



## An Roinn Coimirce Sóisialaí

Department of Social Protection

*Helping you build a better life*

Mr Colm Murphy,  
Meeting Administrator,  
Corporate Performance and Change Management,  
South Dublin County Council,  
County Hall,  
Tallaght,  
Dublin 24.



Ref: REPS – 2017 – 7625  
Your Ref: M21/0317

March 2017

Dear Mr Murphy,

Mr Leo Varadkar, T.D, Minister for Social Protection, has asked me to reply to your correspondence on behalf of South Dublin County Council, regarding the reinstatement of cuts made to the household benefits package.

The household benefits package comprises the electricity/gas allowance (€35 per month) and the free television licence scheme (€160 per annum). At present, it is paid to some 425,000 customers, with expenditure estimated at €232 million for 2017.

There has been no reduction in the household benefits scheme in recent budgets. However, there were considerable changes in the scheme in previous years, not just in terms of the various levels of benefits that have been made available under the scheme at different points in time, but also the basis upon which they are paid, e.g., whether they are a payment for units or a cash payment.

In Budget 2011 the number of free units provided under the electricity and gas allowance was reduced to the level at the start of 2007 (from 2,400 to 1,800). This change was effective from September 2011. In Budget 2013 the electricity allowance was restructured and is now based on the average best rate (minus the PSO) available for 150 units per month from Electric Ireland, Bord Gais Eireann and Airtricity which resulted in electricity and gas allowances rate of €35 per month or €420 a year. In August 2007 the value of the telephone allowance was increased with general price increases from €296 per annum to €310.80 per annum. Following a number of reductions in the rate, the telephone allowance element of the household benefits scheme was discontinued in 2014. It is estimated that restoring both these benefits to their earlier levels would be likely to cost in the region of €160-€190 million in a full year.

The Government is keenly aware of the impact of Budget decisions on the Department's clients, and strives to ensure that the money available is targeted in the most effective way. Over the past two Budgets, the maximum weekly rate for State Pensions has increased by €8 per week, which is the equivalent of nearly €35 per month. This has increased the personal rate of the non-contributory pension to €227, and that of the contributory pension to €238.30. There was also a €2.50 increase in the rate of the Fuel Allowance last year, from €20 to €22.50 per week. It is worth noting that the value of these increases is in excess of the value of the household benefits previously provided.

Any decision to increase the benefits under the household benefits package would have to be considered in the context of overall budgetary negotiations. On the occasion of the most recent

budgets, the Government has chosen to concentrate resources on increasing the rate of the pension and other weekly payments.

I hope this information is of assistance to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David O'Callaghan', is written over a horizontal line.

David O'Callaghan  
Free Schemes Policy