



An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform

Staff Paper

An Assessment of the Disability Allowance Scheme Trends and Characteristics

March 2023

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This paper has been prepared by IGEES staff in the Department of Public Expenditure, National Development Plan Delivery, and Reform. The views presented in this paper do not represent the official views of the Department or Minister.

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Key Points

Context and Objectives

The number of Disability Allowance (DA) recipients grew by 55% in the decade to 2022. Therefore, the aim of this paper is to further build on the scheme's already established evidence base by using the latest available data to analyse the underlying causes of this growth as well as to develop insights from an in-depth examination of DA recipients' that may be used to shape future policy direction and discussion in this area.

Recipient growth is the biggest driver of expenditure but the drivers of recipient growth are not clear

- Since 1996, DA expenditure has increased from €158m to €2bn in 2022 driven by increases in recipient numbers (58%), weekly payment rate changes (30%), along with qualified dependent payments and other residual factors (12%).
- It is estimated that around 46% of recipient growth since 2011 can be attributed to demographic and disability prevalence changes, with the remaining 54% being due to a range of as yet unquantifiable drivers.
- Recipient growth slowed substantially in 2021 and 2022. This should be further explored through an analysis of future data.
- Since 2015, approx. 17% of means test reviews have required an amendment, resulting in an average reduction of around €2,600 annually for each DA claim reviewed for means. Medical reviews result in a much smaller level of amendments with around 3% of reviews deemed unsuitable in 2019.

Recipients predominantly report mental and behavioural disorders, are more likely to be under 30, and have durations of around 10 years or more on the scheme

- Between 2016 and 2021, the distribution of DA recipients has shifted towards the under 20s (+ 3 percentage points).
- As of March 2022, 37% of DA recipients had been on the scheme for 10 years or more.
- Of the approx. 21% of DA recipients who had their disability types recorded in March, almost half had recorded Mental, Behavioural, and Neurodevelopmental disorders at 48%.

15.5% of DA Recipients were in work as of March 2022, up from 13% in 2019. In-work DA recipients are more likely than the overall population to be working in lower paid sectors and occupations

- DA recipients with blindness or a serious hearing impairment (15%) were the most likely recipients to be in work, while those with difficulty dressing, bathing or getting around the house were the least likely (6%).
- In 2016, the Average Annual Median Gross income of in-work DA recipients was around €17,900, equating to just over half of the total population's income (€33,900). However, this income gap was most likely driven by the treatment of earned income from employment in DA's means test, which is more focused on supporting lower income earners.
- In 2019, in-work DA recipients had a higher likelihood of being employed in low wage sectors such as Wholesale, Retail & Trade (20%), and lower likelihoods in high wage sectors and occupations such as Information & Communication (2%) and Professional Occupations (1%), compared to the total population.

Inflows into DA are predominantly from Jobseekers and Domiciliary Care Allowance claims, while the majority of outflows have been to State Pension Schemes

- Jobseeker's claims as a proportion of inflows has fallen from around (51%) in 2017 to (34%) in 2021, reflecting the overall reduction in the number of jobseekers on unemployment payments.
- Domiciliary Care Allowance claims represent the largest share of DA inflows from other illness and disability related schemes, and has increased from around 20% in 2017 to around 33% of DA inflows in 2021.
- In 2020, DA outflows were primarily directed towards State Pensions (40%), along with moving to other Social Protection schemes (14%), while the remaining 46% had left DA for other unspecified reasons.

Issues for Further Consideration

- A significant proportion of DA's recipient growth cannot be explained by demographic and prevalence trends. Other factors such as increased awareness in the population, clinician behaviour, and individual behaviour may be at play. Although, these do not seem possible to quantify in the data. The drop off in DA recipient growth in 2021 and 2022 warrants further investigation as the data emerges.
- The employment rate among DA recipients is low, but has been increasing. There is scope to work with individuals, employers, and the education sector to further increase employment among DA recipients and to enable and facilitate higher quality employment opportunities.
- Domiciliary Care Allowance is a significant pipeline for DA. Engagement at the time of transition with active supports around education and employment could improve participation outcomes for these individuals.
- In terms of operational activity, between 2016 and 2019 the actual number of means reviews conducted only represented around 82% of DSP's total annual review targets for DA. Considered in conjunction with the trends for claims that required means amendment, these findings would suggest that there is still scope to increase operational activity, and to further investigate developing efficiencies for these review procedures.

Table of Contents

Key Points.....	2
List of Tables, Figures and Annexes	4
1 Introduction	6
Data Sources and Limitations	6
2 Scheme Operation & Design	7
Scheme Overview	7
Eligibility & Medical Diagnosis Criteria	7
Application Process.....	7
Means Testing Criteria	8
Review Process.....	9
3 Population Trends Analysis.....	12
Overall Population Demographics	12
Disability Prevalence by Age	13
Disability Prevalence by Type	13
DA and Prevalence Projections.....	14
4 Scheme Expenditure & Recipient Growth Trends	15
Scheme Recipient Numbers.....	16
Scheme Payment Rates.....	17
Qualified Dependents	18
Decomposition of Expenditure Growth	19
Average Costs per Recipient	19
5 Characteristics of DA Recipients	20
Age	21
Duration	21
Disability Type	22
6 Profile of In-Work DA Recipients	24
Employment Duration.....	24
Age	25
Income	26
Disability Type.....	26
Sector	27
Occupation.....	28
7 Scheme Inflows & Outflows.....	29
Total Scheme Flows	29
Scheme Outflows	30
Scheme Inflows	31
Box 1: Labour Force Participation and Likelihood of Employment by Age.....	32
8 Conclusion & Issues for Further Consideration	33
9 References	34
10 Appendices.....	35
10.1 Appendix A – CSO Census Data and Disability Related Questions.....	35
10.2 Appendix B – Deciding Officers and Medical Assessors	36
Deciding Officers.....	36
Medical Assessors.....	37
10.3 Appendix C – Detailed Means Test Criteria	37
10.4 Appendix D – Payment Rates and inflation	39
10.5 Appendix E – Additional CSO Income Data.....	39
10.6 Appendix F – Additional CSO Sectoral, Occupation and Age Data	41
10.7 Appendix C – Detailed Inflow Trends for Jobseeker & Other IDC Payments.....	45

List of Tables, Figures and Annexes

Tables

Table 1: Annual Medical Review Trends, 2015 - 2021.....	10
Table 2: Annual Means Review Trends, 2015 - 2021.....	11
Table 3: High Level Population Breakdowns, Census 2011 and 2016	12

Figures

Figure 1: Prevalence of Disability in the Population by Age Band, Censuses 2011 to 2016.....	13
Figure 2: Percent Change in the Rate of Different Disabilities Types, Censuses 2011 to 2016.....	14
Figure 3: Growth in DA Recipients compared to Demographic Projections, 2016 - 2022.....	14
Figure 4: Trends in DA Scheme Expenditure, 1997-2022	16
Figure 5: Breakdown of DA Scheme Recipients, 1997 – 2022	17
Figure 6: DA Weekly Payment Rates for Recipients, 1997 - 2023	18
Figure 7: DA Scheme Dependents, 1998 - 2022	18
Figure 8: Decomposition of DA Expenditure Growth, 1996 to 2022	19
Figure 9: Average Weekly Cost per Recipient, 1997 to 2022	20
Figure 10: Comparison of DA Recipients by Age, 2016 and 2021.....	21
Figure 11: Percentage Share of DA Recipients by Duration, March 2022	22
Figure 12: Top Ten ICD-10 Codes as a Percentage of reported DA Recipients*, March 2022	22
Figure 13: Likelihood of being on DA by Disability Type, 2019.....	23
Figure 14: Likelihood of being In-Work by Duration on DA, March 2022.....	25
Figure 15: Comparison of In-Work DA Recipients by Age, 2016 and 2019.....	25
Figure 16: Comparison of Median Gross Incomes by Population Group, 2016	26
Figure 17: Likelihood of being in employment by Disability Type, 2019	27
Figure 18: Likelihood of being employed in each Sector, 2019	28
Figure 19: Likelihood of being employed in each Occupation, 2019.....	29
Figure 20: Total Number of DA Inflows and Outflows, 2014 - 2020.....	30
Figure 21: Percentage Share of DA Outflows by Reason, 2014 -2020.....	30
Figure 22: Trend in Top 3 Individual Scheme Inflows into DA, 2017 - 2021	31
Figure 23: Irelands Disability Employment Gap, 2014 - 2021.....	32
Figure 24: Likelihood of in Employment with a Disability by Age, 2019.....	32

Annexes

<i>Appendix Table 1: High Level Population Breakdowns, Census 2002 and 2006.....</i>	<i>35</i>
<i>Appendix Table 2: Means Test Capital Disregards Thresholds for the DA</i>	<i>38</i>
<i>Appendix Table 3: Comparison of Jobseeker Recipient Trends with DA inflows, 2015 - 2021.....</i>	<i>45</i>
<i>Appendix Table 4: Comparison of IB Recipient Trends with DA Inflows, 2014 - 2021</i>	<i>46</i>
<i>Appendix Figure 1: Comparison of Percentage Change in Inflation (CPI) with Percentage Changes in DAs Weekly Payment Rates, 1997 to 2022.....</i>	<i>39</i>
<i>Appendix Figure 2: Median Gross Income by Population Group & Disability Type, 2019</i>	<i>39</i>
<i>Appendix Figure 3: Median Gross Earned Income of In-Work DA Recipients by Age, 2019</i>	<i>40</i>
<i>Appendix Figure 4: Median Gross Earned Income of In-Work DA Recipients by Sector, 2019</i>	<i>40</i>
<i>Appendix Figure 5: Median Gross Earned Income of DA Recipients by Occupation, 2019</i>	<i>41</i>
<i>Appendix Figure 6: Likelihood of being in employment by Disability Type, 2019.....</i>	<i>41</i>
<i>Appendix Figure 7: Share of Disabilities by Age & Disability Type for all DA Recipients in 2019.....</i>	<i>42</i>
<i>Appendix Figure 8: Number of Disabilities Reported for DA Recipients by Sector, 2019.....</i>	<i>42</i>
<i>Appendix Figure 9: Number of Disabilities Reported for DA Recipients by Occupation, 2019.....</i>	<i>43</i>
<i>Appendix Figure 10: Share of Total In-Work Recipients by Sector & Age Group, 2019</i>	<i>43</i>
<i>Appendix Figure 11: Share of Total In-Work Recipients by Sector & Disability Type, 2019.....</i>	<i>44</i>
<i>Appendix Figure 12: Share of Total In-Work Recipients by Occupation & Disability Type, 2019.....</i>	<i>44</i>
<i>Appendix Figure 13: Movement from DCA to DA, 2017 - 2021</i>	<i>45</i>
<i>Appendix Figure 14: Likelihood of in Employment with a Disability by Age, 2016</i>	<i>45</i>

Glossary

<i>DA</i>	DA
<i>IDC</i>	Illness, Disability, and Carers Supports
<i>DPMA</i>	Disabled Persons Maintenance Allowance
<i>DCA</i>	Domiciliary Care Allowance
<i>IB</i>	Illness Benefit
<i>JS</i>	Jobseeker Schemes (i.e. Jobseekers Allowance and Jobseekers Benefit)
<i>LR</i>	Live Register
<i>UE</i>	Unemployment
<i>p.p.</i>	Percentage Point
<i>DSP</i>	Department of Social Protection
<i>CSO</i>	Central Statistics Office
<i>DFHERIS</i>	Department of Further Higher Education Research Innovation and Science
<i>DCEDIY</i>	Department of Children, Equality, Disability, Integration and Youth
<i>WHO</i>	World Health Organisation
<i>OECD</i>	Organisation for Economic and Co-Operation Development
<i>ICD</i>	International Statistical Classification of Diseases and Related Health Problems

1 Introduction

The Disability Allowance (DA) Scheme has historically represented the largest share of total Governmental spend on disability and special education supports, accounting for around 32% of total spend (€5.6bn) in 2020 (Daly, 2021). The scheme was also the third largest non-COVID related scheme supported by the Department of Social Protection (DSP) in both 2020 and 2021, equating to approximately €1.8bn (or 5%) of the Department's total spend each year. This expenditure was used to support around 153,000 recipients in 2020 and 155,000 in 2021, making DA the largest non-COVID related scheme supported out of all DSP's illness, disability, and carers supports in terms of its volume. Underlying these recent trends has been a substantial increases in recipient numbers, which have grown by around 52,200 (or 50%) since 2011 (102,800).

As such, in recognition of the significant expansion in DA's utilisation over the years, a number of previous papers¹ have aimed to identify and quantify the characteristics and drivers behind the substantial recipient growth observed for this scheme. This paper aims to continue this research, with its primary purpose being to add to this previous evidence base by examining changes in DA recipients' characteristics using newly developed and updated administrative data from both the DSP and the Central Statistics Office (CSO). It is also intended that the results from this paper will be used as a basis's to inform future policy direction and further discussion in this area. Subsequent to this section the paper has been broken down as follows:

- Section 2 provides an overview of the schemes and its operational design;
- Section 3 analyses population drivers including demographic changes and disability prevalence rates;
- Section 4 examines trends in DA expenditure and recipient growth;
- Section 5 provides a review of high level characteristics of DA recipients;
- Section 6 investigates the profile of In-Work DA recipients;
- Section 7 reviews the recent trends in DA scheme flows with other social welfare supports;
- Section 8 concludes and discusses the potential policy implications and further research questions derived from this analysis.

Data Sources and Limitations

This paper uses both publicly available² and internally provided administrative data by DSP and from the Central Statistics Office (CSO). DSP's internally provided beneficiary and recipient data represents a snapshot of the DA cohort as of March 2022 unless otherwise stated. As at the time of writing, while preliminary statistics from Census³ 2022 were released on June 23rd 2022, data on disability from this latest Census is currently not available for inclusion in this paper. As such, this paper uses a combination of the CSO's most recent Census 2016 datasets⁴ and internally provided data from their CSO Frontier Series⁵ on *'Income, Employment and Welfare Analysis of People with a Disability in*

¹ Carberry, Jean and Eric Doyle. (2014). ["Expenditure Review of Disability and Illness Schemes and Other non-Jobseeker related Income Supports."](#) Staff Paper, December 2014.

Doyle, Eric. (2017). ["An Assessment of the Financial Incentive to Work for Recipients of Illness and Disability Schemes,"](#) Department of Social Protection Staff Paper, January 2017.

Callaghan, Niamh. (2017). ["Disability Allowance Expenditure Drivers,"](#) Spending Review 2017, October 2017.

