 5 April, 2012, the maximum age limit of the youngest child for receipt of the OFP will reduce to age 12. This will then reduce to age 10 in 2013 and to age 7 in 2014.
- (iii) <u>For existing customers</u>, there are no changes in the maximum age limit until 2013, providing that they continue to satisfy the conditions of payment.
 - a) For pre-27 April, 2011, customers, from January, 2013, payment of the OFP will stop when the youngest child reaches the age of 17. If the child is in full-time education, and aged between 17 and 22, payment will continue until the end of the 2012-2013 academic year. The maximum age limit of the youngest child for receipt of the OFP will then reduce to age 16 in January, 2014, and to age 7 in January, 2015.



b) For customers in receipt of the OFP from 27 April, 2011, to 4 April, 2012, from January, 2013, payment of the OFP will stop when the youngest child reaches the age of 12. The maximum age limit of the youngest child for receipt of the OFP will then reduce to age 10 in January, 2014, and to age 7 in January, 2015.

To encourage participation in education and employment, existing OFP recipients in both categories (a) and (b) above who leave the OFP scheme during the phasing-out period up to January, 2015, to participate in the Back-to-Education Allowance (BTEA) scheme, or where their earnings exceed the qualifying earnings limit for the scheme, are allowed to re-apply for the OFP payment based on the age conditions within the saver period.

When the age cut-off limit was changed to 14 on 27 April, 2011, special provisions were put in place for lone parents who are (a) in receipt of the Domiciliary Care Allowance (DCA) or (b) recently bereaved. With regard to the recipients of the DCA, the current arrangement will continue – i.e. the OFP will continue to be paid while the DCA is payable for the child (up to age 16). For those who are recently bereaved, from April, 2012, the OFP will be payable for two years from the date of death of the spouse/partner/co-habitant, or until the youngest child reaches the age of 14.

When the OFP payment ceases, if a parent is still in need of income support, they can apply for the Jobseeker's Allowance (JA) – which is paid at the same basic rate as OFP (€188.00 per week) with the same increases for each additional qualified child (€29.80 per child per week) – and receive the activation supports attached to that payment. They can also apply for the Back-to-Education Allowance (BTEA) or, if the parent is in employment of over 19 hours per week, for the Family Income Supplement (FIS), or for another appropriate payment.

I hope that the above information clarifies the current position on the changes to the OFP scheme for you.

Burton

Yours sincerely

Joan Burton, T.D.

Minister for Social Protection.