

## **Submission to Advisory Group on tax and Social Welfare**

The following submission is made on behalf of People with Disabilities Kildare (PDK), Mid Leinster Disability Forum, Laois Offaly Families For Autism (LOFFA), Special Needs Parents Association (SNPA) and Mid West Parents to The Advisory Group on Tax and Social Welfare.

This submission relates to The Advisory Groups terms of reference:-

3a (i) Changes in the eligibility criteria and rates of payment for Disability Allowance and

3a (ii) the increase in the age threshold for payment of domiciliary care Allowance

This submission was prepared on behalf of the above named groups by Ms. Mary Dunne in consultation with our members. Ms. Dunne has been involved in advocating on behalf of people with disabilities in a voluntary capacity for over a decade and has experience representing people with disabilities on various local and national bodies. More recently she has been invited to represent people with disabilities and parents of children with Autistic Spectrum Disorder on The National Disability Strategy Implementation Group and The Disability Stakeholder's Group.

In preparing the following submission consideration was given to:-

- The National Disability Strategy including supporting legislation and departmental sectoral plans
- Report on The Value for Money Review of the Disability Allowance Scheme
- Evaluation of the Midlands Pilot Final Report
- Equal Status Act 2000
- Partnership Agreement Towards 2016 (T2016).
- National Development Plan 2007 to 2013
- "Sickness, Disability and Work; Breaking the Barriers" OECD Nov. 08
- "A Strategy for Equality" Report of the commission on The Status of People with Disabilities

However, this submission mainly captures the views and concern from people with disabilities, their parents, carers and advocates.

### **Proposals for change:-**

In Budget 2009 and again in Budget 2012 successive government administrations proposed raising the minimum age limit for Disability Allowance from 16 to 18 and as a compensatory measure raising the cut off age limit for Domiciliary Care allowance from 16 to 18. In 2009 the previous administration scrapped this proposal and the current administration have paused this proposal pending review by The Advisory Group. As part of The Report on Value for Money Review on Disability allowance recommendation 8 states:-

“The case for increasing the minimum age for DA from 16 to 18 remains compelling, notwithstanding the very real issues associated with income impacts identified when the measure was proposed in the 2009 Budget. The change could be introduced in a stepped manner in order to reduce the immediate impact on households and to allow for an adjustment over time in their expectations in relation to overall household incomes.”<sup>1</sup>

The current administration in our opinion made the same error as was made in Budget 2009 in that the proposed changes were not introduced in a stepped manner as recommended by the VFM Review and did not fully consider the impact of the changes on the person with a disability or their carer and family. This is indeed a compelling issue and opinion on changes to the qualifying age for DA and DCA vary amongst disability groups for numerous reasons. People with disabilities are a very diverse group with differing needs and supports depending on type of disability and severity of same. In consulting with members it can be ascertained that no one size fits all approach as has been a historical feature of the Irish Welfare system will actually meet the needs of such a diverse group of people.

This is further demonstrated in the VFM Review Report in Conclusion 8.2 which states:-

“Surveys undertaken as part of the review, together with evidence from The Disability Activation Project, have demonstrated that the DA scheme caters for an extremely diverse population, whose needs in terms of activation and support are equally diverse”

This view is further supported by Berthoud (2006) who recently showed the limitations of what he terms “monolithic view of disability for policy development” and has highlighted that “the employment rate of disabled people varies according to the medical condition they report, according to the types of impairment they experience and according to the overall severity of those impairments. These three packages of variables make a significant contribution to an explanation of employment probabilities across the working age population as a whole and especially to an explanation of variations within the disabled group.”<sup>2</sup>

Furthermore an increase in the qualifying age for DA from 16 to 18 would lead to a significant loss of expected income for the person aged 16.