Cronin, H. (2018). [An Analysis of DA Inflows and Outflows.](#) Staff Paper, Department of Social Protection, December 2018.

² Quarterly statistics on the age of social welfare scheme recipients are published by the Department of Social Protection and are available online on the Data.gov.ie website and, see: https://data.gov.ie/dataset/quarterly-statistical-report-recipients-by-age?package_type=dataset

The Department of Social Protections Annual Statistics Report <https://www.gov.ie/en/publication/9262a-2021-annual-statistics-report/>

³ The Census of the Population is conducted every five years, covering all persons and households in Ireland. For further information see the CSO's Census webpage <https://www.cso.ie/en/census/>

⁴ The Census data used in this analysis is taken from the CSO's Statbank available online at: <https://data.cso.ie/product/c2016p9>

⁵ It should be noted that this paper uses data that was published as part of a CSO Frontier Series, which "may use new methods [that] are under development and/or data sources which may be incomplete, for example new administrative data sources. Publishing outputs under the Frontier Series allows the CSO to provide useful new information to users and get informed feedback on these new methods and outputs whilst at the same time make sure that the limitations are well explained and understood".

2019⁶. However, it should be noted that both of these CSO data sources are unable to capture those who may have developed a disability after the 2016 Census. This is likely to have led to the margin of error, or the number of not stated observations to increase as the period and / or data examined moves further away from the base year of 2016. Additionally, it should also be caveated that CSO data in relation to a person's disability is based on self-reported answers to three questions (see Appendix A). Therefore this data is highly sensitive to what definition is used, along with peoples overall perceptions or biases.

2 Scheme Operation & Design

This section discuss the operational aspects of the DA scheme, including an overview of the scheme's history, the various facets of its qualification criteria, and an examination of the scheme's review and appeals procedures.

Scheme Overview

The DA Scheme is a weekly means-tested payment available for people with a specified disability aged between 16 - 66 years whose disability has continued, or is expected to continue, for at least 12 months. The scheme has been administered by DSP since 1996 and is the successor to the Disabled Person's Maintenance Allowance (DPMA) originally introduced in 1954⁷. The DPMA was a contingency-led, budget-driven scheme with a limited number of participant places. However, while DA would share many similarities to the DMPA in terms of its qualification criteria, it is ultimately a demand-led support. This therefore means that all persons who satisfy DA's qualification criteria can avail of the scheme, with recipient numbers increasing based on changes in both disability prevalence and the overall demand from the eligible population with a disability.

Eligibility & Medical Diagnosis Criteria

In order to be considered for DA, prospective applicants must submit both a DA1 application form⁸ outlining their personal details, along with a medical report completed by their doctor which specifies the various aspects of their medical condition. Their application will then be reviewed by DSP officials against the following criteria derived from the scheme's governing legislation⁹:

- Are aged between 16 to 66 years;
- Satisfy a means test and habitual residence conditions (see below and Appendix B for detail).
- Be substantially restricted in undertaking suitable employment;
- Suffering from an injury, disease, congenital deformity, physical or mental illness, and / or defect which has continued or may reasonably be expected to continue for a period of at least a year, and;
- As a result of the condition and for no other reason, the person is substantially restricted in undertaking work¹⁰ which would otherwise be suitable having regard to the person's age, experience, and qualifications.

Application Process

Deciding Officers¹¹ (DO's) are appointed by the Minister for Social Protection to make independent judgements based on the law, on a case by case basis for questions in relation to a person's eligibility

⁶ Hogan, .E Income, Employment, and Welfare Analysis of People with a Disability 2019. Central Statistics Office (CSO) Frontier Series Dataset. Available online at: <https://www.cso.ie/en/releasesandpublications/ftp/ie/wad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/incomeandemployment/>

⁷ Disabled Persons (Maintenance Allowances) Regulations Act, SI No 207/1954 available online at: <https://www.irishstatutebook.ie/eli/1954/si/207/made/en/print>.

⁸ DA Application Form available online at: <https://assets.gov.ie/37058/cb5b7ad51df64140b7ec346446ef31fb.pdf>

⁹ The legislation governing entitlement to DA is mainly contained in Chapter 10, Parts 2 and 3 of Schedule 3 of the Social Welfare Consolidation Act 2005, as amended ("the Consolidation Act"). The secondary legislation is mainly to be found in Chapter 5, Part 3 of the Social Welfare (Consolidated Claims, Payments and Control) Regulations 2007 (S.I. 142 of 2007), as amended.

¹⁰ Note under the legislation a person is regarded as being substantially restricted in undertaking suitable employment by reason of a specified disability if "he or she suffers from an injury, disease, congenital deformity or physical or mental illness which has continued or, in the opinion of a deciding officer or an appeals officer, may reasonably expect to continue for a period of at least 1 year".

¹¹ DSP's Deciding Officers are appointed under section 299(1) and (2) of the Social Welfare Consolidation 2005 as amended.

for the majority of social welfare benefits. After receiving the DA application form, the DO will examine all evidence submitted by the applicant and refer the claim to the Department's Medical Assessor (MA) service for an opinion before issuing their final decision on the claim (see Appendix B for detail). However, while a DO is required to have regard to the MA's opinions, it is ultimately a matter for the DO to decide whether or not an applicant satisfies the qualifying conditions for DA.

Once the DO has reviewed all the evidence provided (including the MA's opinion) for the claim, a letter outlining the decision is then sent to the applicant. In cases where the decision is unfavourable to the applicant, the DO must give: the reason for their decision; outline the relevant legislation, and; inform the applicant of their right to request a review of their decision by submitting additional documentary evidence to the office. They will also be informed of their right to submit an appeal of the decision directly to the Social Welfare Appeals Office¹².

Means Testing Criteria

DA is a means-tested payment. A means assessment determines the social welfare rate that a person can receive, and considers any assets such as cash income, capital (e.g. savings or property), and / or maintenance payments, bar some certain defined exceptions (See Appendix C for detail). As a result the means test acts as an important mechanism to target support over time, with specific additional disregards applying for those in employment or who have qualified dependents.

These latter elements which are summarised below, have significantly expanded in scope as a result of DSP's previous Budget package's, and are expected to have generated a considerable amount of additional expenditure on the scheme, as discussed in section 4.

DA's Earnings / Income Disregard

How a person's income from employment or self-employment is assessed will differ depending on the social protection payment that they are applying for. For DA's case, the scheme allows for part of a claimant's income from employment to be disregarded when determining their means. Since its inception in 2006, this earnings disregard has been enhanced in the last three successive budgets (i.e. 2021-2023), with its primary aim being to encourage recipients who are able to work, to take up employment without putting their eligibility for DA at risk. As of 2023, the current rules to qualify for DA's income disregard, along with some hypothetical examples of its functioning are outlined below as follows¹³:

- **The first €165 of weekly income from employment (after deductions of PRSI, pension contributions, and union dues) is completely disregarded for the purpose of the means test.** In practical terms, this would mean that a single person could work for just under 16 hours per week at the national minimum wage (€11.30 per hour) and still be entitled to receive the maximum rate of DA (€220 per week). Including both of these income sources means that this persons' total estimated income would be equal around €398.30 per week.
- **50% of weekly earnings between €165 and €375 is then disregarded for the purpose of the means test.** At this upper end a single person could work for around 35 hours per week at rate of €11.70 per hour, and still receive a DA payment of €100 per week. This DA recipient would therefore have a total estimated income of around €476 per week.
- **Any further earnings, over €375 per week, are then fully assessed for the purpose of the means test with entitlement to DA being reduced in line with the appropriate reduced rates of payment.** In practical terms this would mean that a person can work 35 hours a week at a

¹² In cases where a DA claim is disallowed or partially awarded, a decision will be issued to the claimant alongside an explanation of the decision. The claimant will then have the option to either: Seek a revised decision from DSP; submit additional, more up-to-date information to DSP seeking a revised decision; and / or Appeal a decision or revised decision to the Chief Appeals Officer in the Social Welfare Appeals Office. For further information on this process please see: <https://www.gov.ie/en/publication/eeb34f-appeals-procedures/>

¹³ Note the following hypothetical scenarios have been calculated based on DSP's Benefit of Work Estimator for Disability and Illness Payments, available online at: <https://www.mywelfare.ie/benefitofworkdaestimator/disabilityandillnesspayments#resultPage>

rate of €14.70 per hour and still be entitled to receive a DA payment of €2.50 per week. This person's total income is therefore estimated to be around €452 per week.

Qualified Dependents

DA recipients may also be entitled to receive an increase to their DA claim based on the composition of their household. These payments are known as the increase for Qualified Adult (IQA) and Qualified Child (IQC), with each having their own distinct qualification criteria and payment rates. For DA, these additional payments form an internal part in assessing the household's total income, and are a significant factor in determining the actual weekly payment rate a DA recipient is entitled to receive.

I. Qualified Adult Dependents

In prior DSP budget packages, increases to DA recipients' maximum weekly payment rates have often been done in tandem with proportionate increases to their qualified adult dependent rates. In general, in order to receive the qualified adult increase, social welfare recipients must demonstrate that their adult dependent is either a former spouse, civil partner¹⁴, or cohabitant, and has earnings of less than €310 per week. Yet, in contrast to most other social welfare payments which taper the qualified adult rate based on income bands, the DA scheme assesses an adult dependent's net weekly earnings from work as follows:

- €20 per day (up to a maximum of €60) from work is deducted from their spouse, civil partner or cohabitant's average net weekly earnings, and;
- then 60% of the balance is assessed as weekly means.

This weekly means is then deducted from the DA recipient's total rate of payment (i.e. which is their personal rate plus the maximum increase for a qualified adult and any increases for qualified children). However, if the qualified adult is in receipt of a social welfare payment in their own right, then the recipients means will be halved and deducted from DA's maximum personal rate (and / or the half rate child dependent allowance if applicable), in order to arrive at the actual weekly rate of DA payable.

II. Qualified Child Dependents

Qualified child payments are child-related supplements given to most weekly social welfare payments. Over the years this payment has been subject to a number of rate increases as part of DSP's budget packages, and was an effective policy measure which targeted low-income families.

In order to be regarded as a qualified child, the child must be ordinarily resident in the State, not be in legal custody, satisfy the age condition, and normally reside with the claimant¹⁵. The payment is two-tiered and depends on whether the child is under 12 years of age, with those aged between 12 and 18 years of age qualifying for a higher flat rate of payment as of 2019. Yet, while payment is generally made until the child reaches the age of 18, payment of the IQC can continue up to the age of 22 if the child continues in full-time education. However, it should be noted that only one increase can be paid for each qualified child, with recipients and adult dependents having to half the IQC payment if both of them are getting a social welfare payment.

Review Process

Following a person's entry onto the scheme, periodic reviews of certain DA recipients may also be carried out by DSP to confirm that all qualifying conditions (i.e. habitual residence, medical, and

¹⁴ Note: qualified adult dependent payments can also be given for former spouses and civil partners. For further information on current rates and qualification criteria for qualified adults please see the Department of Social Protection's operational guidelines available online at: <https://www.gov.ie/en/service/a2ae6f-increase-for-a-qualified-adult/#what-the-increase-for-a-qualified-adult-is>

¹⁵ For further information on current rate and qualification criteria for qualified children please see the Department of Social Protections operational guidelines available online at: <https://www.gov.ie/en/publication/ed7325-operational-guidelines-increase-for-a-qualified-child/#payment-of-increase-for-a-qualified-child-igc>

means) continue to be fulfilled. These control reviews can have a small impact on DA outflows each year and are outlined in Tables 1 and 2 below, for both the medical and means reviews respectively.

I. Medical Reviews

For Medical Reviews, the decision on whether to conduct a follow-up assessment of a person’s claim can be made by a MA when a person first applies for a DA payment (see Appendix B for detail). These review dates may be set for one, two, or more years’ time based on the MA’s evaluation of the medical evidence provided by the applicant. In cases where an MA determines that the level of incapacity is high, it will be recommended that a recipient should not be reviewed again based on medical grounds. There is also a mechanism for periodic control reviews on the medical aspect of DA claims.

Table 1 compares the actual number of medical reviews conducted each year with DSP’s initial targets. In 2015 and 2017 the actual number of medical reviews were less than targeted, owing largely to staffing resources. However, this has since been addressed through DSP’s control review strategies, with the low number of reviews from 2020 onwards being mainly due to the temporary re-prioritisation of DSP’s staffing resources to process an unprecedented level of pandemic support claims (e.g. Pandemic Unemployment Payment, Enhanced Illness Benefit). Yet overall even in years when DSP did not meet its targets, medical reviews only accounted for an average of around 3% of DA’s total outflows year on year. This would therefore indicate that DA recipients have a significantly high probability of continuing to meet the scheme’s medical eligibility requirements even after extended periods of time.

Table 1: Annual Medical Review Trends, 2015 - 2021

Year	Medical Review Annual Targets	Actual Number of Medical Reviews carried out	Actual Reviews as a % of Annual Targets	Cases deemed unsuitable	Cases deemed unsuitable as % of Actual Reviews
2015	2,000	1,039	52%	21	2%
2016	2,500	2,494	100%	71	3%
2017	3,000	418	14%	12	3%
2018	3,000	2,834	94%	168	6%
2019	3,000	3,000	100%	88	3%
2020	3,000	505	17%	0*	0%
2021	3,000	-	-	318**	-

Source: DSP Administrative data. **Notes:** Figures provided are based on the number of DSP initiated reviews and would not include cases where the customer has notified the Department. * No Terminations were carried out from March 2020 due to COVID-19 Lockdowns. **2021’s figure covers the period from September 2020 to November 2021. This number could reduce as there could be ongoing Appeals. These figures cover medical reviews undertaken since 2019 also.

II. Means Reviews

A means review can be initiated as part of DSP’s control review procedures. These procedures are used to determine which DA claims should be reviewed for means, and are identified through the following channels:

- **Deciding Officers:** who when reviewing a person’s application or appeal may identify that a person could potentially see an increase in their means in the future (e.g. as a result of a pending compensation claim, sale of property, and / or change of employment status).
- **DSP’s Data Analytics Unit:** who periodically select claims for review based upon the recipient’s characteristics (duration, rate of payments, number of dependents etc.), and the period since the last review or investigation of their claim.

- **DSP’s Special Investigation Unit¹⁶ and Criminal Assets Bureau Reviews¹⁷.**
- **DSP’s Central Control Division:** who identify reviews mainly by way of data matching exercises (i.e. using Commencement of employment, DIRT, Fair Deal, PRTB, etc.).

