

SUPPORTING WORKING FAMILIES

Day 6/Campaign Day Brief

FINE GAEL 

AMBITION: TO MAKE WORK PAY MORE THAN WELFARE

CONTEXT Fianna Fail's disastrous 'hands off' approach to social welfare led directly to families being trapped in cycles of joblessness, poverty and welfare dependency. Under Fianna Fail, Ireland suffered from one of the highest rates of jobless households in Europe. During our first term in Government we have started to transform our passive welfare system into an active employment service that works with people to get them into jobs.



PLAN Making Work Pay is the second step in our Long Term Economic Plan and supporting working families is essential to keeping the recovery going. Fine Gael wants to see people independent in work, not dependent on welfare. We believe that a job is the best route out of poverty, that work should pay, and that people shouldn't be abandoned on the dole queues. Fine Gael will help by getting people off welfare and into jobs.

FINE GAEL PLAN TO MAKE WORK PAY...

- 1** The abolition of the USC and the extension of the PRSI benefits to lower income workers will make work pay for families.
- 2** Fine Gael will introduce a new 'Working Family Payment' that will ensure that every parent working 15 hours or more per week takes home at least €11.75 per hour
- 3** Fine Gael will increase the minimum wage to €10.50 during the next Government term. The Low Pay Commission will make annual recommendations on the level of adjustment each year. We will amend employers PRSI to help small businesses mitigate the changes to the minimum wage.
- 4** Fine Gael will target welfare traps in housing, healthcare and childcare that make it unaffordable to return to work.

UNDER FIANNA FÁIL

**300,000
JOBS LOST
IN THREE YEARS**

WITH FINE GAEL

**135,000
JOBS CREATED
SINCE 2012**

FIANNA FÁIL RECORD

Even before the recession Ireland had a far higher level of jobless households than other similar countries. The jobless household rate increased from 13% in 2004 to 22% in 2010.

Fianna Fail abandoned people to the dole queues and avoided any difficult reform of the welfare system that would help people into jobs. Instead of investing in job support services and helping get the long term unemployed back into work Fianna Fail just hiked welfare payments without reform.

Fianna Fail trapped people into welfare dependency and facilitated a devastating cycle of intergenerational joblessness and poverty.

DON'T LET FIANNA FÁIL DESTROY THE RECOVERY



TALKING POINTS - MORE DETAIL

Almost 60,000 parents are still trapped on welfare because they have little incentive to take up employment, giving Ireland one of the highest rates of jobless households in Europe, even before the recession.

Unlike the current system, every parent working at least 15 hours per week will get a “better off at work guarantee” from the State. They will also be guaranteed that every extra hour they work will result in more take-home pay.

This will be achieved with the introduction of a Working Family Payment that will allow working parents on low incomes to keep a portion of their jobseekers benefits.

Due to the different means test and level of support provided under the existing Family Income Supplement (FIS) parents can fall through the cracks when trying to transition from welfare to work.

Existing FIS beneficiaries will have the option of transitioning to the Working Family Payment if it makes work pay more, otherwise their current supports will be maintained. Fine Gael will also make available further training and skills development opportunities for those in low income jobs.

“Increase the minimum wage to €10.50 by 2021”

We will increase the minimum wage to €10.50 per hour by 2021. It will still be a matter for the Low Pay Commission to make annual recommendations on the level of adjustment each year. We will cut employers’ PRSI for low income workers to help small businesses mitigate the cost of minimum wage increases, in order to protect jobs. Forcing an unaffordable minimum wage on small Irish businesses will cost jobs and set back recovery.

“Target welfare traps that make it unaffordable for people to return to work”

- Fine Gael will improve childcare supports to help parents return to work.
- Recipients of the ‘Rent Supplement’ are faced with the worst welfare trap with lone parents and larger families at particular risk. Fine Gael will roll out the Housing Assistance Payment nationwide which provides housing support based on a person’s income and not whether they have a job.
- We will extend free GP care for the children of all working families.

COMMENTS ON JOBLESS HOUSEHOLDS



OECD Report Ireland 2015

“Getting more people back into work is the best way to spread the gains from the recovery, utilise people’s potential talent and efficiently reduce income inequality.”

NESC Jobless Households – Report 137

“Jobless households experience high levels of deprivation and economic stress, with a risk of an intergenerational transmission of poverty. Research from Combat Poverty (Nolan, et al., 2006) indicates that where neither adult was in work, 80 per cent of children experienced recurrent or persistent low income.”

OECD Report Ireland 2015

“There is evidence that unemployment traps exists in Ireland for some groups, and particularly those with a non-working partner and children.”



COMMENTS BY SIMON HARRIS



“Fine Gael is a party that supports work and workers.”

“We want to see people independent in work, not dependent on welfare.”

“Fianna Fail has an abysmal record on social welfare and on low income families. Intergenerational poverty and welfare dependency became a way of life under Fianna Fail Governments. This is a consequence of a passive welfare system created by Fianna Fail that avoided reform.”

LINKS TO RELEVANT POLICY DOCUMENTS

Fine Gael’s Long Term Economic Plan - www.finegael.ie
Action Plan for Jobs (All reports) - www.djei.ie
Pathways to Work (All reports) - www.welfare.ie

Enterprise 2025 - www.djei.ie
Innovation 2020 - www.djei.ie
Entrepreneurship Policy Statement - www.djei.ie



LONG TERM ECONOMIC PLAN - SUMMARY Our Long Term Economic Plan offers our people the stability and certainty needed to keep the recovery going. **It has three steps:**

1 More and Better Jobs
200,000 extra jobs by 2020 with 70,000 emigrants returning to take up jobs

2 Making Work Pay
Abolishing the USC over 5 years and reforming the welfare system to make work always pay more than welfare

3 Sensible Investments in Public Services With more people at work and paying taxes we will be able to recruit 10,000 extra nurses, teachers and gardai

Fine Gael has learnt from the mistakes made by previous Governments - we know that only a strong economy that supports people at work can pay for the services needed for a decent society.