

**INOU Welfare Rights
Information Services**

Discussion Forum

Tuesday 9th April, 2024



Social Welfare Payments - Means Testing

**Exploring Means Testing for Allowance Based
Schemes and some of the operational
anomalies that occur**

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Allowance Based Schemes

Main Allowance Based Schemes

The following is a list of the Allowance Based Schemes. This list is not a complete or exhaustive list, but contains the main Allowance Based schemes.

Allowance Based Schemes	Allowance Based Schemes
Jobseekers Allowance	State Pension (Non-Contributory)
Jobseeker's Transitional Payment	Supplementary Welfare Allowance
Disability Allowance	Guardian's Payment
One Parent Family Payment	Widow / Widowers Non-Contrib Pension
Carer's Allowance	Blind Pension



Means Testing

A means test is the way the Department of Social Protection confirm if a person has enough money or access to financial resources to support themselves and their family. Where they do not, and they meet the general terms and conditions of a scheme, they may qualify for a means tested payment based on their 'assessable' income.

The means test takes into consideration the following – held by the applicant and spouse / partner:

- Savings that have not been invested but are held in cash
- Income from employment or self-employment – applicant and spouse / partner
- Property owned, other than your own home, at marketable value – not own valuation
- Stocks and shares of every description and savings certificates/bonds/national instalment savings and the value of any prepaid credit cards
- Money invested / held in a bank, building society or other financial institution
- Cash out on loan to another person, unless there is no reasonable chance of recovery
- Pension funds and Trust funds, which are accessible or can be cashed / sold or used
- Monies from legal settlements (unless specifically excluded) and personal injury claims
- Marketable leases or licences i.e. a lease on a shop that is sub-let, or that is lying idle, where that lease has a marketable value, ownership of ground rents, ownership of a taxi-plate or of a pub-licence that is leased to another or is being retained as an investment.



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Means Testing

Jobseeker's Allowance

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Description	Method
Employment – part-time / full-time	<ul style="list-style-type: none"> • €20 per day (up to a maximum of €60) from net weekly earnings • 60% of the balance is assessed as weekly means.
Capital Means	<ul style="list-style-type: none"> • First €20,000 Nil - €0 means • Next €10,000 €1 per €1,000 • Next €10,000 €2 per €1,000 • Excess of €40,000 €4 per €1,000
Spouse / Partner Working	<ul style="list-style-type: none"> • €20 per day (up to a maximum of €60) from net weekly earnings • 60% of the balance is assessed as weekly means.



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Jobseekers Allowance

Website: www.inou.ie

Disability Allowance

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Description	Method
Employment (part / full-time) and Self-Employment	<ul style="list-style-type: none"> • €165 of weekly income from employment (after deduction of PRSI, pension contributions and union dues) is disregarded for the purpose of the means test • 50% of weekly earnings between €165 and €375 is then disregarded for the purpose of the means test • any further earnings, over €375 per week, are fully assessed for the purpose of the means test
Capital Means	<ul style="list-style-type: none"> • First €50,000 Nil - €0 means • Next €10,000 €1 per €1,000 • Next €10,000 €2 per €1,000 • Excess of €70,000 €4 per €1,000



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Disability Allowance

Supplementary Welfare Allowance

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Description	Method
Employment (part / full-time) and Self-Employment	<ul style="list-style-type: none"> • No Disregard • Reduction of payment Euro for Euro • Monies may be recoverable if on SWA pending other DSP scheme processing or subject of DSP review or SWAO appeal.
Capital Means	<ul style="list-style-type: none"> • First €5,000 Nil - €0 means • Next €10,000 €1 per €1,000 • Next €25,000 €2 per €1,000 • Excess of €40,000 €4 per €1,000



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Supplementary
Welfare Allowance

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Example: Mary

Jobseekers Allowance to Disability Allowance – Capital / Savings:

- Mary is single and living alone on Jobseekers Allowance
- She applied for Disability Allowance and was refused. JA remains payable pending DA decision
- Mary has exhausted the review process and is formally appealing to the SWAO
- Mary has self-declared* that she is not GSW and does not qualify for JA
- Mary has applied for SWA pending the outcome of her appeal
- Mary has €18,000 in savings in the post office
- Under the JA means test her €18,000 did not affect her JA - (JA disregard €20,000)
- Under the SWA means test her SWA payment will be affected - (SWA disregard €5,000)
- SWA means test €5,000 disregard. Assessable savings = €13,000
- Affect on weekly SWA = €10,000 @ €1 per '000 and €3,000 @ €2 per '000 (up to €25,000)
- Basic SWA rate reduced by €14 per week to €216 per week (€230 standard)
- If Appeal successful DA means test applies and SWA means deduction recovered.



