



An Roinn Coimirce Sóisialaí
Department of Social Protection

Review of the Wage Subsidy Scheme (WSS)

Written Submission Form

June 2023

Public Consultation on Wage Subsidy Scheme

The Department of Social Protection is running a public consultation on the review of the Wage Subsidy Scheme until 5pm Friday 21 July.

We invite people with disabilities, employers, representative groups, and the public to give their views using the short survey or a written submission.

Links to complete the surveys and written submissions online are available at www.gov.ie/WSSReview

If the online submission is not accessible to you, you can do one of the following:

- download this submission template, print it, and return it to the postal address below
- download this submission template, save it, and return it to the email address below. Please put “WSS Consultation” in the subject line.

Where to send your submission

Post: WSS Review
 Disability and Carers Policy Unit
 Floor Four
 Áras Mhic Dhiarmada
 Store Street
 Dublin 1
 D01 WY03

Email: DCPolicyConsultation@welfare.ie

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Review of the Wage Subsidy Scheme for People with Disabilities

The views and experiences of organisations, representatives, and individuals are needed to successfully review the Wage Subsidy Scheme for People with Disabilities. You can share your thoughts with us through this written submission form.

The Wage Subsidy Scheme aims to enable disabled people to become self-sufficient in the open labour market by encouraging private sector employers to hire people with disabilities.

About the scheme: Sometimes, regardless of a person's ability to do a job, the nature of their disability can restrict the employee's productivity in comparison with other staff. In such situations the Wage Subsidy Scheme for disabled people allows the employer to claim a wage subsidy.

Please answer the following six questions to contribute to the review of the Wage Subsidy Scheme.

Please limit your answers for questions 3-6 to 500 words.

Written Submission

Question 1: Name of person or organisation:

Emer Costello, Head of Advocacy and Campaigns, Rehab Group.

Question 2: Who is making this Submission:

Rehab Group (Disabled Person's Organisation and Employer).

Rehab Group is an independent voluntary organisation providing services and support for 10,000 adults and children with disabilities for more than 70 years. We are a campaigning organisation that advocates for the people who use our services and their families. Our purpose is to empower those we support to lead more independent lives and play an active and meaningful role in their communities by providing high-quality, flexible, and sustainable care services, learning, training and education, and employment skills and opportunities. We are a right-based and inclusion focussed organisation comprised of RehabCare, National Learning Network and Employability and Social Enterprise.

Rehab Group welcomes the opportunity to participate in this consultation on the Review of the Wage Subsidy Scheme. Rehab Enterprises is one of the largest employment providers for people with disabilities. We operate a unique integrated model of employment, where employees with disabilities work alongside employees without disabilities across a number of sectors. We advocate for the rights of people with disabilities to access meaningful employment. There are many benefits for companies employing people with disabilities including: lower absenteeism; lower staff turnover; a more diverse and positive work environment; increased staff loyalty; and increased ROI on training and development.

It is important to state at the outset that people with disabilities are a very diverse and heterogeneous group. In order to match people with suitable jobs, it is necessary to assess the needs of each individual, including in terms of their disability, the support they require at the workplace, their career development prospects, as well as their social support needs.

Question 3

The Wage Subsidy Scheme aims to incentivise employers to employ more people with disabilities.

In your experience is the scheme achieving that aim?

Rehab Group, in partnership with over 650 employers, is working hard to provide employment opportunities for people with disabilities. Between 2017 and 2022, more than 2,400 people with disabilities and those with additional needs have found jobs through our training provider National Learning Network. Since 2019 Rehab Group has been instrumental in developing the Individual Placement and Support service for those with severe and enduring mental health challenges in partnership with the HSE. A total of 616 people who participated in the IPS programme are now in employment.

Rehab Enterprises Ltd has accessed the Department's Wage Subsidy Scheme (WSS) for people with disabilities for many years. Along with other employers, we have found this to be a vital support. Nevertheless, there are significant issues with the WSS in its current format that can dissuade employers from participating in the programme.

Our comments below stem from both our engagement with employers and our own experience of the WSS.

