

## **Chapter 31**

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**Department of Social Protection  
Expenditure on Social Welfare**



## Expenditure on Social Welfare

31.1 The Department of Social Protection (the Department) is accountable for expenditure of €20.5 billion in 2009. These funds were processed through Vote 38 (€10.7 billion<sup>230</sup>) and the Social Insurance Fund (€9.8 billion). In addition, significant social welfare spending also occurred under schemes funded through other Votes.

### Chapter Focus

This chapter summarises expenditure on social welfare from the various accounts, indicating the source and application of the funds applied over the past four years, together with 2010 projections.

### Welfare Expenditure

31.2 All expenditure under the Department's Vote and the Social Insurance Fund (SIF) has been included in the consolidation. The following expenditure under other Votes has also been included

- Early Childcare Payment — funded through Vote 41: Office of the Minister for Children
- Domiciliary Care Allowance (DCA), which was operated by the Health Service Executive (HSE) until 2009
- Blind Welfare Allowances, currently operated by the Health Service Executive (HSE).

31.3 A Government decision was made in 2006 to transfer responsibility for the DCA and Blind Welfare Allowance schemes to the Department. The Department has decided all new claims for DCA since 1 April 2009, and took over responsibility for the payment of all DCA claims from the HSE in September 2009. A date has not yet been set for the transfer of the Blind Welfare Allowance scheme from the HSE to the Department.

31.4 Annual expenditure data are based on audited appropriation account figures (2006 to 2009) and audited SIF data (2006 to 2008). For 2009, draft figures for SIF expenditure were used because the audit of the 2009 accounts is not yet completed<sup>231</sup>. Figures for planned Vote and SIF expenditure in 2010 are taken from the Revised Estimates for Public Services 2010.

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<sup>230</sup> Net of administration costs recovered from the Social Insurance Fund.

<sup>231</sup> Based on the experience in previous years, it is not expected that significant changes will be required to the draft account figures.

## Social Welfare Expenditure and Funding

31.5 Figure 149 summarises social welfare expenditure on each main category of recipients. It also indicates the sources of that expenditure.

**Figure 149 Expenditure on Social Welfare by main category of recipient and by source of funding, 2006 to 2009, and estimated for 2010<sup>a</sup>**

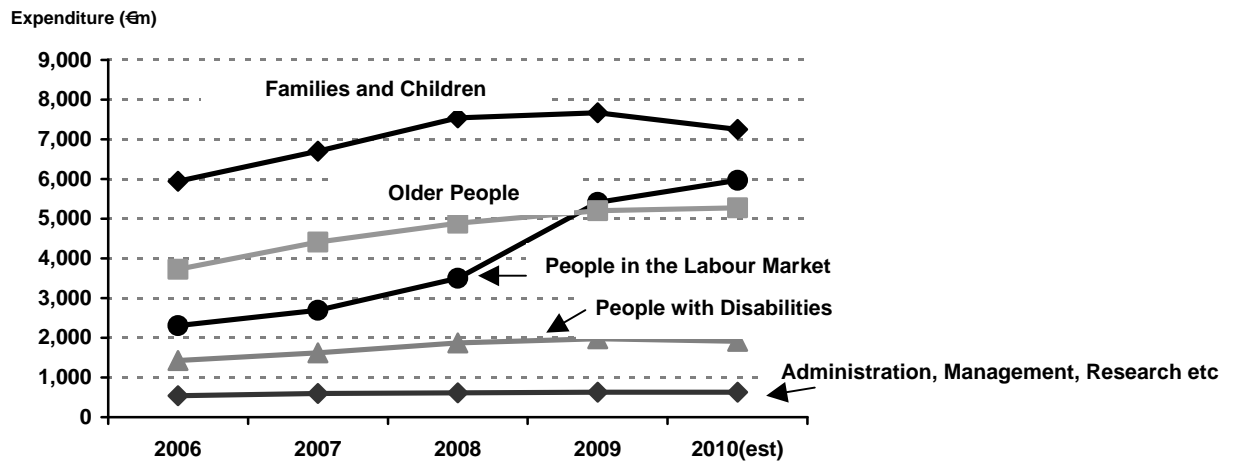
Expenditure Category	2006	2007	2008	2009	2010
	€m	€m	€m	€m	Est €m
Support for Families and Children	5,941	6,700	7,544	7,669	7,253
Support for People in the Labour Market	2,304	2,692	3,500	5,408	5,966
Support for People with Disabilities	1,428	1,622	1,875	1,975	1,911
Support for Older People	3,724	4,414	4,885	5,202	5,275
Administration, Management, Research, etc	541	595	610	627	630
<b>Total Expenditure</b>	<b>13,938</b>	<b>16,023</b>	<b>18,415</b>	<b>20,881</b>	<b>21,035</b>
<b>Funded through:</b>					
Social Insurance Fund	6,326	7,251	8,400	9,783	9,560
Voted Expenditure					
Vote 38 Social Protection	7,196	8,200	9,353	10,697	11,400
Vote 40 Health Service Executive	70	88	120	103	9
Vote 41 Children and Youth Affairs	281	418	480	231	5
Expenditure under other votes	50	50	45	51	46
Notional rent on State owned property	15	16	17	16	15
<b>Total Funding</b>	<b>13,938</b>	<b>16,023</b>	<b>18,415</b>	<b>20,881</b>	<b>21,035</b>