Example: Paula

Jobseekers Transition Allowance to Jobseekers Allowance – Work and Capital / Savings:

- Paula is in receipt of Jobseekers Transition Allowance (JST) and has €20,000 in savings
- When her youngest child turns 13 she will be transferred to standard Jobseekers Allowance
- At the moment Paula works 5 mornings per week earning €30 per day (€150 per week)
- The income from employment does not affect her JST (max earnings €165 pw)

When she transfers to Jobseekers Allowance:

- Paula can only work a maximum of 3 days per week
- If Paula earns more than €20 per day it will affect her weekly payment
- Paula must be GSW for full-time employment
- Paula will be subject to any relevant activation / engagement measures relevant
- Savings of €20,000 will not affect JA – JST and JA capital test are the same

Income: *(no WFP on JA)*

- JST: Employment €150 + JST (two children) €232 + €108 (children) = Total €490 per week
- JA: Employment €90 (3 days) + Adjusted JA €214 + €108 (children) = Total €412 per week



Example: Tom

Jobseekers Allowance to Disability Allowance – Capital / Savings:

- Tom is single and has been on Disability Allowance for 4 years
- Tom has savings of €50,000 in the post office
- Claim reviewed and determined that he no longer qualifies for DA / advised of JA option

JA application – requires GSW – contrary to DA capacity / ability claim – not option

- DA disregard is €50,000 – JA savings disregard is €20,000 – Difference €30,000
- JA – means assessed value of €50,000 = €70 per week - ($€10 + €20 + €40$)
- Payment outcome based on means testing = DA €232 pw vs JA €162 pw

Decision – Appeal? Apply for SWA – means test disregard €5,000 with balance assessed

- SWA means on €50,000 (€45,000 assessable) = €90 means p.w. – ($€10 + €50 + €40$)
- Payment change based on means = DA €232 (€0 means) vs SWA €140 pw (€90 means)
- If DA appeal successful, DA means test applies for SWA period – arrears due
- Appeals can take weeks / months – accessing SWA can take weeks to receive payment



Example: Robin

Carer's Allowance to Jobseekers Allowance – Work and Capital / Savings:

- Robin is in receipt of Carer's Allowance and has €35,000 in savings (CA limit €50,000)
- Robin's caring duties have ceased and will be applying for Jobseeker's Allowance
- At the moment Robin works 2 mornings per week earning €50 per day (€100 per week)
- The income from employment does not affect Robin's CA (max earnings €450 pw)

When Robin transfers to Jobseekers Allowance:

- Robin can only work a maximum of 3 days per week on Jobseekers Allowance
- If Robin earns more than €20 per day it will affect Robin's weekly JA payment
- Robin must be GSW for full-time employment without restriction
- Robin will be subject to any relevant activation / engagement measures relevant
- Savings of €50,000 will affect JA – CA €50,000 and JA €20,000 - capital tests are not the same

Income:

- CA: Employment €100 (2 days) + Carer's Allowance €248 = Total €348 per week
- JA: Employment €100 (2 days) + Adjusted JA €196 (from €232) = Total €296 per week



Example: Liam

Jobseekers Benefit to Jobseekers Allowance:

- Liam is single and has been on Jobseekers Benefit payment for 9 months. Claim exhausted.
- Liam has money from redundancy of €60,000. Did not affect his JB claim (no means test)
- Liam has applied for Jobseekers Allowance, pending processing applies for SWA*
- JA means test will assess €40,000 of €60,000 as means (€20,000 disregard)
- €10,000 = €10; next €10,000 = €20; Excess over €40,000 = €80 = Total €110 pw
- Jobseekers Allowance payable on €60,000 (€40,000 means) = €122 per week
- Under the SWA means test his SWA payment will be affected
- SWA means test will €55,000 of €60,000 as means (€5,000 disregard only)
- €10,000 @ €1 per '000; €25,000 @ €2 per '000; Balance @ €4 per '000 = €140 per week
- SWA payable on €60,000 (€55,000 means) = €90 per week
- Payment Difference based on means = JA €122 vs JA €90 per week
- If JA application successful, JA means test applies for SWA period – arrears due



Questions?



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