The Report of The Commission on The Status of People with Disabilities recommendation 52 stated “a comprehensive system of income support for people with disabilities should be established....” and recommendation 53 stated “Two types of disability payments should be established: a payment to compensate for loss of income due to an incapacity full time work, or work to full potential.....a graduated payment to meet the everyday costs

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<sup>1</sup> Value For Money Review of Disability Allowance

<sup>2</sup> Berthoud, R. (2006) The Employment Rates of Disabled People; Leeds: Dept. of Work and Pensions

associated with disability. This payment, which would be made irrespective of whether the person is at work or not, would be called the “Cost of Disability payment” Recommendation 61 states “ The Dept of health and Social Services should introduce a variable and non-taxable Costs of disability payment where services are not and cannot be provided.”<sup>3</sup>

Disability groups have long argued the need for a cost of disability payment for people with disabilities. There are additional costs associated with disability such as travel, clothing, food, heat, therapy services, aids and appliances and specialist equipment.

Although opinions on the age limits for DCA and DA have varied amongst members and disability groups, parent groups and advisory bodies, there are reoccurring concerns agreed by all. Disability costs a family and not just financially but in terms of health and opportunities for employment for the main carer. The current system does not address the additional costs associated with disability. The current system is inflexible and doesn't meet the varying needs of a diverse group. The current all or nothing system is disproportionate to the needs of people with disabilities and their families. Although it is welcome that Carers Benefit or Allowance is granted on application depending on means assessment once in receipt of DCA, a refusal of DCA means there is no allowance made to the child or the family despite the child having been possibly diagnosed with a long term disability and the family having additional associated costs. Secondary Benefits such as the medical card, rent supplement should be retained by individuals on DA on taking up employment or activation schemes. A whole family, holistic approach should be taken when assessing entitlement to DCA or DA. The current system is heavily based on the medical model of disability despite the fact that disability presents with major social implications for the person with a disability, their carer and family.

It is of relevance that the pilot Activation Project or “The Midlands Project” as it has been named when seeking possible candidates in the 16 to 25 year old category of DA recipients did “not include individuals as having a disability regarded as profound (eg do not refer again for medical examination cases)”<sup>4</sup> This made perfect sense and acknowledges that there are a category of people with disabilities who are profound that may never work and should not be targeted for activation projects.

Recommendation 3 in The Report on VFM Review of DA states;-

Given the limited resources available, the focus of activation measures must be placed on early intervention, with the aim of encouraging early participation in employment and training and where feasible, on progression from the scheme into the open labour market.

Recommendation 5 further supports and strengthens recommendation 3 by stating:-

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<sup>3</sup> “A Strategy for Equality” Report of the Commission Report on the Status of People with Disabilities

<sup>4</sup> Evaluation of the Midlands Pilot Final Report: NRC Social and Economic Consultants Oct. 2006

A process should be introduced to assess the employment capacity of DA claimants at the time of application for the allowance. Based on that assessment, DA claimants should be segmented in order to more efficiently and effectively match claimant needs with available activation and other services.

It is recommended under Conclusion and Recommendations of VFM Review on DA:-

8.3 Activation: The prevalence of multiple disabilities within the population receipt of DA notably where physical incapacities are compounded by mental health issues, underlines the importance of ensuring early intervention on the part of activation services if the risk of longer term welfare dependency is to be addressed effectively.....in essence based on the evidence presented in the application form and where relevant in the medical examination, the Medical advisory Service would assign DA claimants to one of three broad categories;

Level 1 Claimants with relevant capacity who have well developed job skills or the potential to be job ready with some training and skills development.

Level 2 claimants who have some capacity but who are considerably distant from the labour market and who will need interventions in terms of the development of “soft” skills before they can proceed to level 1

Level 3 claimants who by virtue of their medical condition have needs which may not be related directly to the labour market but which are equally important in terms of personal development and social participation and inclusion.