Note:

a Due to rounding, scheme expenditures may not sum to aggregate values.

31.6 Figure 150 shows the trend in expenditure by main category of expenditure. The fastest increase has been in the level of expenditure on welfare support for people in the labour market, reflecting rapidly increasing numbers unemployed.

**Figure 150 Trend in expenditure on Social Welfare by Main Category of Recipient, 2006 to 2009, and Estimated for 2010**



31.7 Figure 151 presents a breakdown of social welfare expenditure by category of recipient and by scheme.

**Figure 151 Expenditure on Social Welfare by Scheme and Category of Recipient, 2006 to 2009, and Estimated Expenditure for 2010<sup>a</sup>**

Expenditure Category	2006	2007	2008	2009	2010
	€m	€m	€m	€m	Est €m
<b>Support for Families and Children</b>					
Child Benefit	2,056	2,233	2,454	2,495	2,261
Widow/er Schemes/Guardian's Payments	1,212	1,239	1,342	1,392	1,353
One Parent Family Payment	834	962	1,067	1,121	1,120
Supplementary Welfare Allowance	686	740	867	1,032	1,026
Carer's Payment	301	388	484	533	573
Maternity Benefit	181	258	316	331	352
Treatment Benefit	95	92	97	100	34
Family Income Supplement	107	140	170	167	215
Respite Care Grants	50	72	98	99	153
School Meal Grants	14	28	32	35	35
Bereavement and Widowed Parent Grants	16	21	24	24	26
Deserted and Prisoner's Wives	105	108	111	106	99
Adoptive Benefit	1	1	2	1	1
Early Childcare Payments	281	418	480	231	5
<b>Total Expenditure</b>	<b>5,941</b>	<b>6,700</b>	<b>7,544</b>	<b>7,669</b>	<b>7,253</b>
<b>Support for People in the Labour Market</b>					
Jobseeker's Benefit	455	545	929	1,734	1,546
Jobseeker's Allowance	769	875	1,159	2,005	2,760
Illness Benefit	628	755	852	920	884

