

RehabGroup

Investing in People, Changing Perspectives



Rehab Group Budget 2021 Submission to Department of Social Protection, Community and Rural Development, and the Islands

We wish to make the following submission to the Department of Social Protection, Community and Rural Development, and the Islands in respect of Budget 2021.

In summary we are urging the following:

- Increase Disability Social Welfare Payments to address the serious inadequacy of current income support
- Do not reduce secondary benefits
- Ensure that people with disabilities are properly protected against increases in Carbon Tax
- Raise the rate per hour under the Department's Wage Subsidy Scheme for people with disabilities to levels greater than 60% of the National Minimum Wage

Adequacy of Income Supports

Rehab Group supports over 10,000 people each year through a wide variety of social care, specialist training and other services. We especially focus on services for people with disabilities and people experiencing disadvantage. Several thousand of the people who use our services depend on the income they receive from the Department of Social Protection, Community and Rural Development, and the Islands to make ends meet. In the main this is through disability allowance but also through illness benefit, jobseeker payments and other income supports.

The overwhelming feedback we receive from the people who use our services is that the financial support they receive is very difficult to live on.

During our most recent survey, (July 2020) we heard comments such as:

"I have had to borrow money from friends from time to time to get by... I think disability allowance is too low to live on."

"Sometimes I have to cut back on food."

"Something as simple as getting my hair done or buying some new clothes can be a huge struggle."

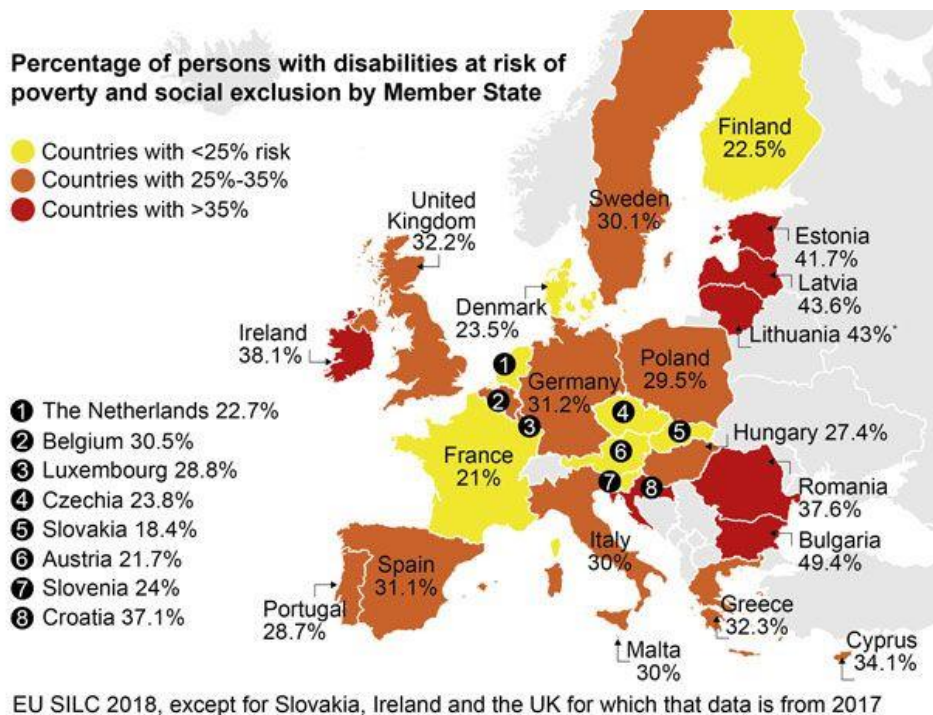
"Sometimes I can't afford to take a bus into the centre and have to walk. Sometimes paying my electricity bill leaves me without enough money for food."

“Not much left over after rent is paid. To go to cinema, pub etc.

“I sometimes have to go without heating in the winter time...Disability allowance is a good payment, but needs to be increased.”

Nobody should be surprised by these comments.

One in five people with disabilities in Ireland live in consistent poverty. [Statistics produced by the European Disability Forum](#) in April of this year, shown below, highlights that Ireland has the highest “at risk of poverty” gap for people with disabilities of any western European country. In other words, people with disabilities living in Ireland experience some of the greatest income inequality in Europe. This has major implications for the quality of their lives and the level of social exclusion they face on a daily basis.



But as well as facing very high levels of income inequality, people with disabilities also face very high costs. We acknowledge the move by the Department to assess the cost of disability in Ireland. We very much welcome the research that is currently underway and will strongly support the roll-out of this survey.

However, it must be acknowledged from the start that current levels of income support are completely inadequate. This must be addressed through increasing the basic rates of disability welfare payments. We also support calls that welfare rates should be benchmarked against realistic minimum essential budgets, as current income supports fall far short of these.