1. The current level of the subsidy undermines the viability of employing people under the scheme. When it was first established, the Wage Subsidy Scheme was linked to the National Minimum Wage (NMW). This was considered crucial to ensuring that people with disabilities were supported to get meaningful and gainful employment in the open labour market. Despite the small (but welcome) increase of €1.20 per hour in 2021, the gap between the NMW and the WSS continues to rise which in turn diminishes the State's recognition of the contribution that people with disabilities can make to the open labour. It also means that there is an ever-increasing gap to be filled by the employer. This represents a huge challenge to social enterprises such as ourselves and other employers of people with disabilities.
2. The minimum six-month contract can act as a disincentive for employers to take up the scheme. An initial three-month contract would entice potential employers to try out the programme, with the caveat that any follow-up contract would be for a minimum of six-months.
3. The requirement for a threshold of 21 hours per week can be off-putting for both potential employers and employees.

4. While the grant for an Employee Assistance Officer for employers employing over 25 people with a disability is welcome, there should be similar supports for employers with lower numbers of employees with a disability. This support should be linked more to the needs and profiles of employees with disabilities rather than being based on the numbers participating.
5. There is lack of awareness among employers about the WSS or the benefits of the scheme.
6. The rules of the scheme as currently framed, prevent employers from availing of the scheme to retain existing staff who may have acquired a disability. Applying the WSS to all employees regardless of employment duration would act as an incentive to employers to retain those employees, particularly those whose productivity levels decreased dramatically due to the onset of a disability.
7. Processing time of applications vary greatly, can be unduly lengthy for employers and employees who wish to avail of the scheme.

We believe there should be structural changes to the WSS to allow greater flexibility and to help it sustain more employment opportunities. We propose a number of changes to address the above issues and make the scheme more attractive to employers in Question 5.

Question 4

The Wage Subsidy Scheme also aims to enable disabled people to become self-sufficient in the open labour market.

In your experience is the scheme achieving that aim?

In responding to this consultation, we carried out focus groups with our own service-users, many of whom are in receipt of the WSS or are considering seeking employment through this support.

In the main, our service users expressed the view that the Wage Subsidy Scheme would be beneficial to people with disabilities who are seeking employment and could be advantageous to their situations: However, there was an issue about the level of awareness of the WSS – in one focus group eleven service users reported they had no knowledge of the scheme whatsoever. Those who were aware of it highlighted a number of problems that should be addressed to instil confidence from both an employee and an employer perspective:

1. Hours of Work:

A central issue that our service users reported as being problematic is the number of hours required to work per week to be eligible for this programme. Of our service users who are currently in employment the average hours worked per week is 9. Many pointed to the current minimum of 21 hours per week as being problematic.

"Based on my disability, I may not always be in a position to work, there needs to be flexibility with my benefits and my ability to work."

2. Negative Association with loss of Productivity

An issue of central concern to service users was that in order to take up the Wage Subsidy Scheme, people with disabilities have to admit that they are less productive or less proficient in their work output. They believe this may discourage employers from employing people who on their own admission are "less capable and less productive". It also suggests to employers that every person with a disability will need a greater level of time, attention, and training before taking up a role.

"...employers may not think that people with a disability are as capable and that it would take more time to train a person with disability."

Several service users expressed the view that having to admit to being less productive and that employers were being "compensated" to take on a person with a disability, was demeaning, demoralising and embarrassing.

"The employer gets money for me because I am worth less than someone else without a disability?"

3. Association with Low-Paid Work/Retail

Service users were concerned that many of the jobs that would be available under the scheme were likely to be low paying jobs. There was a general feeling that the majority of the employers taking part in the scheme were only offering positions in retail. The focus groups reported back a very varied list of sectors our where our service users would like to find work including, Computers/IT/PC maintenance, hotel work, construction, nursing home, working with animals, advocate, creative work, singing/acting, mechanics, gardening. One service user summed it up by saying "Any work that's practical, I want to be productive."

4. Impact on Secondary Benefits

There was also a lack of awareness as to how it might affect benefits, such as disability allowance, medical card, free travel or household benefits:

"Protection of my benefits would need to be guaranteed, I need my bus pass".

Many service users were deterred from seeking to avail of this scheme out of fear of losing essential supports and benefits and ending up worse off than they were before.