It is of serious concern to people with disabilities and their families as to how the activation measures will be carried out and how capacity will be determined and by whom. It is also not acknowledged within the VFM Review Report that while some individuals may progress from level 2 to level 1 as recommended it also must be accepted that individuals may also move down from level 1 to level 2 or 3. Also the level of support and in particular income support required by individuals in receipt of DA with regard to level category needs to be clarified. It appears that it is recommended that the category will be decided based on medical evidence provided however; this has been historically the case with welfare schemes to base decisions purely on the medical model of disability. The Final report of The Midlands Project discusses in detail the barriers experienced by people with disabilities in gaining employment and the findings and recommendations are particularly useful in quantifying the various complexities in assessing the capacity and the barriers to young people with disabilities in reaching their true potential. It also gives good insight to the barriers to people with disabilities in accessing support and employment which are not solely medically based. Whilst a focus on early intervention measures to assist people with disabilities to reach their full potential in relation to financial independence is welcome there should also be provision for full payment of DA in cases of part-time capability to work. It should also be recognised that people with disabilities capacity to work can change

over time and on-going support, activation measures and availability of DA to the individual should be flexible to meet their changing needs.

The recommendations from our groups members we believe are in line with the Strategic Objectives of The National Disability Strategy in particular the following stated objectives:-

- To work towards the situation where every person with a disability will be supported to enable them as far as possible to lead full and independent lives including participation in work and in society and to maximise their potential
- To develop a comprehensive employment strategy for people with disabilities including a range of measures to promote education, vocational training and employment opportunities
- To provide for continued enhancement and integration of supports in line with overall social welfare commitments and targets

**In the context of the above the proposals and recommendations for change from PDK, Mid Leinster Disability Forum, SNPA, LOFFA and Mid West Parents are as follows:-**

- **In line with Equality Legislation the age criteria for DA be increased to 18 yrs and DCA should be paid up to 18yrs as part of a compensatory measure.**
- **The increase in age limit to 18 for DA should be done on a phased basis over two years. In the first year it should be increased to 17 and to 18 in the second year.**
- **Entitlement to Carers payment should continue while in receipt of DCA for a child until 18.**
- **Carers Allowance should be based on the Carers means only as the person who due to Caring duties is unable to access gainful employment**
- **The difference between projected cost of disability allowance payment for 16 to 18 yr and cost of increasing DCA to 18 yrs should be ring fenced.**
- **This ring fenced budget should be used to fund early intervention activation measures specific to the 16 to 18 yr olds by way of compensating for loss of expected income.**
- **These early intervention activation measures should be with a view to assisting individuals to reach their potential in terms of independent living skills, educational, vocational and training needs.**
- **Young persons with disabilities on application for DA at 18 should not be refused DA if capacity is assessed at the proposed level 1.**
- **Assessment of capacity level should not be used as an excuse to refuse payment of DA.**
- **Current income disregard arrangements in relation to DA should remain unchanged.**

- A more holistic approach to assessment of capacity should be developed with input from people with disabilities into assessment policies.
- Children with Disabilities are at serious risk of early school leaving and this was highlighted in the Evaluation Report on The Midlands Project. As 16 to 18 year olds will lose out financially if the age limit for DA is raised to 18 it must be ensured that they are not in any way further disadvantaged by a shift in policy. It is that regard that we recommend that 16 to 18 yr olds not in education whose parents are in receipt of DCA are also permitted to take up employment activation schemes, vocational training or fas courses and that they be paid any training allowances available to 18+ yr olds. Those in education should be given the maximum support available to assist them reach their full potential.
- Consideration must be given to a cost of disability payment separate from DA and adequate to the assessed needs of the individual
- As was highlighted in The Evaluation Report of The Midlands Project and The Value For Money Audit of Disability Allowance there is a higher risk of secondary diagnosis of mental health difficulties in children with disabilities particularly children with physical difficulties and Autistic spectrum Disorders. For this reason it is recommended that an integral part of any employment activation programmes or DA capacity assessment should include a risk assessment for mental health difficulties.

While it is acknowledged that there will be no savings made in implementing the above recommendations in the short term however, the ring fencing and targeting of early intervention measures is in line with the findings and recommendations of the VFM review of DA. It is envisaged that as indicated in The VFM Review Report direct targeting of early Intervention activation measures at the 16 to 18 yr olds may have the desired outcome of preventing long term dependence on social welfare payments which will result in significant long term savings. Monies spent on early intervention measures should not be viewed in terms of a cost but as an investment in people with disabilities in order that they may progress to financial independence and active participants in society resulting in potential long term savings for the State.