We note the Government's commitment in the Programme for Government that core weekly social welfare rates will not be reduced. However, we would urge the Department not to cut back secondary benefits, such as medical cards, fuel allowance, bus passes etc, in lieu of this. These are just as crucial to the living standards of people with disabilities and their ability to participate fully in Irish society.

Two-tier Covid Supports

The swift introduction of income supports for those contracting the COVID-19 virus or made unemployed because of the economic fallout from it were most welcome. However, they have created a two-tier welfare system where persons with disabilities now typically receive support on a much lower level than those affected by the virus. This is unfair. As one person put it "those employees, who were let go by their employers during the COVID-19 pandemic, [are] awarded a benefit greater than those of us with disabilities who, due to our condition, cannot work in full-time employment."

Similarly, we have experienced cases of persons with a disability who have left employment to self-isolate because they have specific health conditions or are in an at-risk group. People in these circumstances were not entitled to the COVID-19 Enhanced Illness Payment or the Pandemic Unemployment Payment. Why should these workers be disadvantaged in this way?

We would urge the Department to address the unequal treatment of persons with a disability under these income support schemes.

Protection against Carbon Tax increases

The Programme for Government says that tax increases will focus on Carbon Tax, as the government identifies it as 'a tax of negative behaviours'.

Persons with disabilities have higher central heating costs than those without a disability, as they tend to require a well-heated home for their own health. Increases in the Carbon Tax will target and negatively impact persons with disabilities if the state does not provide offsetting measures to ensure persons with disabilities can heat their homes in an environmentally friendly manner without impacting their income.

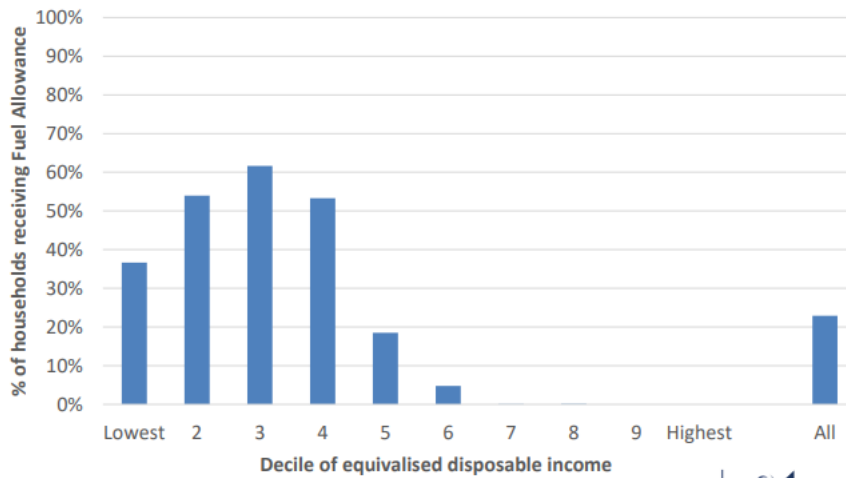
The offsetting measures introduced as part of Budget 2020 were insufficient to protect many of those on the lowest incomes from the inflationary impact of carbon tax increases.

ESRI research highlighted this fact. The chart below from the ESRI showed that over 60% of households on the lowest incomes received no benefit from the offsetting measure announced in Budget 2020 (a flat-rate increase in fuel allowance). Indeed, a greater percentage of households in the third income decile gained from the offsetting measure introduced in Budget 2020 than did in either or the bottom two income brackets. Fuel Allowance or similar may or may not be the best

way to achieve a fair offset of increased carbon taxes but if it is being used, then a much more targeted and nuanced approach is required so that those least able to absorb the increased costs associated with the Carbon Tax are protected.

In Budget 2021 we are urging the Department to ensure that people with disabilities are properly protected against increases in Carbon Tax.

... but €2 increase in the Fuel Allowance won't compensate the lowest-income households