As such, owing to the targeted nature of these reviews, there is no set time period after which a DA claim will be reviewed, with claims instead being chosen based on DSP’s ongoing monitoring procedures as described above. Once a claim is identified for review, the next stage of the process will be dependent on the team and type of investigation that was originally initiated, which may at times differ slightly from the standard means test assessment process¹⁸.

Table 2 below shows that on average approx. 17% of DA claims reviewed per year have required an amendment based on a change in their means. These amendments led to revised payments, with an average reduction of around €2,600 per annum or €49 per week, for each DA claim reviewed for means since 2015. However, while these results demonstrate the effectiveness of DSP’s targeting in identifying potentially inappropriate claims, the actual number of reviews carried out only represents an average of around 69% of DSP’s annual review targets since 2015. This suggests that there is still scope to increase operational activity and/or efficiency in order to process a higher number of reviews that are more in line with annual targets.

Table 2: Annual Means Review Trends, 2015 - 2021

Year	Means Test Review Targets	Actual Number of Means Test Reviews	Actual Reviews as a % of Annual Targets	Total Savings from Means Reviews (Millions €m)	Cases where a revision was required	Revised Cases as % of Actual Reviews
2015	26,000	13,154	51%	€27.4m	1,534	12%
2016	15,000	10,877	73%	€25.9m	1,602	15%
2017	14,000	13,315	95%	€24.4m	1,655	12%
2018	14,000	10,994	79%	€29.8m	2,079	19%
2019	12,500	10,479	84%	€31.4m	2,106	20%
2020	15,500	8,210	53%	€17m	1,084	13%
2021	9,500	6,453	68%	€25.4m	2,013	31%

Source: DSP Administrative data. **Note:** Cases are not classified as being suitable or unsuitable. Following a review, the customer could: 1) Continue in payment at the same rate; 2) See a change in the rate paid, and / or; 3) Have an overpayment raised and/or termination.

¹⁶ The Department’s Special Investigation Unit (SIU) carries out a range of investigations and projects to detect social welfare fraud. The emphasis of its work is on direct intervention and engagement with people in receipt of social welfare payments, with the staff in the unit directly liaising with local Departmental investigative staff and Intreo Office staff for the purpose of combating fraud and abuse. SIU officers also prepare and submit cases for consideration of legal proceedings.

¹⁷ The Criminal Assets Bureau (CAB) is a multi-disciplinary independent statutory body that is empowered to investigate, determine, and recover any Social Welfare payments that have been falsely claimed. The Minister of Social Protection may also refer cases to the Bureau where there are reasonable grounds to believe that Social Welfare Officials may be subject to threats or other forms of intimidation. For further information please refer to CAB’s about page available online at: <https://www.cab.ie/about-us/>

¹⁸ Under the standard means test assessment process once a claim is identified for review a letter is normally sent to the social welfare claimant, notifying them that this review is taking place, and requesting that any additional evidence that the recipient has be provided. However, depending on the area which initiated the claim, a person’s first engagement may actually be with a SIU Officer or a Social Welfare Officer, who will then forward on all information to a DO in the relevant Control Area in DSP for review and decision. Control Reviews initiated by DA Control can also vary depending on the type of review (i.e. Data Matching, Analytic Reviews, Intelligence led reviews), which can be either desk based reviews, and / or require the assistance of SIU or SWI to gather information before a decision can be made in relation to continuing eligibility on the scheme, and on any possible overpayments.

3 Population Trends Analysis

Chapter Summary

- From 2011 to 2016 those aged between 15-29 years recorded the highest increase in disability prevalence rates (+1.5.p.p), despite an overall fall in this age cohorts total population of -7.2%.
- The likelihood of developing a disability increases steadily with age, with over 70% of those aged 86+ years reporting having a disability in both 2011 and 2016.
- From 2011 to 2016 psychological and / or emotional based disability types recorded the highest increase in disability prevalence, with an increase of 0.6 p.p. being observed for the population aged between 15-65 years. Breaking down this percentage point (p.p.) by age, shows that this increase was largely driven by the population aged 15-29 years (which grew by approx. +1.1p.p).
- Decomposing the demographic element of recipient growth, it is estimated that only around 46% of DA inflows since 2011 can be attributed to demographic and disability prevalence rate changes.

The following section examines changes in the characteristics of the overall population in order to determine the whether there has been an increase in the prevalence of people reporting a disability over time. However while this comparison between Census 2011 and 2016's data allows for an analysis of the prevalence and / or likelihood of developing a disability for the total population, these results are also subject to numerous caveats which will be noted in our subsequent analysis. In this regard, future comparisons with Census 2022 results once released should be able to confirm whether using these previous historical trends can still provide accurate predictions for DA recipient growth.

Overall Population Demographics

From Census 2011 to Census 2016 the overall population of Ireland increased by around 173,600 compared to just 47,800 for the population with a disability. Yet, while Ireland's total population appears to have observed a much bigger increase in absolute terms, the overall population with a disability had actually been increasing at a much faster rate of 8%, compared to 4% for the total population. Breaking down this increase for the population with a disability by age indicates that this growth was driven likely by younger working age cohorts (15-29 years), who recorded an increase of 1.5p.p. in their incidence of disability. This was despite an overall fall in this cohort's total population of -7.2% over the same period. However, further comparing these results with previous Census trends in 2002 and 2006 shows that overall, population growth rates have on average been decreasing (see Appendix Table 1). Read in conjunction with Table 3 below, this would therefore imply that population growth rates will continue to fall even lower in Census 2022.

Table 3: High Level Population Breakdowns, Census 2011 and 2016

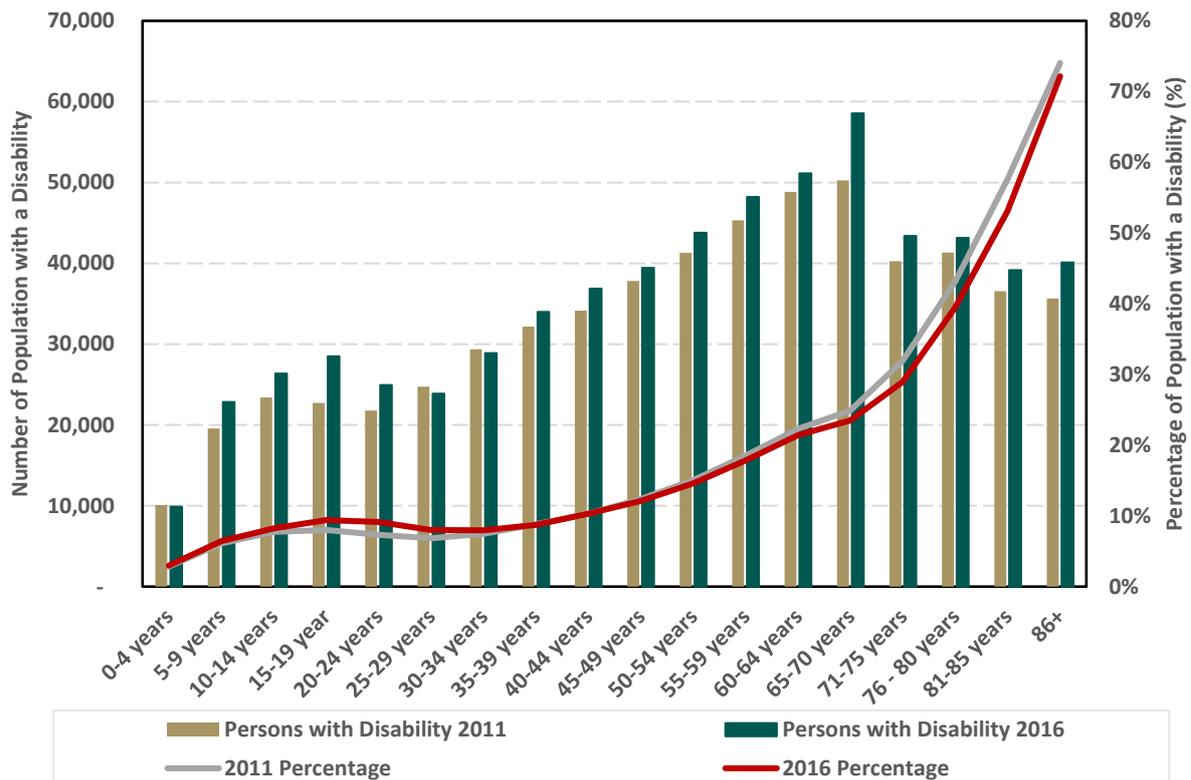
Population Breakdowns	No. of Persons		Change 2011 - 2016	
	2011	2016	No.	%
Total Population	4,588,300	4,761,900	173,600	3.8%
<i>of which: 15-29 (young working age)</i>	<i>941,400</i>	<i>873,900</i>	<i>-67,500</i>	<i>-7.2%</i>
<i>of which: 15-64 (working age adults)</i>	<i>3,073,300</i>	<i>3,117,700</i>	<i>44,500</i>	<i>1.4%</i>
Population with a Disability	595,335	643,131	47,796	8.0%
<i>of which: 15-29 (young working age)</i>	<i>69,277</i>	<i>77,329</i>	<i>8,052</i>	<i>11.6%</i>
<i>of which: 15-64 (working age adults)</i>	<i>338,208</i>	<i>359,657</i>	<i>22,449</i>	<i>6.3%</i>
			Percentage Point Change (p.p)	
Disability Prevalence of Total Population	13.0%	13.5%	0.5p.p	
<i>of which: 15-29 (young working age)</i>	<i>7.4%</i>	<i>8.8%</i>	<i>1.5p.p</i>	
<i>of which: 15-64 (working age adults)</i>	<i>11.0%</i>	<i>11.5%</i>	<i>0.5p.p</i>	

Source: CSO Censuses 2011 and 2016. **Note:** As at the time of writing the latest 2022 Census data on disabilities is currently unavailable and therefore previous Census trends from 2016 and 2011 have been used for this paper analysis.

Disability Prevalence by Age

Figure 1 below shows that the rate of disability prevalence increases both in term of the absolute number of people reporting a disability, and as a share of the total population for that particular age cohort. In Census 2016, only 3% of those 4 years and under were recorded as having a disability, with the overall prevalence of disability beginning to increase steadily with age, to the point where over 70% of those aged 86+ years were reported to have a disability in 2016. Comparing these results to Census 2011 shows that the age distribution for the population with disability has also remained relatively stable over time, with only slight increases in the population being observed for the 15-29 years age brackets, while smaller decreases were recorded in age brackets from 65 years and onwards.

Figure 1: Prevalence of Disability in the Population by Age Band, Censuses 2011 to 2016

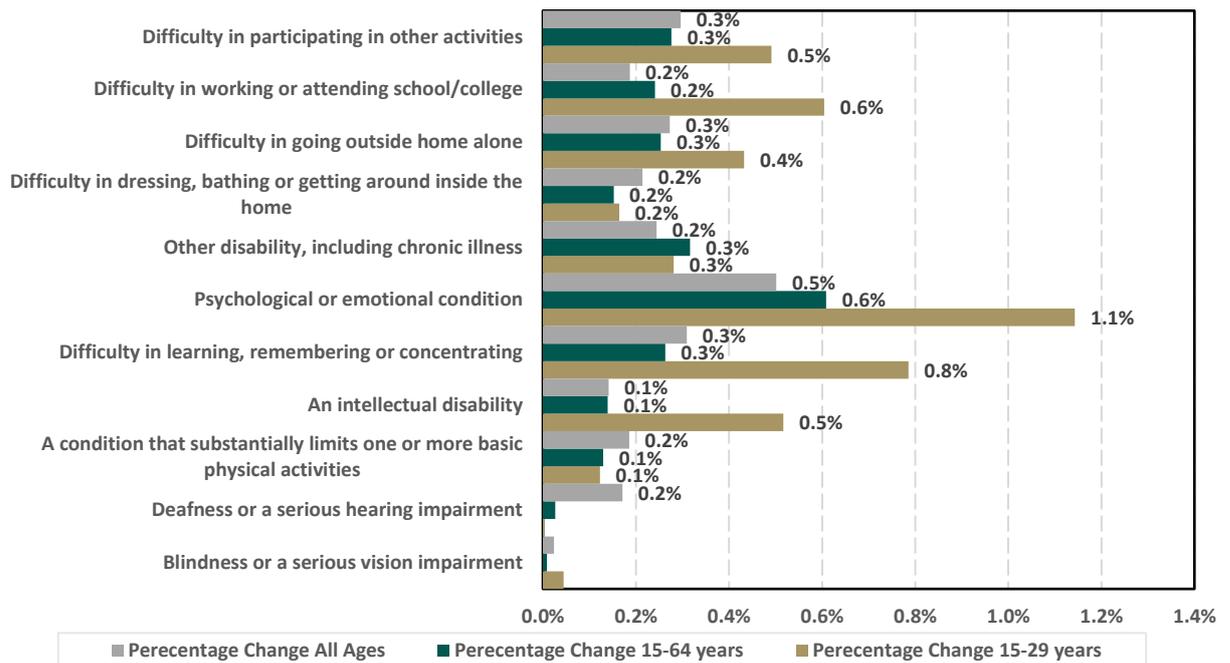


Source: CSO Censuses 2011 and 2016

Disability Prevalence by Type

As indicated in previous sections, there has been a substantially greater increase in the number of younger working age people (15-29 years) developing a disability between Censuses 2011 and 2016, compared to other working age cohorts. However, further breaking down this growth in the younger working age population by different types of disabilities in Figure 2 below, reveals that these increases have primarily been driven by certain disability types, with those reporting a psychological or emotional condition recording the largest increase, with a +1.1p.p change. This would suggest that over time inflows from younger age cohorts into DA will be increasingly more likely to have these disability types.

