

## 14 Overpayments of age-related jobseeker's allowance

- 14.1** Jobseeker's allowance (JA) is a means-tested payment to people who are unemployed. To qualify, a person must, among other qualifying conditions, be at least 18 and under 66 years of age. JA is administered by staff of the Department of Employment Affairs and Social Protection (the Department) at its network of Intreo centres and branch offices throughout the country.
- 14.2** Since April 2009, a reduced rate of JA has been in place for persons aged 18 and 19 years. The age-related reduced rates were extended to persons aged under 25 years in 2010 and to persons aged under 26 years in 2014. The changes were given legislative effect through amendment of the Social Welfare Consolidation Act 2005 (SWCA).
- 14.3** The rates of JA applicable at end December 2017 are set out in Figure 14.1 below.

**Figure 14.1 Jobseeker's allowance payment rate — end December 2017**

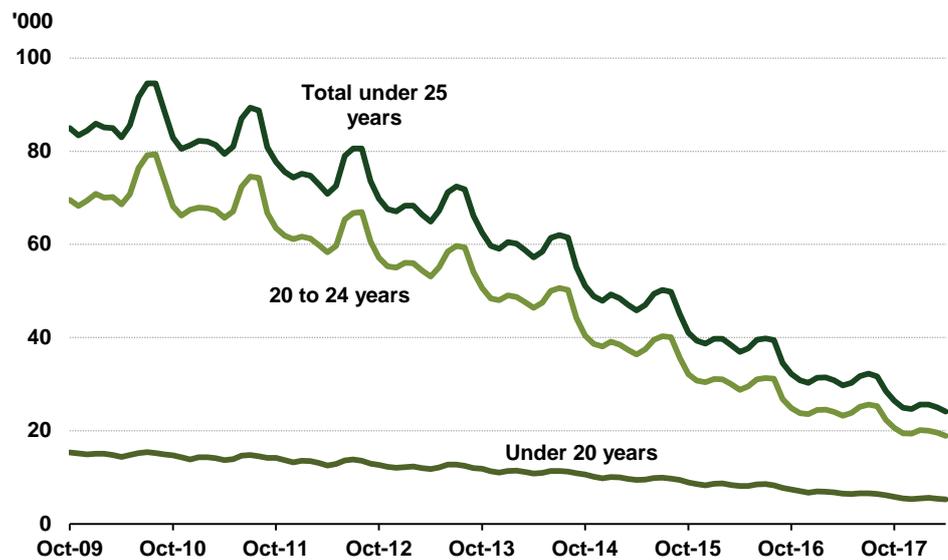
Age	Personal rate	Adult dependent rate
18 to 24	€102.70	€102.70
25	€147.80	€128.10
26 and older	€193.00	€128.10

Source: Department of Employment Affairs and Social Protection

- 14.4** Exceptions to application of the reduced rates apply where
- a claimant has a dependent child
  - a claimant is transferring directly from disability allowance to JA
  - a claimant aged 22-25 was getting a higher rate before 15 January 2014
  - a claim is linked to a previous JA claim made within the previous 12 months to which the maximum personal rate applied
  - the claimant was in the care of the HSE during the 12 months before reaching age 18<sup>1</sup>
  - a claimant under age 26 on the age-related reduced payment takes part in a course of education, training or an employment support scheme.<sup>2</sup>
- 14.5** Data produced by the Central Statistics Office shows that the number of recipients of JA aged under 25 has fallen significantly since 2009 (see Figure 14.2).

<sup>1</sup> This exception only applies between the ages of 18 and 24. From the age of 25, the age-related rate applies.

<sup>2</sup> In such cases, the appropriate personal rate of payment applicable to the course or scheme will apply.

**Figure 14.2 Live register under 25 years old, October 2009 to April 2018**

Source: Central Statistics Office<sup>a</sup>

Note: a The Central Statistics Office (CSO) dataset includes data on under 20 year olds, 20-24 years of age and 25-34 years of age. This chart excludes data in the 25-26 year age group as this is not identifiable from the CSO data.

### **Audit work**

- 14.6** As part of the audit of the Department's 2017 appropriation account, a review of the JA claimload as at 3 November 2017 was undertaken. There were 30,019 claimants aged 18 to 25 in receipt of JA at that date with 24,794 (83%) on a reduced rate. The balance of 5,225 claims (17%), were in receipt of the maximum personal rate of €193 per week.
- 14.7** The audit analysed the cohort of claimants in receipt of the maximum rate to establish how they met the qualifying criteria for such payment and concluded that 4,739 were entitled to the maximum personal rate.
- 14.8** Of the remaining 486 maximum personal rate payment claims (1.6% of those under 26), the Department agreed with the audit that these claimants did not meet the qualifying conditions for payment of the maximum personal rate of JA and were being paid the incorrect amount.
- 14.9** The cost to the Department in 2017 of these excess payments is estimated at just under €1.2 million. This is based on the length of time the claim was in payment in 2017.<sup>1</sup>

<sup>1</sup> The audit calculated the overpayment from 1 January 2017 or start of claim whichever was later, to end date of the claim or 31 December 2017, as appropriate.

## Conclusions and recommendation

- 14.10** An estimated 1.6% of JA claims for those aged 18 to 25 were not paid at the appropriate age-related personal rates when examined by the audit. This resulted in an estimated €1.2 million in payments in excess of entitlement for 2017.
- 14.11** The controls in place to ensure that age appropriate personal rates are applied correctly were not operating effectively to prevent overpayments occurring.

### Recommendation 14.1

The Department should examine the possibility of programming the rules for those under 26 in receipt of JA into the claim handling system to prevent overpayments occurring. In the interim, a greater level of quality control checking should be applied to this category of payment. Staff training should be undertaken to ensure all staff are aware of the rules and regulations.

#### Accounting Officer's response

Agreed.

The Department is committed to moving jobseeker's payments to the business object model implementation (BOMi), our strategic platform, as quickly as possible. This large project was scheduled for 2018 but due to budgetary and other commitments has been rescheduled to 2019. The BOMi development for jobseeker's payments will provide the decision support capacity suggested.

With immediate effect, the Department has instructed that all under 26 JA cases are to be decided by just two Deciding Officers (DOs) in each Intreo centre.

Also with immediate effect, the Department has instructed management in each Intreo centre to carry out 10% sampling of all under 26 JA claims awarded each week to ensure that the rates payable in each case are correct and in accordance with the conditions for payment of JA to that client category. In addition, the Regional Support Unit will monitor this process to confirm that checks are being carried out, that any errors are corrected and that any misunderstandings or misinterpretation of the rules are addressed.

The Department is restructuring Intreo centres along front office/back office lines. As this work progresses, the decision function in relation to under 26 JA claims will be moved to a small number of back offices. This will create a limited number of centres of expertise which should improve the accuracy of decisions and enable the more efficient and effective delivery of ongoing training in relation to this cohort of claimants.

The Department recognises that training is an integral element of the quality process. Specific training will be provided to the two nominated DOs in each Intreo centre and to the DOs in the nominated back offices as that work progresses.