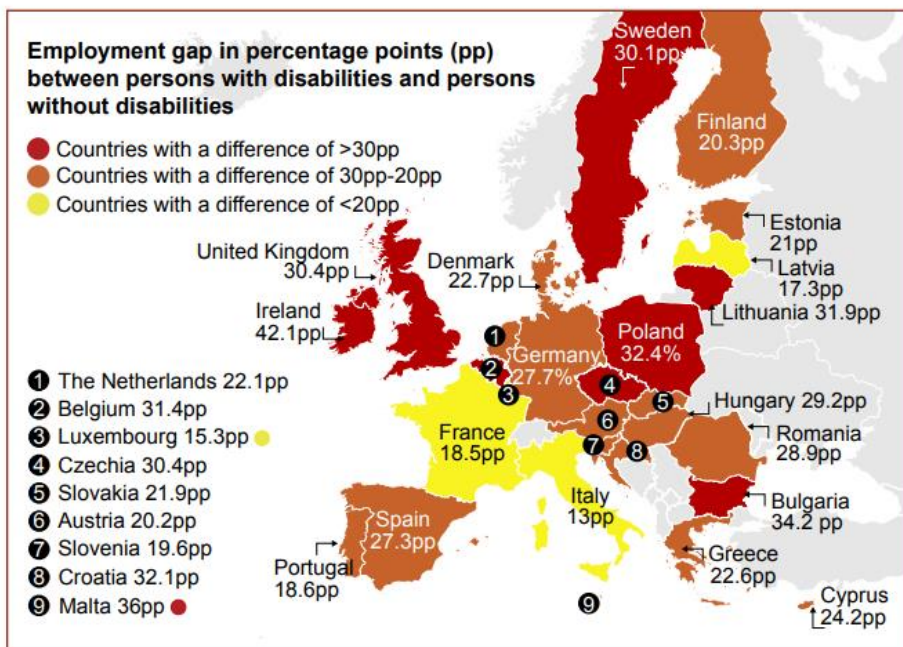
Source: https://www.esri.ie/sites/default/files/media/file-uploads/2019-10/barra_slides.pdf

Wage Subsidy Scheme for People with Disabilities

As the Department may be aware, Rehab Group has three main areas of operation. One of our main divisions is Rehab Enterprises (RE Ltd). Our mission is to provide sustainable employment for people with disabilities in commercial business units.

RE Ltd provides ISO Quality Assured Recycling, Logistics and Retail business solutions from 19 locations throughout Ireland (Dublin, Navan, Portlaoise, Galway, Limerick and Cork) and at Lodz, Poland. We provide a unique model of integrated employment for people with disabilities and employ some 300 people, of which about 50% are people with disabilities. This means we have one of the largest workforces for people with disabilities in Ireland.

However, Ireland itself is not doing well in terms of employment for people with disabilities. According to the latest comparative research, Ireland has the lowest rate of employment among people with disabilities of all European countries (32.3%). As evidenced in the graphic below, Ireland also has the highest employment gap between people with disabilities and the general population (42 percentage points).



Source: European Disability Forum - Human Rights Report 2020 quoting EU SILC

https://mcusercontent.com/865a5bbea1086c57a41cc876d/files/ad60807b-a923-4a7e-ac84-559c4a5212a8/EDF_HR_Report_final_tagged_interactive_v2_accessible.pdf

By any measure, this is an unacceptable position for Ireland to find itself in. And addressing this problem requires the support of every Government Department.

In the case of the Department of Social Protection, Community and Rural Development, and the Islands, support under the Wage Subsidy Scheme for people with disabilities (WSS) is crucial to sustaining employment opportunities. Indeed, we note that the Programme for Government makes a commitment to “fine-tune and expand targeted employment schemes such as the Wage Subsidy Scheme and the Ability Programme to help more people with disabilities stay in the workforce”.

RE Ltd has accessed the Department's Wage Subsidy Scheme for people with disabilities for many years. Along with other employers, we have found this to be a vital support. It resolves two of the main concerns that employers have in relation to employing people with disabilities by recognising that a person may experience decreased work productivity and that they may require additional support to carry out their role.

The problem is, however, that the level of subsidy available to employers under the scheme has not increased since the last recession. This has very significantly undermined the sustainability of employing people under the scheme.

When it was first established, the Wage Subsidy Scheme's link to the National Minimum Wage (NMW) was considered crucial to ensuring that people with disabilities were supported to get meaningful and gainful employment in the open labour market. Before its introduction, employment opportunities for people with disabilities focused very much on sheltered workshop, community employment and other sheltered occupational services. Any loss or diminution of the linkage between the Wage Subsidy Scheme and the National Minimum Wage reduces this recognition by the State of the contribution that people with disabilities can make to the open labour market with appropriate support. In practical terms, it means that as the Minimum Wage rises and therefore labour costs rise, the level of support under the scheme stays the same. This means that there is an ever-increasing gap to be filled by the employer.

In the past few years, the level of the WSS has fallen out of alignment with the National Minimum Wage, due to it not being increased in line with NMW increases. In 2008, the subsidy was 61% of NMW and this has fallen to 52% today (Minimum Wage now at €10.10 per hour, Wage Subsidy Scheme still at €5.30 per hour). This drop may seem relatively small but it represents a huge challenge to ventures such as ourselves and to other employers of people with disabilities. If this continues, the scheme will become less and less attractive to companies considering employing people with disabilities. This is particularly important for people with disabilities in the context of the economic impact of the COVID-19 pandemic and the huge increase in general unemployment.

We would strongly urge that the rate per hour for the Wage Subsidy Scheme for people with disabilities is increased in Budget 2021 to a level greater than 60% of the Minimum Wage.