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Organisation:
Home and Community Care Ireland

Chapter 1 - General Questions

1 What elements of the taxation and welfare systems do you feel are working well?

Please elaborate below::

2 What elements of the taxation and welfare systems do you feel are not working well?

Please elaborate below::

From the perspective of the home care sector, the eligibility and assessment rules of the social welfare system are too rigid, creating barriers to entry into the sector and disincentives for existing workers to take on additional hours. This has put some jobseekers, particularly part time and low-income workers into welfare traps, where those who want to work feel they cannot because they will lose entitlements.

The nature of home care lends itself to a significant number of part time workers. Demand for home care services is highest during peak hours, 7am-10am and 6pm-10pm. As such many home care assistants (HCA) are in receipt of social welfare entitlements including Working Family Payments, Carers Allowance, Medical Cards and P/T Jobseekers.

In the case of WFP, Carers Allowance and Medical Cards, eligibility is means tested according to income, hours worked, savings or capital. This has led to HCAs who are willing to take on extra hours unable to do so out of fear that they will lose their entitlements. HCCI appreciate that there are cost restraints and that social welfare payments must be distributed equitably. However, it is in the public interest that the home care sector has sufficient capacity to deliver services to those who need it. Home care can alleviate pressure on hospitals, both by preventing admission and by ensure timely discharge. Therefore, it is not in the public interest to have P/T HCAs refusing to take additional work out of fears around social welfare eligibility.

As mentioned, social welfare entitlements should be distributed equitably. This is certainly not the case when it comes to P/T Jobseekers Benefit, that is calculated based on days worked, not hours worked. P/T HCAs overwhelmingly work a small number of hours per day, spread over a number of days. So a HCA working 10 hours a week, 2 hours per day is ineligible for any jobseekers. This is in contrast to a P/T retail worker, who can work 30 hours a week, across 3 days and claim Jobseekers for the remaining 2 days of the working week. This is unfair and not in keeping with international best practice on unemployment benefits (ILO 2013)*

*International Labour Organisation (2013) Comparative review of unemployment and employment insurance experiences in Asia and worldwide. https://www.ilo.org/asia/publications/WCMS_229985/lang--en/index.htm

3 Good quality public services, welfare provision and infrastructure are financed mainly from taxation and PRSI. What are the features that you think our taxation and welfare systems should have in order to meet these needs?

Please specify::

4 In your view, what main reforms are necessary so that the Irish taxation and welfare systems can embrace the opportunities and meet the challenges that Ireland may face over the next 10-15 years?

Please outline your views::

Workers who receive means tested social welfare entitlements should have some flexibility on the hours they can work or income they can receive. There are a number of options on how to do this.
1. Assess hours worked or income earned on yearly basis. For example, those receiving Carers Allowance are only permitted to work 18.5 hours per week. If this became a yearly limit, then employees could work additional hours during busy periods and offset this during quieter periods.
2. Implement policies that allow eligibility rules to be relaxed when in the public interest. For example, allowing home carers to work additional hours during Winter periods when there is significant strain on hospitals that additional capacity in the home care sector can alleviate.
3. Calculate Part Time Jobseekers benefit on the basis of hours worked, not days worked.

Chapter 7 - Tax Expenditures

1 How do you think the process of reviewing taxation measures and taxation expenditures is currently functioning?

Please outline your views::

How well defined do you think the benchmark taxation system is in Ireland?:

2 How do you think the process of taxation expenditure review could be improved?

Please specify::

HCCI's key issue on reviewing taxation expenditure is a lack of transparency surrounding HSE home care support services expenditure. For a brief background, home care in Ireland is predominantly funded by the HSE. The HSE delivers approx. 50% of home care and contract private providers to deliver 35% and non-profits 15%. The amount of money that the HSE pay private providers to deliver home care services is a matter of public record as per the HSE tender system. So, while the Irish taxpayer know how much it costs, per hour, for private providers to deliver home care, there is no public data for how much it costs the HSE to deliver home care directly. A HRB open research article (Smith 2021)* estimates that it costs the HSE between €32 and €42 per hour to deliver home care, compared to the €25 per hour paid to private providers, without any evidence that there is a differential in the quality of services. This is untransparent, anti-competitive and is a barrier to accountability. The HSE should be obliged to release data on home care costs.

*Smith S, Jiang J, Normand C and O'Neill C. Unit costs for non-acute care in Ireland 2016—2019. HRB Open Res 2021, 4:39 (https://doi.org/10.12688/hrbopenres.13256.1)

3 Please give examples of taxation expenditures that you believe run counter to public policy/are badly designed?

Please specify::

Please explain your rationale? :

4 Please provide examples of taxation expenditures that you believe work well, either in Ireland or internationally?

Please specify::

Chapter 8 - Public Health

1 How well do the taxation and welfare systems support good public health outcomes, addressing health challenges including but not limited to those caused by or related to tobacco and alcohol use, obesity, poverty and/or environmental issues?

Please outline your views::

A well-functioning home care system is pivotal to support positive ageing and allowing people with disabilities and/or complex needs to live independently.
- That people can receive tax credits when paying for home care is a positive measure.
- The fact that publicly funded home care is paid from the general exchequer is problematic and allows funds to be diverted elsewhere.
- Certain rules around social welfare assessment and eligibility are too rigid. This is explained in greater detail in Chapter 1 of this submission. To briefly reiterate, rules around income and no. of hours worked act as barriers to entry for people wanting to work in the sector and as a disincentive for P/T workers to take on additional hours. This impacts the sectors capacity to take on new clients and deliver existing home care services. This has further implications for hospital waiting lists and capacity.

2 What changes would you like to see to better promote the goal of good public health?

Please specify::

- Consider how home care will be funded in the future.
- Government funding for home care should be ringfenced to ensure that the sector remains sustainable into the future.
- Introduce flexibility into social welfare assessments and eligibility to allow more workers into the sector and allow existing workers to work additional hours.