Figure 2: Percent Change in the Rate of Different Disabilities Types, Censuses 2011 to 2016

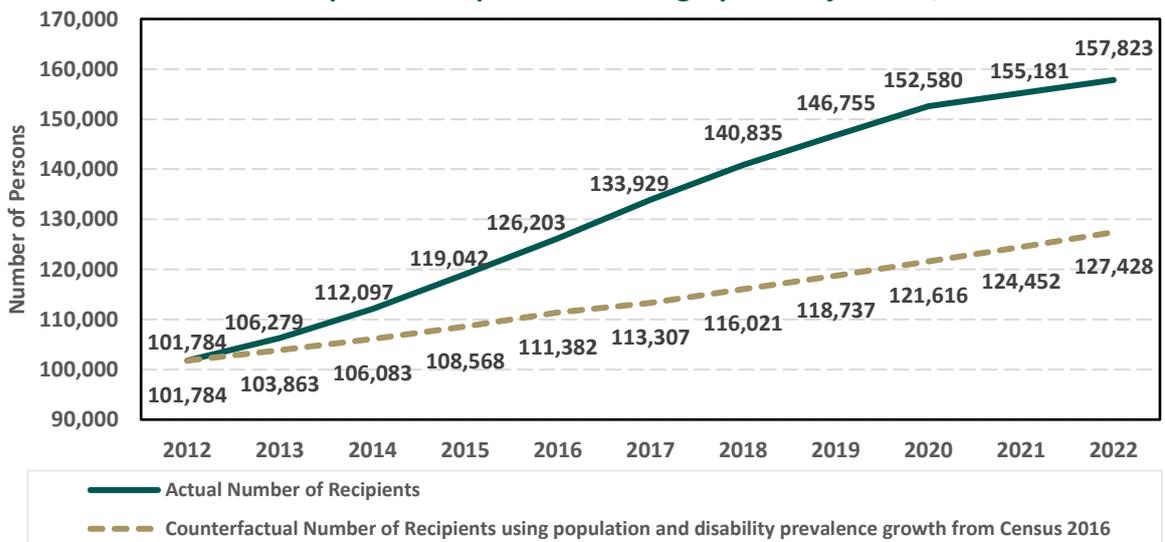


Source: CSO Censuses 2011, 2016, and authors own calculations.

DA and Prevalence Projections

Figure 3 below illustrates the difference between actual DA recipient growth and counterfactual¹⁹ DA growth generated using population and disability prevalence estimates from Census 2016. Overall, the results suggests that approx. 46% of DA’s recipient growth since 2011 can be accounted for by changes in demographics and disability prevalence rates. However, this must be caveated by the fact that as the data moves further away from 2016, the margin for error in these projections increases as it cannot capture those in the population who have developed a disability after Census 2016. As such, the true divide between actual growth and demographic growth will only be known once the 2022 Census results for the population with disabilities are released.

Figure 3: Growth in DA Recipients compared to Demographic Projections, 2016 - 2022



Source: DSP Administrative data, CSO Censuses 2011, 2016 and authors own calculations.

¹⁹ This counterfactual has been calculated by extrapolating DA’s population coverage rate for each age cohort from the CSO’s population projections. This is then added to the average annual change in disability prevalence as per Census 2016 data.

4 Scheme Expenditure & Recipient Growth Trends

Chapter Summary

- Since 1996 expenditure on DA has grown from €185m to €2bn in 2022, an increase of €1.86bn.
- Recipient growth has been the main driver of expenditure, with annual average increases of 8p.p. and 5p.p. being recorded over the periods 1996 - 2009 and 2013 – 2020 respectively.
- Increases to DA payment rates are included as part of DSP's universal social welfare rate budget increases, which have on average mapped closely to inflation over time. As of 2023, DA's current personal rate of payment is €220 per week, an increase of €12 (or 5.8%) compared to 2022.
- While the number of qualified dependant claims has increased significantly, the overall ratio of recipients to dependents has continued to remain stable at around 73:27 of total DA beneficiaries.
- Combining the growth in each of these components, approximately 58% of DA's total expenditure growth (€1.86bn) is due to recipient growth, followed by 30% for weekly payment rate increases, with the remaining 12% coming from qualified dependent payments along with other residual factors which cannot be accounted for with current available data (e.g. changes in DA income disregards and other expansionary Budget measures).
- The average cost or payment value that a recipient receives has quadrupled since 1997, equating to an increase in real terms of around €64.50 per week or €3,354 per year as of the end of 2022.
- As of 2022, the average cost per recipient is €246 per week, which is an increase of around 8% compared to 2021 and was driven by budget rate increases rather than recipient growth.

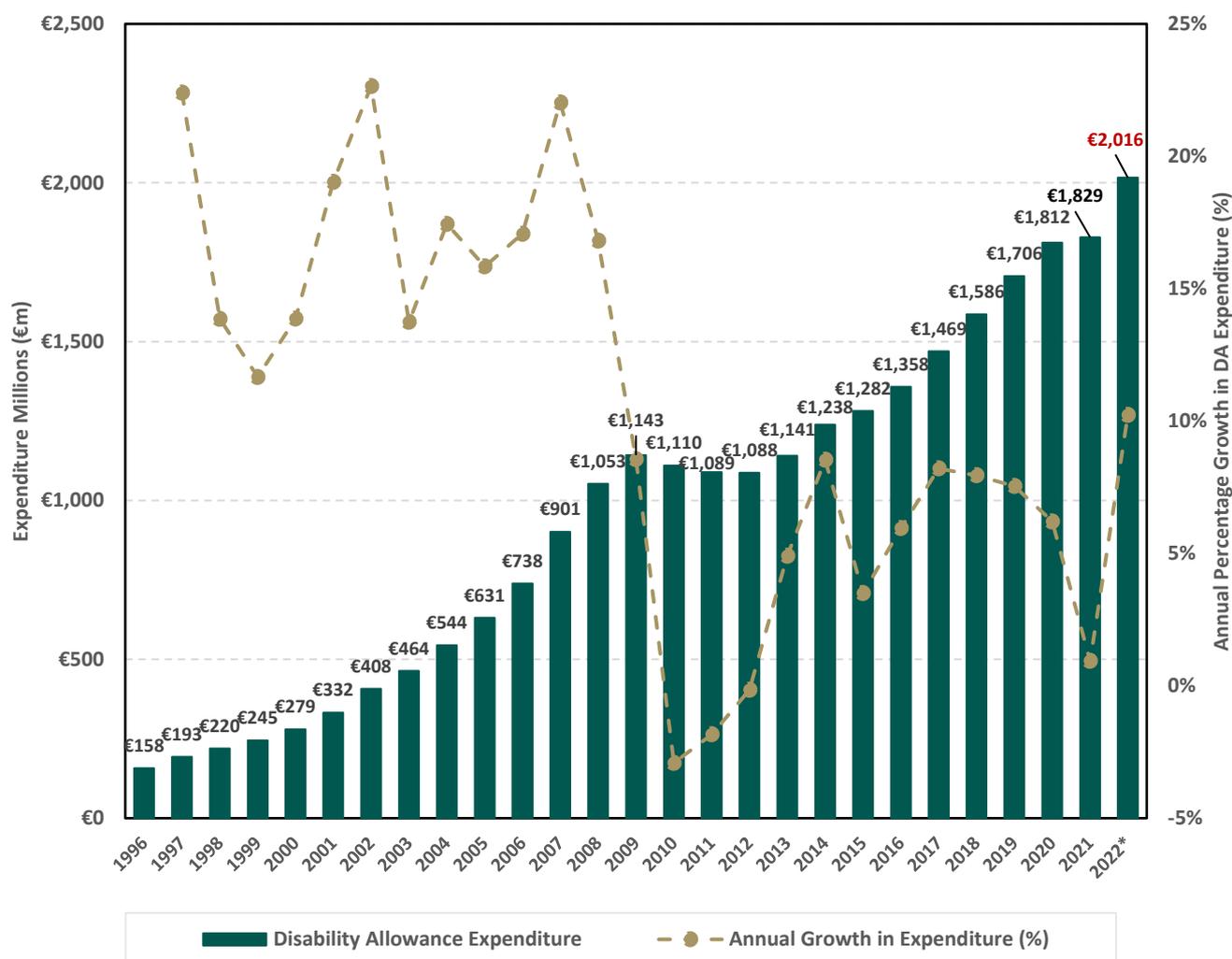
The DA scheme has significantly expanded in scale, reach and scope, and has become a vital source of support for people with disabilities. Since its inception in 1996, DA expenditure has increased from around €158m in 1996 to just over €2bn in 2022 (see Figure 4 below). This exponential expenditure growth can subsequently be spilt into four distinct consecutive trends as shown below:

- From 1996 to 2009 expenditure increased at an average annual rate of almost €76m or 16.5p.p. year on year;
- From 2010 to 2012 expenditure then decreased at an average annual rate of around €18m (or 1.6p.p.) year on year;
- From 2013 to 2020 a return to previous growth trends was observed, with expenditure increasing at an average annual rate of around €90m (or 6.6p.p.) per year;
- More recently, between 2020 and 2021 expenditure growth slowed to around €17m (or 0.9%) likely as a result of pandemic related effects (see Figure 5 for discussion). Subsequently, this trend in lower recipient growth appears to have continued into 2022, despite provisional outturn estimates recording an increase of around €187m or 10p.p. in expenditure. This latest increase in expenditure growth is therefore likely suspected to have been almost entirely driven by rate increases implemented as part of Budget 2022's package, rather than from recipient growth.

Overall these trends have been driven by fluctuations in the schemes underlying core components (i.e. its number of recipients, qualified dependents²⁰, and weekly rates of payment). Therefore the following section aims to examine each of these elements in turn before combining them together in order to give a clearer picture of their influence on expenditure growth at various points in time.

²⁰ To briefly summarise the definitions as set out in Section 2, qualified dependants can refer to both qualified adults and or qualified children. A qualified adult is someone a recipient is married to or living with as a couple and who is wholly or mainly maintained by that recipient. A qualified child is a child who normally lives with the recipient and is being maintained by the recipient up to the end of the academic year in which they reach 18 years of age, or are aged between 18 to 22 years, and are in full time education at a recognised school or college.

Figure 4: Trends in DA Scheme Expenditure, 1997-2022



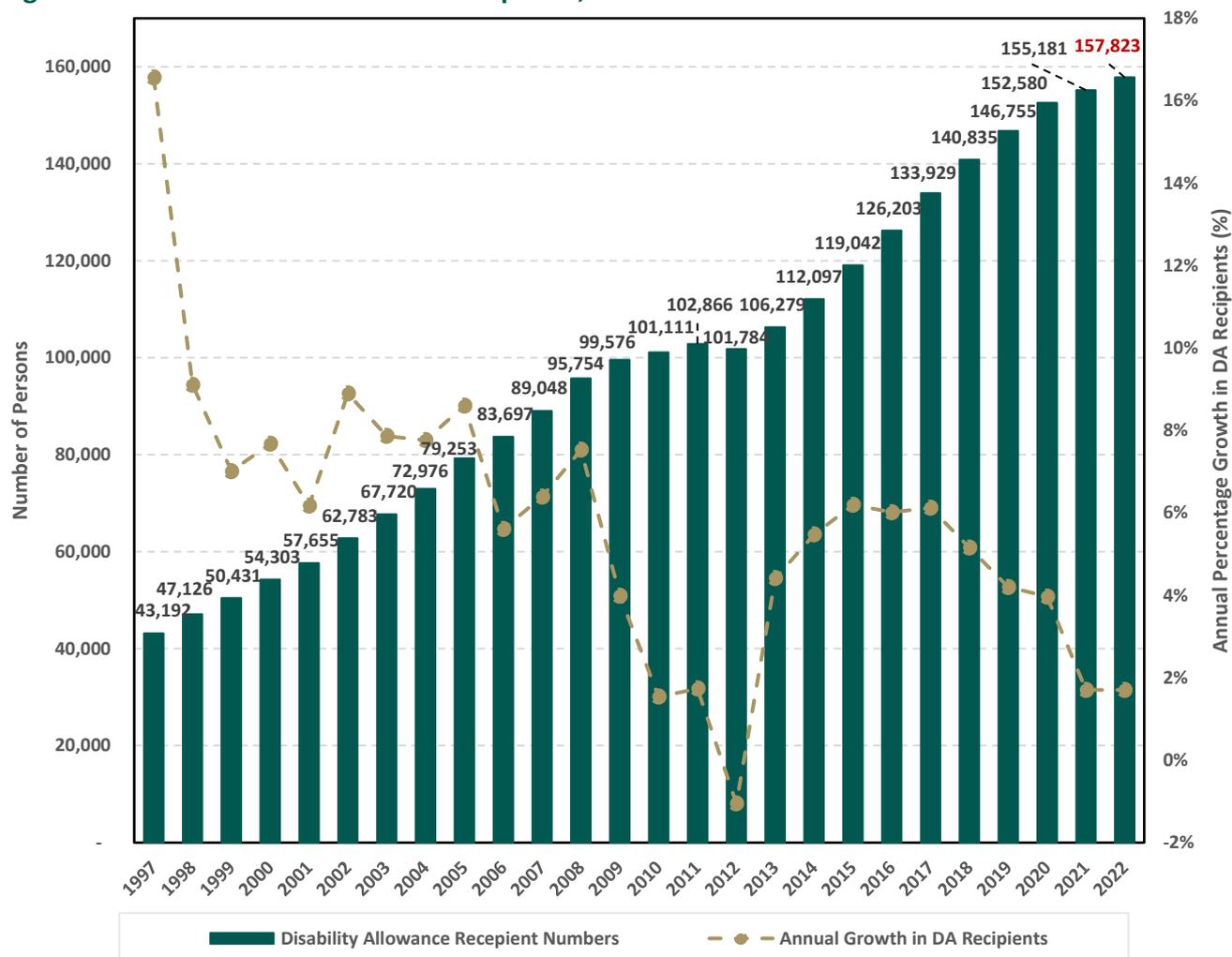
Source: DSP Administrative data. *Note: 2022's expenditure figure is based on DSP's provisional outturn estimates and is subject to revision.

Scheme Recipient Numbers

Increasing recipient numbers have historically been the largest driver of expenditure growth on DA, with an increase of around 118,600 in recipients being recorded between 1996 and 2021. This growth was mainly driven by the periods 1996 to 2009 and 2013 to 2020 which recorded annual average growth rates of 8p.p. and 5p.p. respectively (see Figure 5 below). However, more recently since 2021 there has been a slowdown in annual growth trends, with recipient growth averaging at around 1.7p.p. However, while this was likely as a result of pandemic related effects, the full extent of its impact on the schemes expenditure and recipient growth cannot as yet be disentangled from the available data²¹.

²¹ While at present no definitive explanations can be given as to what specific COVID-19 factors have been driving DA's expenditure and recipient growth, some of the more probable factors are likely to be related to a reduction in workplace related injuries due to periods of extensive workplace closures, along with presence of the COVID-19 pandemic support schemes (i.e. the Pandemic Unemployment Payment (PUP), the Employment Wage Subsidy Scheme (EWSS) and the COVID-19 Enhanced Illness Benefit (EIB)), which both may have served to distort scheme uptake.

Figure 5: Breakdown of DA Scheme Recipients, 1997 – 2022



Source: DSP Administrative data. Note: 2022 recipients are provisional and as at end of December 2022.

