



## February 2014 | One-Parent Family Payment & Income Disregards

Every month we invite a response to our short, 3 question survey. Our survey for February 2014 was on the reduction of income disregards for people who are working and in receipt of One-Parent Family Payment (OFP). The OFP earnings disregard will be reduced, over five years, from €146.50 per week in 2011 to €60 per week in 2016, for new and existing claimants.

### The Questions

1. Changes to OFP income disregards, which came into effect on January 2nd 2014, saw a reduction in income disregard from €110 to €90. Does this encourage you to remain in work or take up employment?
2. What effect will this reduction in income disregards have on you and your family?
3. What changes, if any, would you recommend in relation to how the state supports people parenting alone who are in employment.

### The Results

There was a mixed response regarding the effectiveness of OFP income disregards in encouraging employment. Some respondents felt that changes to income disregards would not stop them from working and they would stay in employment regardless.

*"I personally think it is so important to try and keep working as a lone parent regardless of budget changes, no I am not well off and no I have not had the easiest of times but if you can and are lucky enough to get a work/ family balance its vital for lone parents, regardless of money, it's good for you"*

*"I'll want to work regardless of the income disregard. I'll just have to get a well paid job or part-time one"*

However, a number of those surveyed said that reducing OFP income disregards was a significant barrier to taking up employment. In particular, respondents felt that it only encouraged people parenting alone to stay on welfare. The disregards were seen as a vital in work support for lone parents who are struggling to meet basic costs such as housing and childcare.

*"I am presently unemployed and the lowering of the income disregard will effect my choices in employment."*

*"I had always intended to go back to work when my child was older but the barriers have increased and it is becoming less financially worthwhile."*

*"It makes work even less a financial incentive as childcare costs are more than my wages at this point so I have to pay a mortgage and all associated costs and feed and clothe us and run a car in rural Ireland from less money."*

*"It makes it harder to make ends meet and raises the question of reducing hours in order to stay below the income disregard."*

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The majority of those surveyed felt that the changes were having a negative impact on their quality of life. The reduction in disposable income as a result of these changes to OFP income disregards has led to many people having less money for food and other essential bills.

*“I now lose 40 off my opfp. 25 euro a week is a big difference and would pretty much cover my electricity bill if it wasn't cut.”*

*“It's a daily struggle, fuel poverty and deprived of proper dinners.”*

*“We no longer eat proper meals daily - the bills I can't control have gone up - ESB, diesel, insurance, mortgage etc - the only bill I can reduce is food - we never have breakfast or lunch and now skipping dinner several times a week.”*

One respondent also spoke of the emotional and psychological impact on the family which indicates the strain that many people parenting alone are under.

*“This is hammering the family morale. I lost the smile for my kids.”*

With regard to offering appropriate supports to lone parents who are in employment, the availability and affordability of childcare was cited as a major factor in working outside the home. In work supports such as tax credits were also suggested, in addition to creating more flexible, part time employment which gives a better work life balance for those parenting alone.

*“Provide good quality child care that is VERY affordable. Thats the only thing that stops me working.”*

*“Help provide cheap child care and afterschool care for parents to enable them to work full time or at least look at tax credits for childcare costs.”*

*“Better tax breaks and reinstatement of allowances.”*

*“Also some legislation on flexible working would be welcome. In Germany single parents get additional holidays to allow for the fact of children getting sick. Force majeure leave is inadequate in my opinion.”*

In conclusion, the reduction in OFP income disregards has disincentivised working outside the home for a number of those surveyed. The changes have had an overall negative impact on lone parents and their children. Childcare, tax credits and flexible employment are the predominant supports which those parenting alone need in order to enter or stay in the workforce.

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