

## **The Impact of Means Testing on Carer's Allowance and other Social Welfare schemes**

### **Briefing Document**

**29<sup>th</sup> May 2024**

*This briefing document should be read in tandem with the Statement made by Care Alliance Ireland to the Joint Committee on Social Protection, Community and Rural Development and the Islands on 29<sup>th</sup> May 2024. It is written in bullet point form under 5 key headings which we feel highlight the key impacts of the current format for carers payments, along with the means testing system. The points made here are based upon research and evidence (national and international), long standing discussions with our member organisations, discussions that take place in our Online Family Carer Support Group on a regular basis, and collaboration with our colleagues across the sector.*

#### **How Carers Allowance is conceptualised**

- Carers Allowance, like all other payments, is set up to be a final measure to keep individuals from experiencing poverty; hence its administration from the Department of Social Protection.
- Many of these payments (Disability Allowance, Jobseekers Allowance, etc.) are based primarily upon the inability/ability of the recipient to find and undertake paid employment within the standard capitalist economy.
- Family carers are often unable to find and keep paid employment not due to any lack of ability, education, training, opportunity or otherwise which a number of other social welfare payment recipients experience. They are, essentially, already working the equivalent of a full-time job encompassing tasks associated with the fields of medicine, social work, social care, accountancy, financial administration, personal assistance, education and others.
- In the main Ireland places a high value on those in paid employment, whether consciously or unconsciously. The value of work, not undertaken in the pursuit of paid employment, is not valued as highly<sup>1</sup>.

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<sup>1</sup> Ursula Barry and Ciara Jennings, 'A Feminist Vision of Care and Economic Equality' (Action Aid, 2023).

### 'Guiding support for family carers'

- The estimated value of care that is provided by family carers in Ireland is approximately €20billion per year<sup>2</sup>. If any other sector or group of employees provided that much equivalent value to the Exchequer, they would be held in the highest esteem and visibly and demonstrably rewarded (both financially and socially) for that contribution (for example those employed in the formal health and social care system).
- The gendered nature of care, and the expectations that mothers and women will likely give up paid employment when caring needs arise within a family, contributes to a widening of the existing gender gap in employment and income<sup>3</sup>.
- Family carers remain the only core recipient group of social welfare payments required to work full-time to be eligible to apply for the payment.

### Rates

- We acknowledge that Ireland has one of the highest rates of payment of a 'Carers Allowance' type payments across the EU<sup>4</sup>.
- The safety net of Carers Allowance is a welcome measure for families who otherwise would have no income at all due to the intensity of their caring responsibilities.
- The earning potential of households/families as a whole (e.g. a spouse) can be impacted by the means test as additional hours spent working, or promotions, may not be worth taking as it may push the household earnings past the low threshold of earnings allowed to still qualify for Carers Allowance.
- As many allied benefits for family carers are tied to the receipt of Carers Allowance (such as free travel, free Carer GP Visit card etc) it may not be worth it financially for partners of those in receipt of the Allowance to progress in their chosen career. This has clear impacts on the economy as a whole.

### The Process

- The process of applying for Carers Allowance requires a significant use of time, energy and resources – both that of family carers and civil servants. Several hundred staff are employed by the Department of Social Protection,

<sup>2</sup> **Family Carers Ireland**, 'Counting Carers: Carer Prevalence in Ireland - Working Paper 1' (Family Carers Ireland, 2021).

<sup>3</sup> **Barry and Jennings**, 'A Feminist Vision of Care and Economic Equality'.

<sup>4</sup> Taken from an examination of EU State profiles: <https://eurocarers.org/country-profiles/>

assessing and periodically reviewing the means of tens of thousands of carers allowance applications annually.

- Family carers must find time and energy in between their caring responsibilities to fill in a very detailed form, request (and sometimes pay for) bank statements for multiple accounts (some of which may be closed for some time). Commonly, bank statements are no longer issued as standard by banks, and home print outs from apps or online banking accounts are not accepted.
- This process of detailing and sharing with the state all your household financial assets is also often experienced as being quite intrusive for family carers.
- Whilst all sources of income are required to be declared as part of the process, no account is made for the significant additional costs that families providing care have on a daily basis<sup>5</sup>.
- These include;
  - Higher electricity costs due to the need to run and/or charge medical technologies such as ventilators, electric wheelchairs, assistive technologies etc.
  - Increased heating bills due to the effects of many long-term and chronic conditions where temperature regulation is difficult (cancer treatments, MS, ME, heart disease, fibromyalgia, eating disorders etc.)
  - Specific nutritional requirements and/ or disordered eating patterns
  - Increased transport costs due to the need for adapted vehicles, high levels of travel to and from medical appointments, increased usage of taxis in place of adequate accessible public transport, increased hospital visits (including elevated parking costs) etc.

<sup>5</sup> **Indecon International Research Economists**, 'The Cost of Disability in Ireland', 2021; **Bernadette MacMahon, Hannah Boylan, and Robert Thornton**, 'Care at Home: Costs of Care Arising from Disability' (Family Carers Ireland, 2022).

## Feedback from family carers & organisations

- In summary the experience of applying for Carers Allowance in Ireland is described by family carers as
  - Degrading
  - Insulting
  - Intrusive
  - Confusing
- Carers Allowance is often perceived as the only identifying marker of being a family carer; many carers who are not eligible for the Allowance due to the Means Test report feeling 'invisible' to society with little if any State or, indeed, public validation.
- Others who are in receipt of the allowance report feeling a sense of 'begging' when faced with applying for the Allowance, in particular as they feel scrutinised at all times, always open to review, always fearful of losing their Carers Allowance
- Many family carers who have been able to save for the future, in particular for the future of their children with disabilities, report feeling penalised because of this, as there is a cap on capital savings and eligibility for the Allowance. Parents and spouses who worked hard before and after their caring commenced should not be expected to spend the savings they have made for the future of their children or loved ones on every day expenses in the interim. Taking a long view of this, having access to less resources into the future, potentially when the family carers pass away, will actually lead to more expense on the part of the State in cases where fulltime residential care is needed
- Although Carers Allowance is designed to be a measure to protect people from falling into poverty, and it does this reasonably well; most family carers see it as a proxy measure of their worth, and as a form of income for the work they do. They are, as previously mentioned, the only group of social protection recipients required to work full-time for this most basic protection from poverty.
- Due to this view of many carers of the Allowance as a form of payment for their work, when a review of means takes place, it is seen as an insult as the work they do every day has not changed – and in fact often increases over time.

## Recommendations

### 1) Redefine what we value as a society

- a. Do we want to create a society where different roles are played with equal value placed upon them?
- b. Do we want to retain a system whereby the best some families can hope for is to be kept just above the line of poverty?

### 2) Create a way to acknowledge the significant work family carers undertake every day financially

- a. A Universal Basic Income or participation Income<sup>6</sup>, as researched and proposed by our colleagues in Family Carers Ireland would be a welcome development for all family carers.

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<sup>6</sup> Mary Murphy, Pauline Cullen, and Shane Gough, 'Towards a Participation Income for Family Carers', 2023.