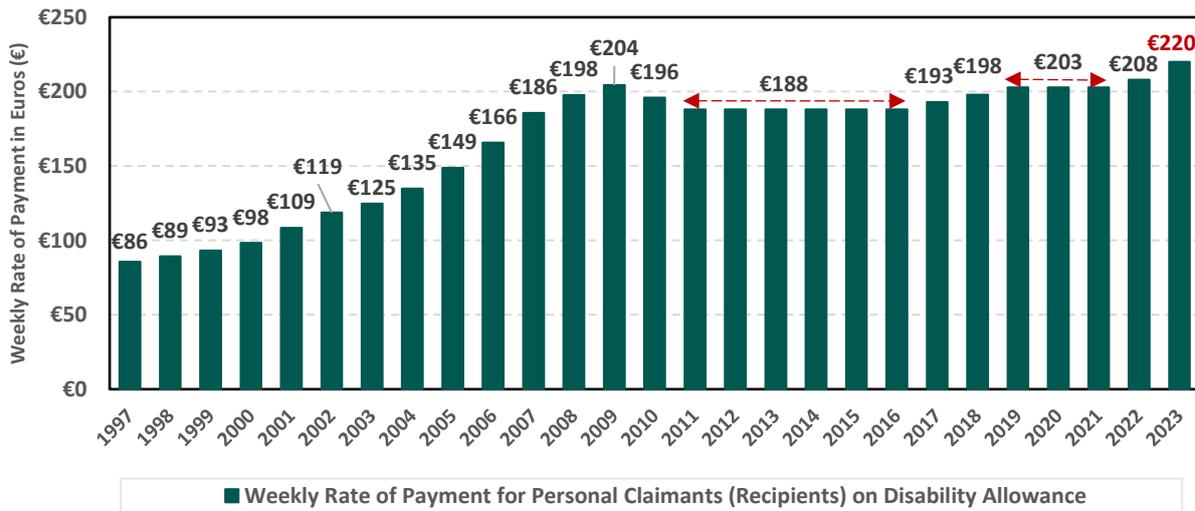
Scheme Payment Rates

Inter-related to both recipients and overall expenditure growth are weekly rates of the payment. Since DA's inception its personal weekly payment rate has increased from around €85.67 in 1997 to €208 per week in 2022, which is an increase in real terms²² of around €64.5 per week or €3,354 per annum. Further comparing DA rate increases to changes in inflation²³, would also indicate that the real value of DA payment rates has continued to remain relatively consistent over time (see Appendix Figure 1). In January of 2023, DA's weekly rate of payment was increased substantially by €12.00 (or 5.8%) to €220 per week as part of the universal social welfare rate increases from Budget 2023.

²² Real terms refers to the actual annual change in DA's rate of payment after correcting for the effect of inflation. This is different to the absolute or nominal rate change which is based on current prices / or the value of the euro, which was €122 per week as of 2022.

²³ While social welfare rates have tended to track inflation there are two significant outlier periods in which payment rate changes have run contrary to inflation (see Appendix Figure 1). The first outlier period was when the Government introduced austerity measures in response to financial crisis in 2008 up to 2013, which led to inflation being much higher than social welfare rate changes. However, these measures were paired back during the second outlier period of 2016 to 2019, in which the Government's consecutive Budget packages led to rate increases which were well above inflation.

Figure 6: DA Weekly Payment Rates for Recipients, 1997 - 2023

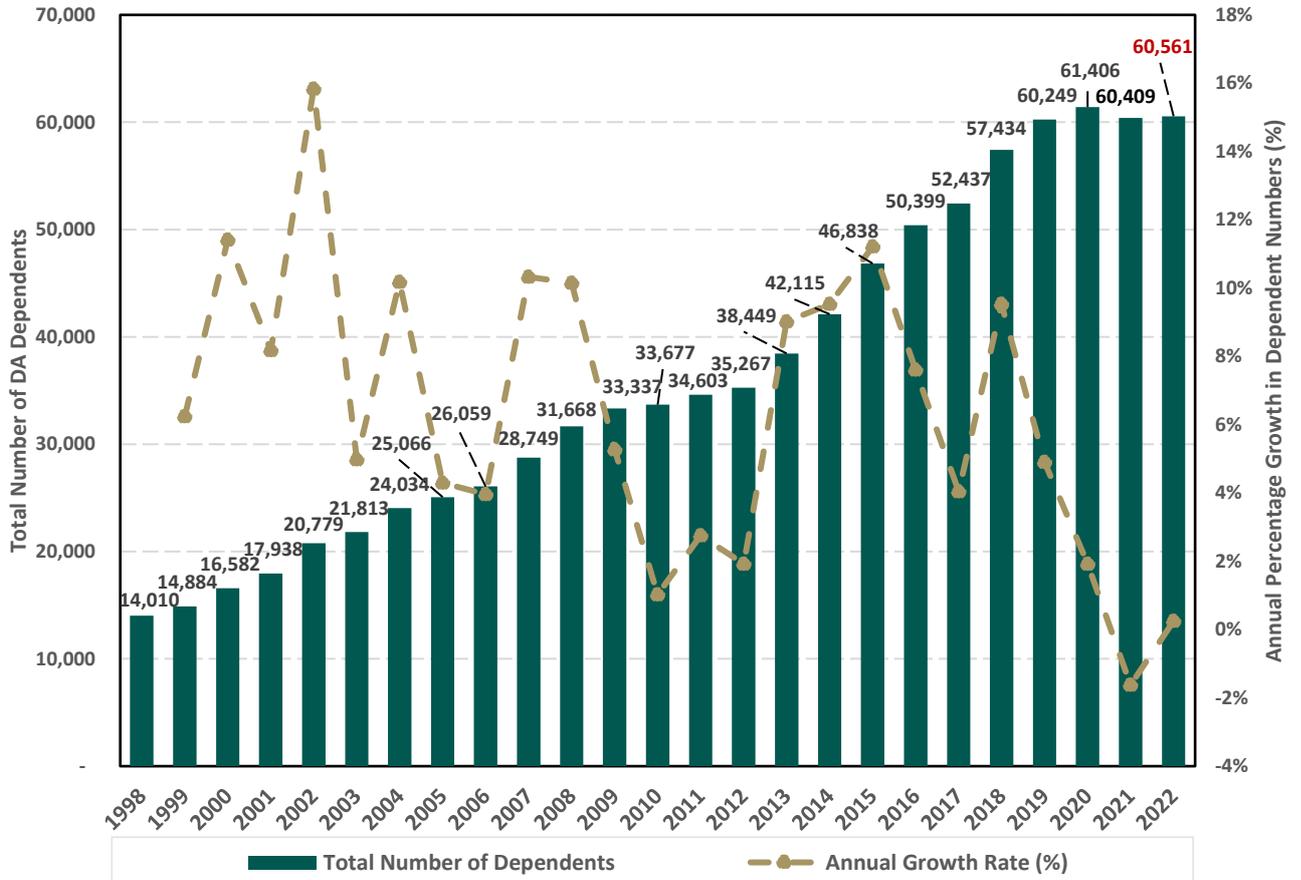


Source: DSP Administrative data.

Qualified Dependents

As at end 2022 the number of qualified claims has risen to around 60,500, an increase in absolute terms of approximately 46,600 dependants since 1998. However, while this would indicate that the number of qualified dependents has been increasing at a slightly faster rate compared to the number of recipients, the overall number of recipients to qualified dependents has remained relatively stable at an average ratio of 73:27 of total DA beneficiaries.

Figure 7: DA Scheme Dependents, 1998 - 2022

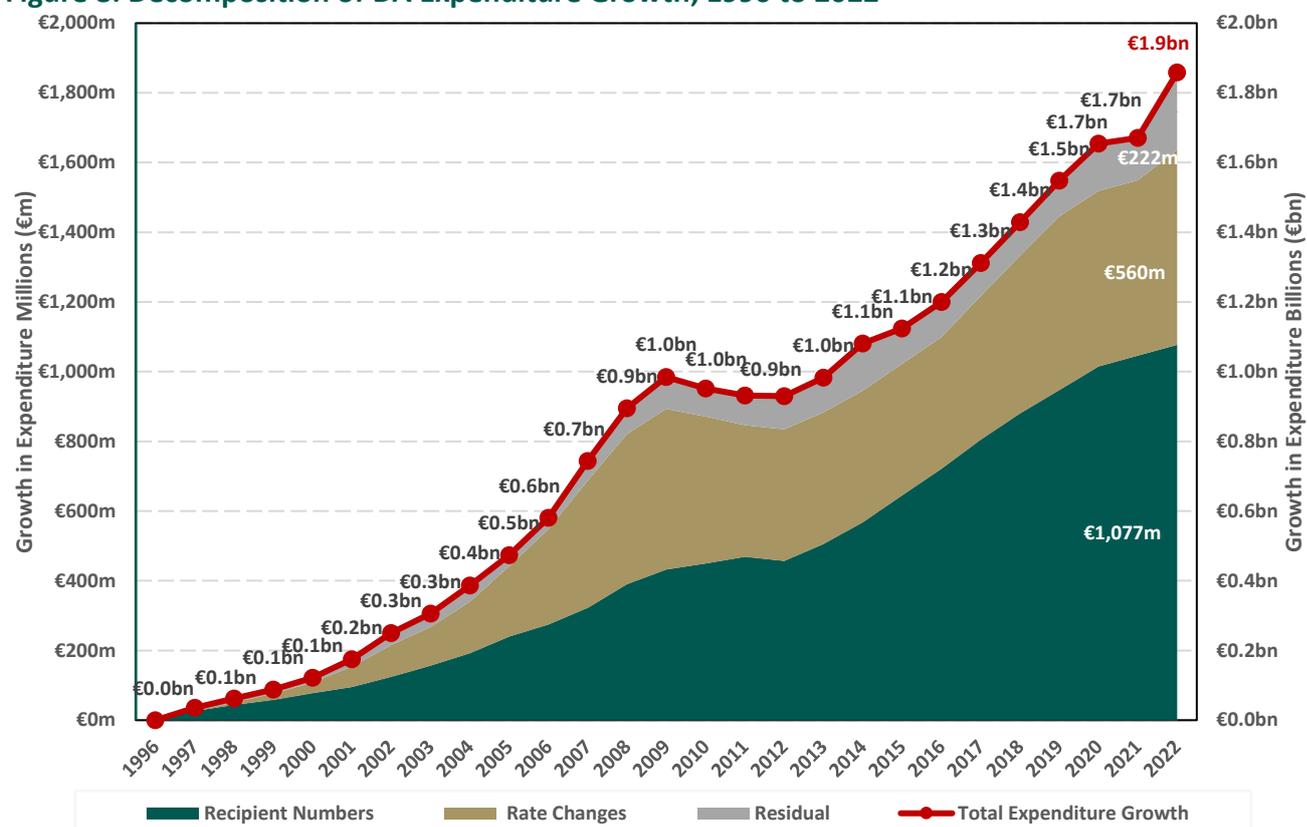


Source: DSP Annual Statistics Reports. Notes: 2022 dependent numbers are provisional and as at end of December 2022. Dependent figures prior to 1998 are currently unavailable.

Decomposition of Expenditure Growth

Figure 8 below provides an illustrative example of the impact that each of the components shown in Figures 4 to 7 have had on DA's expenditure growth over time. Overall of the €1.86bn increase in spend recorded since the scheme began, approximately 58% is attributable to recipient numbers, followed by 30% for weekly payment rate changes, with the remaining 12% relating to qualified dependents and other residual factors²⁴ which cannot be quantified using the latest available data.

Figure 8: Decomposition of DA Expenditure Growth, 1996 to 2022



Source: DSP Administrative data, CSO population projections and authors own calculations. **Notes:** The graph above is illustrative and may not fully reflect the actual amount of expenditure growth generated by each of these factors. This is because these calculations have assumed that every claimant has received DA's maximum weekly personal rate, as recipients on lower payment rates could not be separated out from the available data. Furthermore, while other budgetary measures such as changes to DA's earnings disregards and changes in the ratio of dependents per claim are also expected to have had significant long-term expansionary impacts, the overall magnitude of their effects are also not quantifiable using the available data. However, while we cannot fully dis-aggregate both of these effects from the available data, it is assumed that their impacts on DA's expenditure growth has been captured by the residual (error) term, and that this is what has been driving its increase over time.

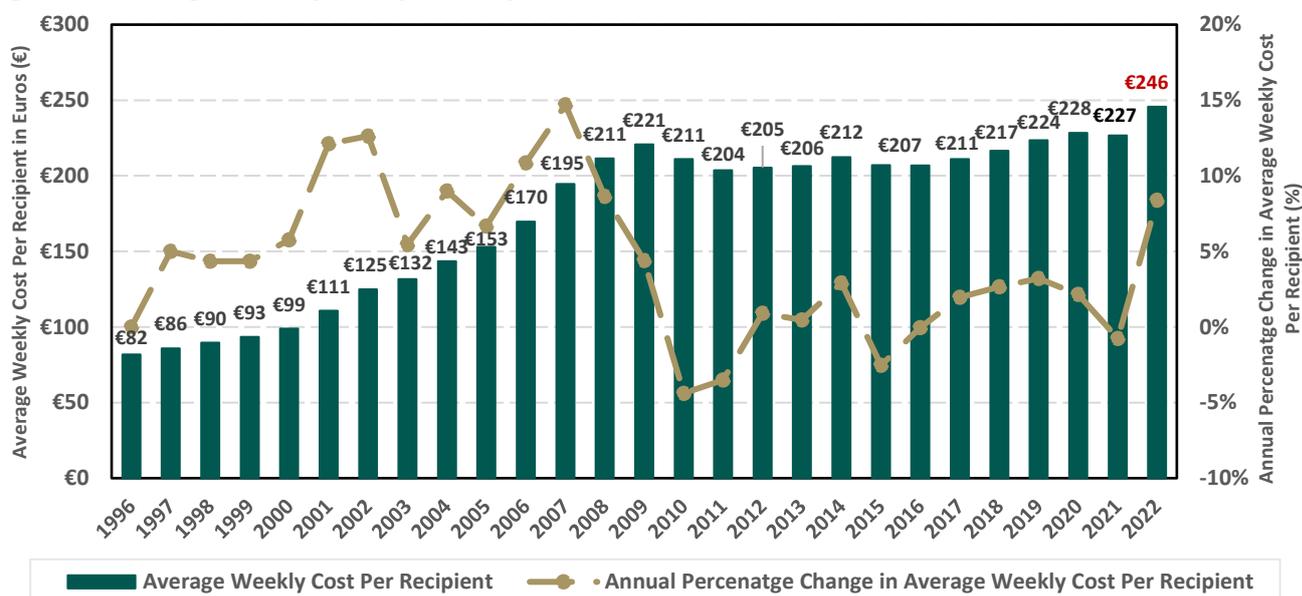
Average Costs per Recipient

Figure 9 below tracks the average weekly cost or payment value for DA recipients over time. Since 1996 the average weekly cost of DA recipients has quadrupled from just under €82 to around €246 per week for each recipient, which monetary terms would equate to an increase of €164 per week or around €8,500 per annum. However, comparing these findings to the trends observed for each component of DA's expenditure growth, indicates that changes in DA's personal weekly rates of payment, along an increasing number of dependents, are actually much more likely to be driving average costs than recipient growth. As of 2022 the cost per recipient has increased by 8% to just under €246 per week compared to 2021, which was likely driven by the €5 increase to DA's maximum weekly payment rates from Budget 2022, rather than recipient numbers which remained relatively

²⁴ The residual has been defined in this paper as the remaining amount of DA's expenditure increase that cannot be accounted for using the available data. However, while no definitive explanation can be provided using current data, it is suspected that this residual expenditure is primarily related to the impact of previous budgetary measures (such as increases in DA's income disregards), which are assumed to have resulted in an increase in eligible DA claimants over time. Furthermore, the fact that we are unable to categorise DA recipients based on their weekly payment rates, is also expected to have significantly contributed to the residuals growth over time.

flat. These recent changes in trends could therefore be indicative of a shift in the overall composition of beneficiaries on the scheme.