Q.5 Are there any changes that you would suggest that would incentivise more employers to use the scheme?

This consultation presents a unique opportunity to have a root and branch restructuring of the WSS to ensure that it achieves its ultimate goal of bringing more people with disabilities into employment.

The main suggestion from service-users was for a promotional/awareness-raising campaign that would inform employers about the WSS and the significant benefits to them in employing people with disabilities. All focus groups reported a general belief that employers have little knowledge about hiring somebody with a disability, have preconceived opinions about hiring somebody with a disability and have little understanding of the supports that are out there to enable them to do so. They are interested in being part of the campaign to dispel any concerns:

“We would instil confidence to potential employers through education about hiring a person/persons with a disability. We would promote how valuable it is to hire a person with disabilities.”

Such a campaign aimed should also emphasise the benefits and value for employers who hire people with disabilities, rather than just focusing on subsidies for a “reduced productivity” rate.

“They know that we are hardworking people and love to learn new things.”

“Businesses need to understand that even if you have a disability you still are an asset to the company.”

The requirement for a minimum six-month contract is also an issue. We would suggest an initial three-month contract with any subsequent contract for a minimum of six-months.

Employers availing of the WSS have to employ a minimum of 25 people to avail of the provision of an Employment Assistance Officer. We believe that this approach is flawed. The number should be lowered and linked to needs and profiles of employees with disabilities. Furthermore, a more innovative approach would be to allow for a number of employers within a region or a sector employing people with disabilities to come together to form “communities of practice” with the assistance of an EAO.

The processing time for applications can vary greatly across the country. Employers who need to fill vacancies quickly can be frustrated by long waiting periods for approval. These Processing of applications need to be streamlined to become more efficient.

Actions to incentivise employers would include:

- A strong awareness-raising/promotional campaign around the benefits of the scheme (similar to the current awareness/marketing campaign on FET).
- Shorten the initial contract of employment to avail of WSS to a minimum of three months, with any follow-up contracts of employment requiring six months' duration.
- A more nuanced and tiered level of subsidy depending on the productivity of the employee with a disability and their support requirements.
- WSS should apply to all employees regardless of employment duration to provide an ongoing incentive for the employer to retain the person who acquires a disability.
- Maintain the subsidy rate to the Annual Rate of Inflation (ARI) and linking it with increases to the National Minimum Wage.
- Lower the threshold for the number of people with disabilities employed to avail of funding for an Employment Assistance Officer and link it to the needs and profiles of employees with disabilities.
- Consider developing “communities of practise” with the support of Employment Assistance Officers in regional or sectoral clusters.
- Provide greater clarity and certainty around the application process with guaranteed maximum approval times.

Question 6

Are there any changes that you would suggest that would encourage more potential employees onto the scheme?

From our service users' perspective, the key issues to address in encouraging more employees on to the WSS are:

- The general lack of awareness of the scheme among both potential employers and employees
- The required number of working hours per week
- Retention of benefits such as disability allowance, medical card, free travel.
- The need to admit to being less “productive” requires the state to compensate the employer.
- The types of position available – many are low-paid retail positions.

Measures to encourage more potential employees on to the scheme would include:

- A strong promotional/awareness raising campaign while students are still in education. One service-user pointed out *“If we could see successful stories, we would feel more positively about getting a job, at the minute it's impossible.”*
- Individual Placement Service to be rolled out across all local mental health services which could transform the lives of those who could benefit from it.
- Frame the WSS in a more positive light, emphasising the benefits for both employers and employees of having or participating in a more diverse workforce should be at the heart of a revised scheme.
- Lower the threshold to the minimum hours per week (eight hours) to allow for more people with significant disabilities to become employed. High weekly hours discriminate against certain people and profile of disabilities. Eight hours per week is deemed an employment outcome by many employability companies and is the generally adopted outcome criteria for grant funding in the disability sector.
- Maintain the subsidy rate to the Annual Rate of Inflation (ARI) and link it with increases to the National Minimum Wage.
- Retention of benefits such as disability allowance, medical card, free travel.
- Extending the range of sectors participating would incentivise employees to join the scheme. The scheme should be as ambitious as the employees applying for it and encourage employers from a wide range of industries to take part.