Expenditure Category	2006	2007	2008	2009	2010
	€m	€m	€m	€m	Est €m
Employment Support Services	116	145	161	194	229
Occupational Injury Benefit	96	104	112	112	110
Farm Assist Scheme	71	79	85	93	96
Redundancy and Insolvency	170	188	202	350	340
Health and Safety Benefit	*	1	1	1	1
<b>Total Expenditure</b>	<b>2,304</b>	<b>2,692</b>	<b>3,500</b>	<b>5,408</b>	<b>5,966</b>
<b>Support for people with Disabilities</b>					
Disability Allowance	738	901	1,053	1,143	1,101
Invalidity Pensions	602	618	686	682	686
Blind Pensions	17	15	16	16	16
Domiciliary Care Allowance	62	78	110	123	99
Blind Welfare Allowance	8	9	11	11	9
<b>Total Expenditure</b>	<b>1,428</b>	<b>1,622</b>	<b>1,875</b>	<b>1,975</b>	<b>1,911</b>
<b>Support for Older People</b>					
State Pensions	3,166	3,754	4,183	4,473	4,489
Pre-retirement Allowances	113	124	118	97	75
Free Travel	58	64	68	73	77
Electricity Allowance	108	147	157	166	202
Telephone Allowance	90	99	112	120	121
Fuel Allowance	117	146	161	185	209
Free TV licence	49	52	56	56	59
Natural/Bottled Gas Allowances	9	15	16	18	24
Smog allowance	13	12	15	15	19
<b>Total Expenditure</b>	<b>3,724</b>	<b>4,414</b>	<b>4,885</b>	<b>5,202</b>	<b>5,275</b>
<b>Administration, Management, Research etc</b>					
Administration and management <sup>b</sup>	466	506	518	543	547
Agency and service grants <sup>c</sup>	68	82	86	81	79
Economic and social disadvantage	—	—	—	1	1
Other	7	7	7	2	2
<b>Total Expenditure</b>	<b>541</b>	<b>595</b>	<b>610</b>	<b>627</b>	<b>630</b>
<b>Expenditure on all Schemes</b>	<b>13,938</b>	<b>16,023</b>	<b>18,415</b>	<b>20,881</b>	<b>21,035</b>

Notes:

\* Indicates expenditure was less than €500,000.

a Due to rounding, scheme expenditures may not sum to aggregate values.

b Includes the expenses of the Office of the Pensions Ombudsman.

c Grants paid to the Family Support Agency, Money Advice and Budgeting Service, Citizens Information Board and Combat Poverty Agency. Combat Poverty Agency was dissolved on 1 July 2009 and its functions and staffing were integrated into the Department's Social Inclusion Division. The Money Advice and Budgeting Service was transferred to Citizens Information Board during 2009.

## Schemes not included in Consolidation

31.8 Other departments and agencies also provide welfare-type supports to individuals under schemes they administer which have not been included in the consolidated figures. These include

- medical card expenditure incurred under the HSE's Vote
- the Rural Social Scheme, operated by the Department of Community, Equality and Gaeltacht Affairs, which cost a total of €48 million in 2009 (€49 million in 2008)
- expenditure by FÁS on Community Employment Scheme allowances at a cost of €282 million in 2009 (€274 million in 2008).

31.9 Following a Government decision on 27 April 2010, the Department is to take over responsibility later in 2010 for the Rural Social Scheme (and the Community Services Programme) from the Department of Community, Equality and Gaeltacht Affairs as well as the employment and community services programmes operated by FÁS (including the Community Employment Scheme).

31.10 Certain other educational expenditure could also be considered to have a welfare objective, in that it has the potential to reduce child poverty and to improve the life chances of individuals and create improved social outcomes. However, no apportionment of this spending was made.

## Social Insurance Fund Reserves

31.11 Pay-related social insurance contributions collected by the Revenue Commissioners from employers, employees and self-employed persons are paid into the SIF. Benefits under social insurance schemes are paid for out of the SIF's current account. Funds that are not required to meet current expenditure are transferred to an investment account, which is managed and controlled by the Minister for Finance. Under Section 9 (9) (a) of the Social Welfare Consolidation Act, 2005, there is provision for the Exchequer to fund any deficit.

31.12 In the years up to 2007, expenditure on welfare benefit schemes was less than the income received into the SIF through contributions. As a result, the balance in the investment account increased, standing at just over €3.6 billion at the end of 2007. Since then, contributions received into the SIF have declined, and expenditure under the benefit schemes has increased. As a result, the balances in the investment account have been drawn down. At the end of 2009, the balance stood at €871 million. See Figure 152.

31.13 Provision was made in the Vote for 2010 for payment to the SIF of up to €1.55 billion. Subvention from the Exchequer to the SIF commenced on 26 May 2010.

**Figure 152 Balance in the Social Insurance Fund Investment Account at the end of each year 2006 to 2009, and projected at end 2010**

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