Figure 9: Average Weekly Cost per Recipient, 1997 to 2022



Source: Estimates are based on authors own calculations using DSP Administrative data. **Note:** 2022's estimate is based on DSP's provisional outturn figures for 2022 which are subject to revision.

5 Characteristics of DA Recipients

Chapter Summary

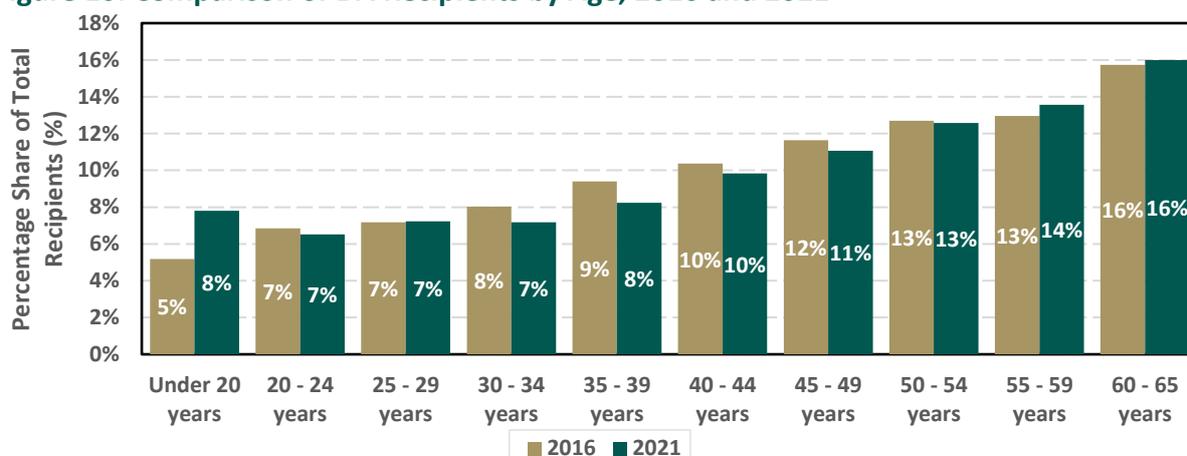
- DA recipient growth has historically been driven by the over 60's age group, who accounted for around 16% of total DA claims in both 2016 and 2021. In contrast, while the under 20's age cohort represents one of the smallest shares of DA recipients, it has seen the largest increase (of approx. 5,600 or 85%) in its recipient numbers compared to all other age cohorts.
- On average DA recipients are more likely to remain on the scheme for longer periods of time, with the most common duration type being ≥ 10 years with 37% as at March 2022.
- In March 2022, *Mental, Behavioural, and Neurodevelopmental disorders* were the most common disabilities reported by new entrants into DA since 2017 at around 48%. However, this would only equate to around 10% of overall DA recipients in March 2022, indicating that this cohort may not be fully reflective of the overall distribution of disabilities among total DA recipients.
- The distribution of disabilities among DA recipients is unlikely to be representative of the total populations. In 2019, for example, those who reported *other disabilities including chronic illness* had the lowest likelihood of being on DA, despite being largest category reported by the total working age population with a disability (at 147,600 or 46%).

While previous sections of this paper have identified that recipient growth is the primary driver of increases in DA's expenditure, changes in population demographics alone have not been able to fully account for the increases observed in DA's recipient numbers over time. As such this section further explores the underlying profile of DA's recipients in order to ascertain how much of an effect that changes in DA recipient characteristics can have on the scheme's growth over time.

Age

As shown in Figure 10 below, the age distribution of DA recipients has tended to remain relatively stable over time, and is mainly skewed towards older age recipients. Between 2016 and 2021 persons aged between 60-65 years continued to represent the largest share of DA recipients at around 16% each year respectively. In contrast, while the under 20's age cohort represented the smallest shares of DA recipients in 2016 (at 5%), it has seen the largest increase in its recipient numbers of approx. 5,600 or 85% compared to all other age cohorts. This increase appears to have roughly translated into a +3 percentage point (p.p.) increase, bringing up this cohorts total share of recipients to 8% in 2021. Yet while these trends may be indicating a slight shift in the lower end of the age distribution towards younger age cohorts, overall these results are still consistent with Callaghan (2017) and Cronin's (2018) findings, which were that recipients tend to be more concentrated in younger and older age brackets²⁵.

Figure 10: Comparison of DA Recipients by Age, 2016 and 2021



Source: DSP 2021 Annual Statistical Report. **Note:** Percentage breakdowns for the under 30 age cohorts in 2021 are based on authors own calculations, which uses previous historical age trends to breakdown current under 30's recipient data.

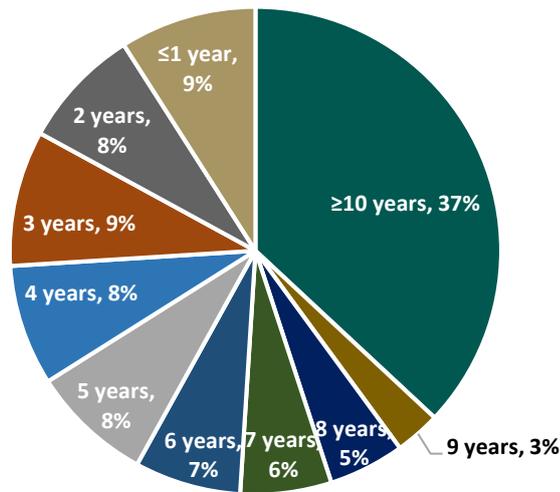
Duration

Figure 11 examines the duration of DA recipients availing of the scheme. As of March 2022, the amount of DA claims that have been on scheme for more than 5 years is slightly higher than the number of claims that have been on the scheme for less than or equal to 5 years, at a ratio of 58:42. Breaking this down further reveals that claimants on the scheme for 10 years or more have been the main driver behind this ratio, representing the vast majority of DA recipients at 37%. This would subsequently mark a 1% increase in claims that are 10 years or more compared to Callaghan's (2017) results. Furthermore these results would also align with Cronin's (2018) analysis which found that the average duration of DA recipients was 8.9 years in January 2018. On the other hand, short-term recipients²⁶ who have been on the scheme for one year or less, were tied for the second longest duration category among DA recipients at 9%. These results would also align with the increases observed in disability prevalence and younger age recipients discussed in section 2 and Figure 10 respectively. However, while this would appear to indicate that this cohort would benefit the most from increased DSP activation measures, it should be noted that many of those with claims of one year or less are more than likely unable to work due to their disability or illness, with only about 6% of claimants who joined since 2021 showing any evidence of employment. Therefore overall, these results still demonstrate the consistent reliance people with disabilities have had on the scheme, with DA recipients having lower probabilities of exit up until they reach State Pension age (see Figure 21).

²⁵ In particular, both of these papers were able to correlate growth in DA recipient's numbers to an increase in the prevalence of disabilities among younger and older age cohorts. These results would have also reflected the overall rise in the younger age population in Census 2016 (at 1.4%), and in general, higher incidence rates of developing a disability later in life (e.g. accidents, work related injuries etc.).

²⁶ The definition of short-term used in this paper is based on the classifications used by DSP to differentiate between long-term and short-term unemployment claimants for activation purposes.

Figure 11: Percentage Share of DA Recipients by Duration, March 2022

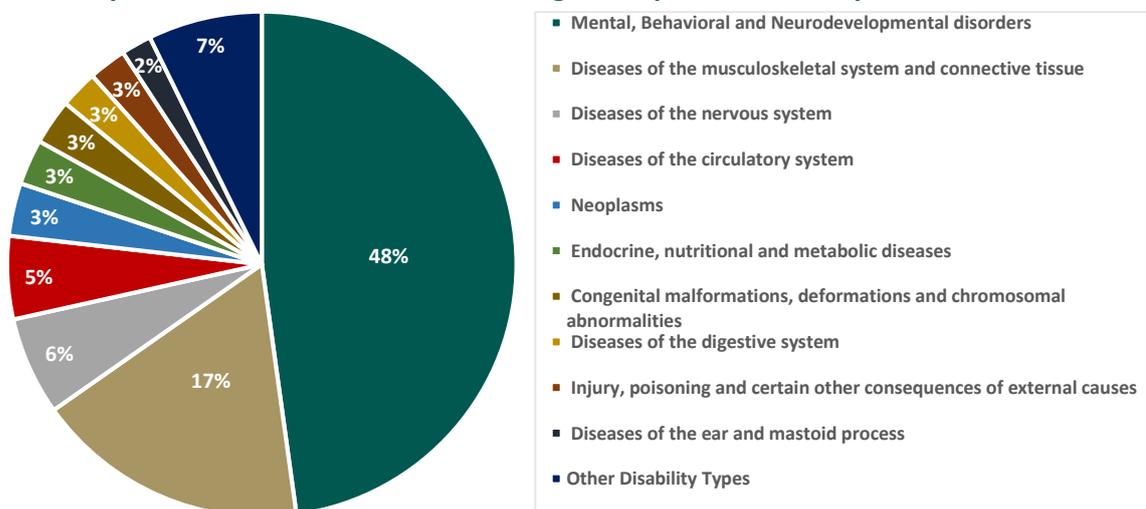


Source: DSP Administrative Data.

Disability Type

Figure 12 examines new entrants into DA since 2017 based on the WHO’s ICD-10 code classifications²⁷ for different disability types. As of March 2022 this cohort equated to roughly 21% of total DA recipients, and was mainly comprised of persons with *Mental, Behavioural, and Neurodevelopmental disorders* (at 48%), and *Diseases of the musculoskeletal system and connective tissue* (at 17%) respectively. However, overall these two disability types would have only accounted for around 10% and 4% of total DA recipients respectively, indicating that this cohort may not be fully representative of the total distribution of disability types among all DA recipients.

Figure 12: Top Ten ICD-10 Codes as a Percentage of reported DA Recipients*, March 2022

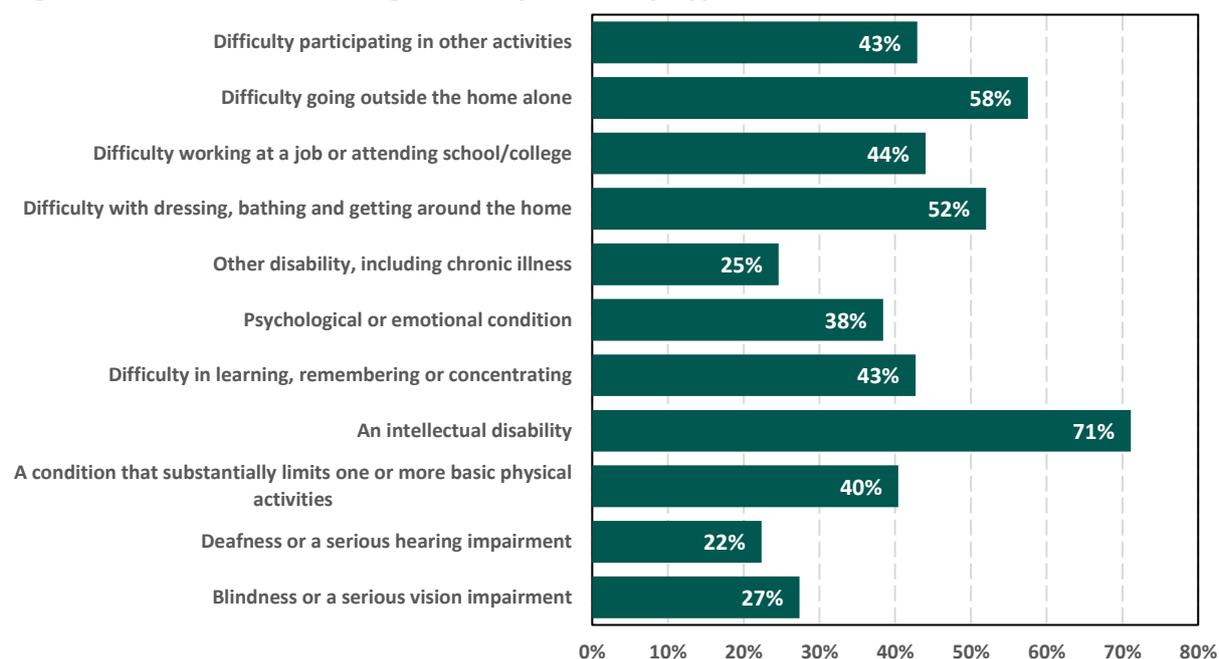


Source: DSP Administrative Data. Notes: Individuals may have more than one disability type which at present cannot be disaggregated from the available data. DA recipient’s disability types have been classified according to the International Statistical Classification of Diseases and Related Health Problems (ICD-10 code) definitions. Classifying DA recipients based on ICD-10 code disability types only became a reporting requirement for DSP in 2017, and as such this data only captures the disability types of new entrants coming into the scheme from 2017 onwards. As of March 2022, this cohort would have only accounted for around 21% of total DA recipients, and therefore may not be fully reflective of the overall distribution of disability types on DA.

²⁷ ICD-10 is the 10th revision of the International Statistical Classification of Diseases and Related Health Problems (ICD), a medical classification list created by the World Health Organization (WHO). Under this system disability types are classified under different codes for a variety of diseases, signs and symptoms, abnormal findings, complaints, social circumstances, external causes of injury or diseases, and are a useful tool for cross country analysis.

Examining DA recipients in a wider context, Figure 13 below uses CSO data in order to determine the likelihood²⁸ of being on DA for the total population with a disability. In 2019, of the approx. 806,400 cumulative disabilities²⁹ that could be linked with Census 2016 data, persons with an *intellectual disability* had the highest probability of being on DA, with a likelihood of 71% for the total working age population with a disability. Nevertheless, in absolute terms this disability type would have only accounted for around 39,400 or 5% of the total number of disabilities recorded by the CSO 2019. This would therefore imply that persons with intellectual disabilities were more likely to be overrepresented on DA compared to the total working age population. Furthermore, the fact that *other disabilities including chronic illness*, accounted for the largest share of disabilities reported by the working age population (with approx. 147,900 or 46%), yet had one of the lowest likelihoods of being on DA, suggests that the distribution of disability types among DA recipients are unlikely to be fully reflective of the total populations.

Figure 13: Likelihood of being on DA by Disability Type, 2019



Source: This figure uses internally provided administrative data from the CSO's *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*. **Notes:** The dataset uses individual's responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data³⁰ on people's employment, welfare, education, and social housing statuses in 2019 (see Appendix A for detail). As a result, this dataset only includes those who self-reported a disability in 2016 and anticipates they will report a disability again in 2019, meaning that anyone who developed a disability after Census 2016 is not being captured in this data. As such, the likelihoods shown above may not fully reflect the distributions of DA recipients and the overall population with disabilities in 2019.

²⁸In this paper the term likelihood is used to refer to the hypothetical probability that a person with a disability is availing of the DA scheme. This is calculated by taking the number of disabilities recorded for each DA recipients who could be linked back to their Census 2016 results and dividing them as a percentage of the total number of disabilities reported for the entire population for each CSO disability category.

²⁹Note: cumulative disabilities refers to the number of disabilities reported and not the individual, as many people can report having more than one disability type.

³⁰The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*, available online at: <https://www.cso.ie/en/releasesandpublications/fp/fo-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

6 Profile of In-Work DA Recipients

Chapter Summary

- According to DSP's latest data, approx. 15.5% of recipients were in work as of March 2022.
- DA recipients with shorter claim durations tend to have higher likelihoods of being in employment, with those who joined the scheme in 2022 having the highest likelihood (27%), while those with claim durations of 10 years or more had the lowest likelihood (13%).
- According to 2019 CSO data, those from the 20-24 age cohort represented the largest share of in-work DA recipients at around 14% or 1,600 workers, an increase of approx. 94% in the number of workers recorded for this age bracket since 2016.
- DA recipients with blindness or a serious hearing impairment (15%) were the most likely recipients to be in work, while those with difficulty dressing, bathing or getting around the house were the least likely to be in work (6%).
- In 2016, the Average Annual Median Gross income of in-work DA recipients was just over €17,900, equating to around half of the total population's income (€33,900). However, this income gap was most likely driven by the treatment of earned income from employment in DA's means test, which is more focused on supporting lower income earners.
- In 2019, in-work DA recipients had the highest likelihoods of being employed in low wage sectors such as Wholesale, Retail & Trade (20%), and the lowest likelihoods of being employed in high wage sectors such as Information & Communication (2%), compared to the overall population of people with disabilities.
- In 2019, in-work DA recipients were more likely to work in low-wage occupations like Elementary (9%) and Sales & Customer Services (7%), and less likely to work in high-wage occupations like Managers, Directors and Senior Officials (1%) and other Professional Occupations (1%), compared to the overall population of people with disabilities.

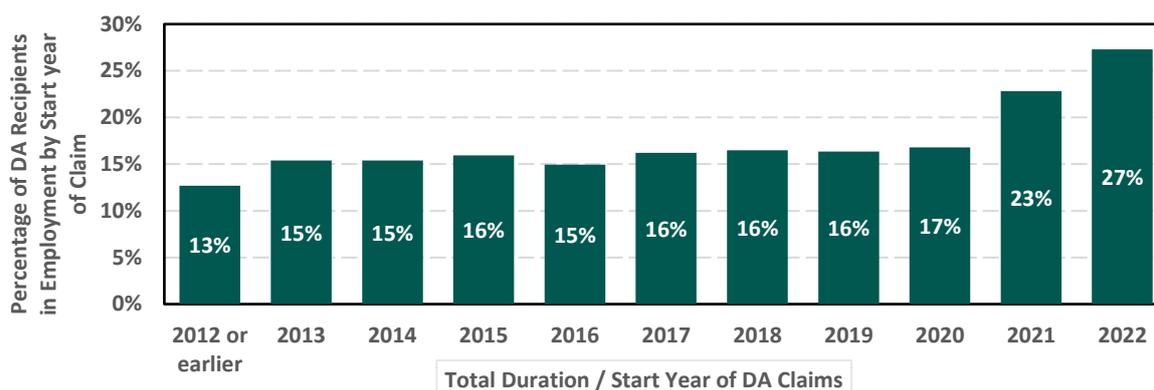
The Irish Public Employment System (PES) includes a range of services to promote the employment of people with disabilities³¹. However, while persons with a disability are able to work while in receipt of DA, overall take-up of these supports has remained low (OECD, 2021), with in-work recipients historically only making up a small share of total DA recipients. Therefore this section aims to further explore the characteristics of those DA recipients who have taken up and retained employment, in order to help guide future activation and policy strategy in this area.

Employment Duration

Figure 14 below uses DSP data to link in-work DA recipients with their total time spent on DA. As of March 2022, in work DA recipients account for approximately 15.5% of total DA recipients, an increase of approximately 2.5p.p compared to the CSO's estimate for 2019 (13%). DA recipients with shorter claim durations tend to have higher likelihoods of being in employment, with recipients who joined in 2022 having the highest likelihood at 27%, followed by those who joined the scheme in 2021 with 23%. In contrast those with longer claim durations were less likely to be in employment, with recipients on the scheme since 2012 or earlier having the lowest likelihoods of being in work at 13%.

³¹ In addition to the Department's general jobseeker and activation supports, DSP also offers a range of targeted supports for persons with disabilities to help them retain, improve, and access opportunities for employment. The [EmployAbility Service](#) is the Department's primary employment and recruitment service that helps people with disabilities to find work, and offers them ongoing support. This service gives a number of supports, such as a job coach who works with both jobseekers and employers, and would provide information on a number of DSP (e.g. the [Disability Awareness Support Scheme](#), the [Wage Subsidy Scheme](#), and the [Reasonable Accommodation Fund](#) grants), and other government funded and or non-profit organisation supports (e.g. the Willing and Able Mentoring (WAM)). Certain other DSP disability payments such as [Partial Capacity Benefit](#), and the [Blind Pension](#) scheme would also allow recipients to take up employment or self-employment and continue to receive their social welfare payments. For further information on the supports available please see the Department of Social Protections gov.ie website: <https://www.gov.ie/en/organisation/department-of-social-protection/>.

Figure 14: Likelihood of being In-Work by Duration on DA, March 2022

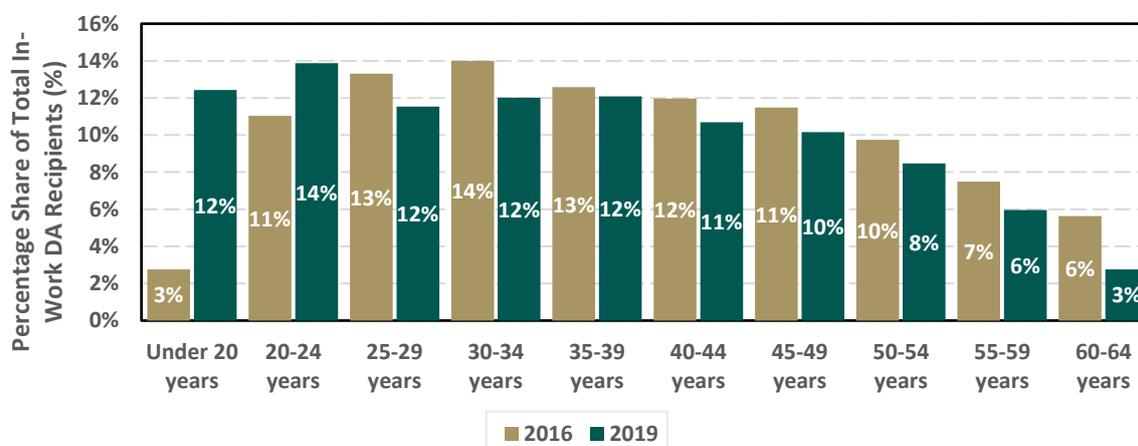


Source: DSP Administrative Data.

Age

In contrast to DA’s overall age distribution, Figure 15 demonstrates that in-work DA recipients are more heavily skewed towards younger age cohorts, and are less likely to be in work the older they are. In 2019 those from the 20-24 age cohort represented the largest share of in-work DA recipients at around 14% or 1,600 workers, an increase of approx. 94% in the number of workers recorded for this age bracket since 2016. A similar pattern can also be observed for the 15-19 years age cohort, which recorded a remarkable 530% increase in the number recipient’s in this age bracket compared to 2016. Overall this increase in the number of DA recipients employed from 2016 to 2019 would indicate that there has been some positive labour market developments for people with disabilities, in particular for younger age cohorts.

Figure 15: Comparison of In-Work DA Recipients by Age, 2016 and 2019



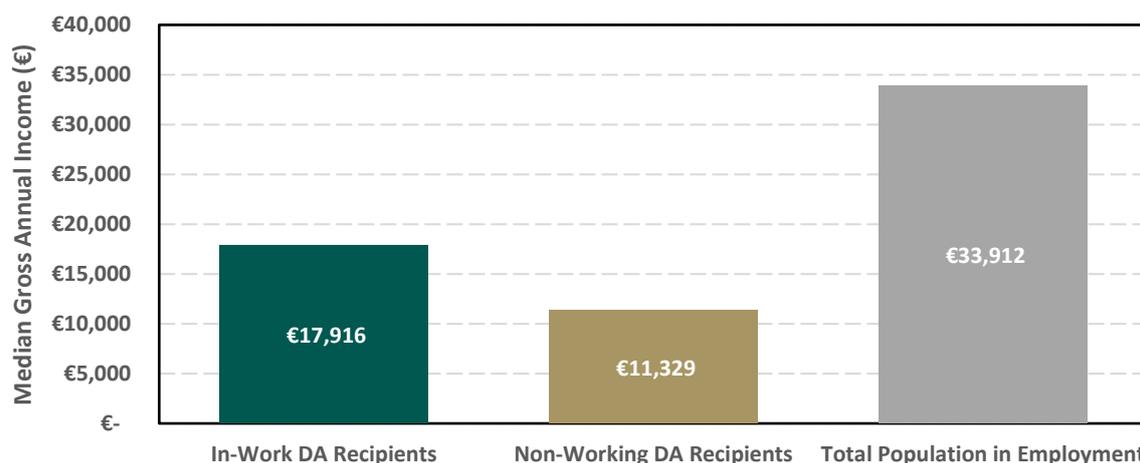
Source: Income, Employment and Welfare Analysis of People with a Disability 2019 CSO Frontier series. **Notes:** The above data uses individual’s responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data³² from a number government departments and agencies in 2019. For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held Personal Income Register (PIR) dataset, which is derived from both Revenue and DSP’s administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading).

³² The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019* Frontier series, available online at: <https://www.cso.ie/en/releasesandpublications/fp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

Income

In 2016 the average annual median gross income for the total population was around €33,900, compared to just over €17,900 for in-work DA recipients. While there is likely some impact from a higher incidence of part time work and lower hourly wages, this overall difference between incomes is most likely driven by the means tested nature of DA which precludes those with a disability earning higher wages from being eligible for DA. However, comparing in-work DA recipients with their non-working DA counterparts (€11,300), indicates that earned income from employment still makes DA recipients significantly better off in gross terms (+37%).

Figure 16: Comparison of Median Gross Incomes³³ by Population Group, 2016



Source: Income, Employment and Welfare Analysis of People with a Disability 2019 CSO Frontier series. **Notes:** The above data uses individual's responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data³⁴ from a number government departments and agencies in 2019. For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held Personal Income Register (PIR) dataset, which is derived from both Revenue and DSP's administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading). In-work DA recipients incomes would include both their social welfare payment and earnings from employment, while non-working DA recipients only includes income received from their social welfare payments. *The Total Populations median gross income is taken from the CSO's Earnings Analysis using Administrative Data Sources 2020 dataset.

Disability Type

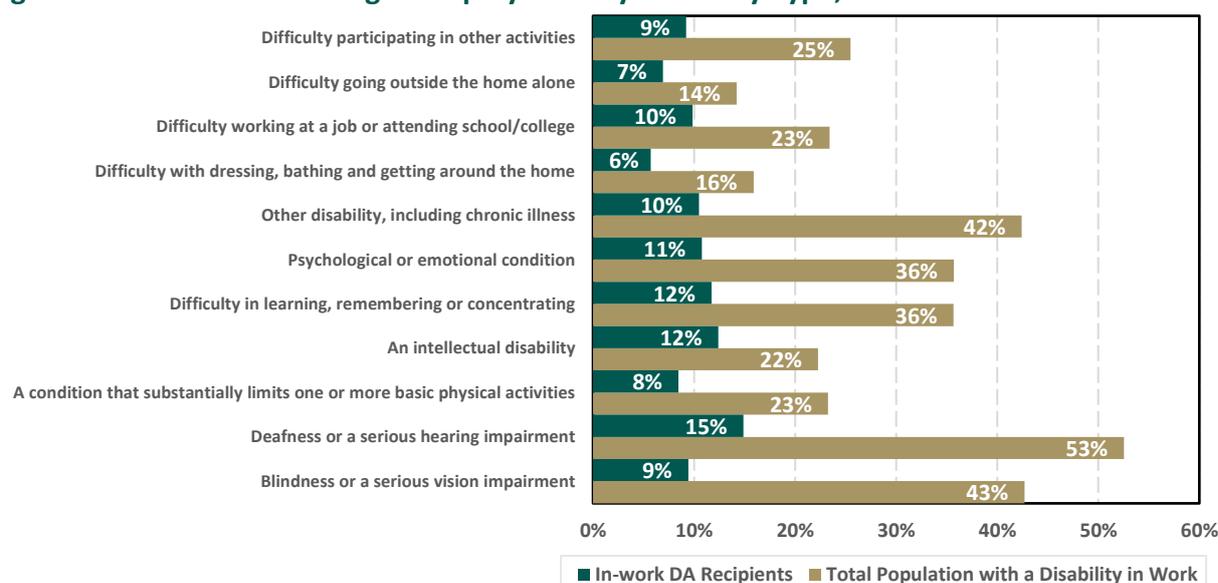
Figure 17 below examines the likelihood of employment for both DA recipients and the total population with a disability by disability type. In 2019, persons with deafness or a serious hearing impairment were the most likely category to have persons in employment, with likelihoods of 15% and 53% being recorded for both DA recipients and the total population with disabilities respectively. In contrast persons with more physical based limitations such as difficulty going outside the home and or difficulty dressing, bathing or getting around the house had lowest likelihoods of employment for both population cohorts. Comparing these results to 2016 trends in Appendix Figure 6 would also indicate that the distribution of these disabilities types and their related limitations has remained stable over time, and were most likely driven by younger cohorts (see Appendix Figure 7).

³³ Median Gross Income is the annual gross income before deductions such as tax and social insurance. It is measured in nominal terms and includes: Gross earnings from employment / self-employment; Gross income from occupational pensions; Social welfare income, and; Income from higher & further education grants. However, it should be noted that this measure would not include: Investment income, including saving accounts, bonds, stocks and shares; Gross income from rent less allowable expenses; Income from foreign rental property, and; Community Employment Programme income. For further information please see the CSOs *Income, Employment and Welfare Analysis of People with a Disability 2019* Frontier series background notes, available online at:

<https://www.cso.ie/en/releasesandpublications/fp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

³⁴ The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019* Frontier series, available online at: <https://www.cso.ie/en/releasesandpublications/fp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

Figure 17: Likelihood of being in employment by Disability Type, 2019



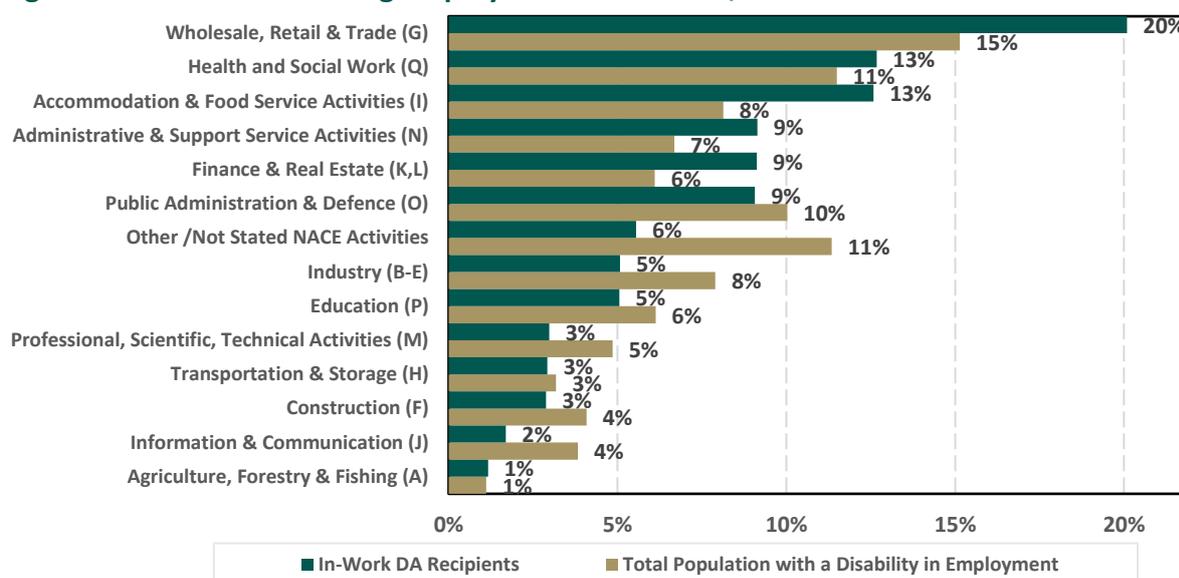
Source: This figure uses internally provided administrative data from the CSO’s *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*. The dataset uses individual’s responses to the disability related questions reported from *Census 2016* and links them to pseudonymised administrative data³⁵ on people’s employment, welfare, education, and social housing statuses in 2019 (see Appendix A for detail). For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held *Personal Income Register (PIR)* dataset, which is derived from both Revenue and DSP’s administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading). Therefore, the likelihoods shown above may not fully reflect the distributions of both in-work DA recipients and the total population of people with disabilities in employment during 2019. In-work DA recipients incomes would include both their social welfare payment and earnings from employment.

Sector

Using CSO data, Figure 18 below compares the likelihood of employment in each sector for both DA recipients and the total population with a disabilities. Of the approx. 13% of DA recipients that could be linked to employment in 2019, in-work DA recipients had a much higher likelihood of working in low wage sectors such as Wholesale, Retail & Trade (20%) and Accommodation & Food Services (13%), compared to the total population with disabilities (with likelihoods of 14% and 8%, respectively). This contrasts with higher wage paying sectors such as Information & Communication (2%) and Education (5%), which had much lower average likelihoods compared to the total population with disabilities (i.e. with 4% and 6%, respectively). However, while the distribution of disability types differs slightly between these two population cohorts, it is also worth noting that in work DA recipients would have only accounted for about 10% of the overall population with a disability in employment during 2019. This would potentially imply that the scheme will eventually become more likely to reflect the distribution of disability types among the total population as the number of DA recipients increases. Further comparing these trends to Appendix Figures 10 and 11 suggests that DA recipients working in these low wage paying sectors would also be most likely to be younger recipients aged between 15 – 24 years and have intellectual disabilities (with likelihoods of 27% and 17% for the Wholesale, Retail & Trade and the Accommodation & Food Services sectors respectively).

³⁵ The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*, available online at: <https://www.cso.ie/en/releasesandpublications/tp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

Figure 18: Likelihood of being employed in each Sector, 2019



Source: This figure uses internally provided administrative data from the CSO's *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*. **Notes:** The dataset uses individual's responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data³⁶ on people's employment, welfare, education, and social housing statuses in 2019 (see Appendix A for detail). For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held Personal Income Register (PIR) dataset, which is derived from both Revenue and DSP's administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading). Therefore, the likelihoods shown above may not fully reflect the distributions of both DA recipients and the total population of people in employment during 2019. In-work DA recipients incomes would include both their social welfare payment and earnings from employment.

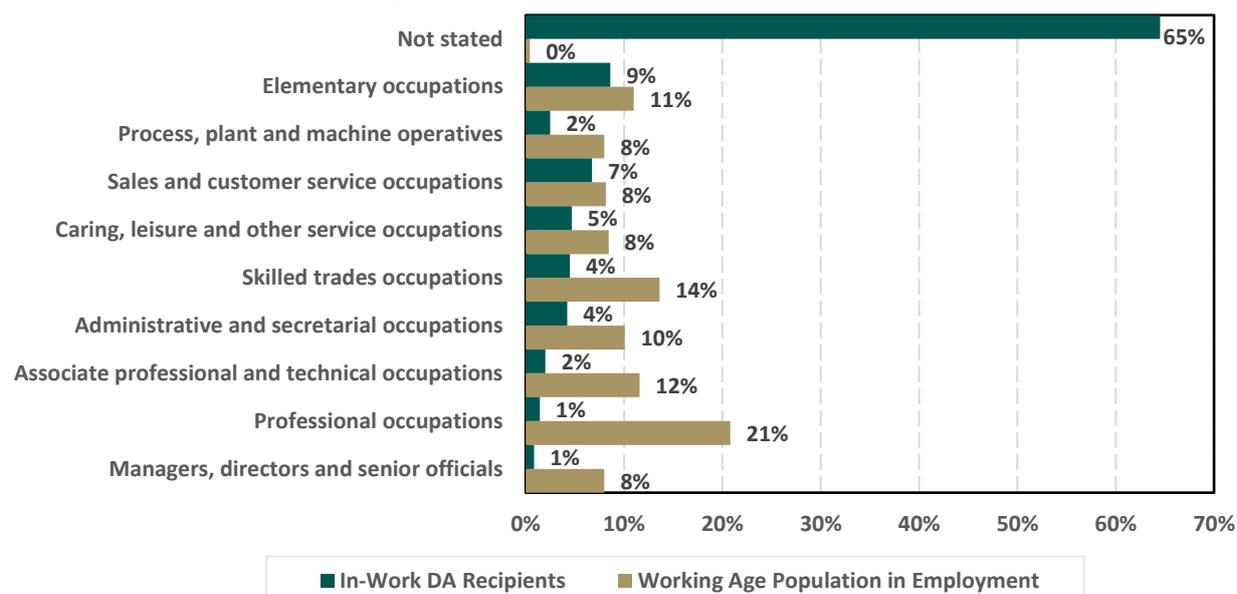
Occupation

In a similar vein to our sectoral analysis, Figure 19 below also examines the likelihood of being employed in 2019 for in-work DA recipients, however this time compared to the total working age population in employment. Overall, in-work DA recipients were most likely to be in low wage occupations such as Elementary (9%) and Sales & Customer Services (7%), and least likely to be in high wage positions such as Managers, Directors, and Senior Officials (1%) and other Professional Occupations (1%). These results were in stark contrast to the total population, which recorded much higher likelihoods, both overall and in particular for Professional Occupations, which had a likelihood of 21% in 2019. However, while this notable labour market disadvantage may be due to a variety of barriers to entry³⁷ and changes in other external labour market factors (e.g. hours worked, wages levels, sectoral and occupational compositions), as discussed in Figure 16 it is much more likely that internal factors relating to the schemes earnings disregard and recipients personal weekly payment rate entitlements, are what's actually driving these results. Yet ultimately, given the fact that the majority, or around 65% of in-work on DA recipient's occupations could not be linked in the CSO's data, indicates that these results may not be fully representative of in-work recipients' actual likelihoods of being employed in specific occupations during 2019.

³⁶ The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*, available online at: <https://www.cso.ie/en/releasesandpublications/ir/fp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

³⁷ Significant research has been conducted over the years to identify the many barriers faced by people with disabilities when seeking employment, which can include: Societal views of disability being heavily stigmatised; Accessibility barriers in built environments (Lawless, Watson, and Maître, 2017); Non-inclusive education / vocational training and lack of structured support for younger people with disabilities (Kelly and Maître, 2021); Lack of information, supports, and awareness of disability in the workplace, along with welfare systems which discourage people from entering employment and have low levels of capacity (OECD, 2021).

Figure 19: Likelihood of being employed in each Occupation, 2019



Source: This figure uses internally provided administrative data from the CSO’s Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series. **Notes:** The dataset uses individual’s responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data³⁸ on people’s employment, welfare, education, and social housing statuses in 2019 (see Appendix A for detail). For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held Personal Income Register (PIR) dataset, which is derived from both Revenue and DSP’s administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading). Therefore, the likelihoods shown above may not fully reflect the distributions of both DA recipients and the overall population of people with disabilities in 2019. In-work DA recipients incomes would include both their social welfare payment and earnings from employment.

7 Scheme Inflows & Outflows

Chapter Summary

- Since 2014 inflows into DA have been exceeding outflows at an average rate of 6,600 flows yearly.
- In terms of Outflows from DA, moving to State Pensions schemes has had the highest identifiable destination of exits accounting for on average 37% of outflows between 2014 and 2020.
- Inflows into DA are driven by those with prior jobseeker and other illness and disability related payments. Between 2017 and 2021 those with prior jobseeker claims were present on an average of 40% of total inflows, while those with a DCA claim were present on an average of 27%.

The number of persons on the DA over time is a function of its recipient’s average duration and inflow. Therefore the following section will attempt to discern the drivers behind DA inflows through analysing and breaking down historical trends in the schemes flows over time. Being able to track the flows of people from DA to another support and vice versa, should also be able to provide useful insights into the overall impact that activation and other labour supports has had on this subset of the population over time.

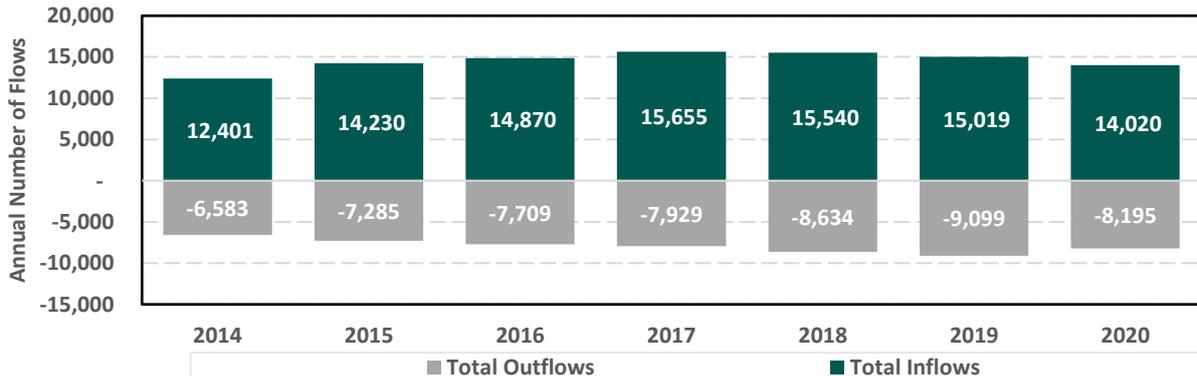
Total Scheme Flows

Figure 20 below compares the annual number of inflows and outflows to the total stock of recipients on DA. From 2014 to 2020 the number of inflows into DA had been exceeding the number of outflows

³⁸ The administrative data included in this series utilises a combination of: employment data from the Revenue Commissioners (2019); welfare data from the Department of Social Protection (2019); education data from the Department of Education (2016) and the Higher Education Authority (2019); social housing data from the Department of Housing (2019), and; health support data from the Health Service Executive (HSE) (2019). For further information please see the background notes provided by the CSO for their *Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series*, available online at: <https://www.cso.ie/en/releasesandpublications/fp/fp-iewad/incomeemploymentandwelfareanalysisofpeoplewithadisability2019/backgroundnotes/>

at an average annual difference of around 6,600 flows per year. However underlying this average, inflows into DA had already peaked in 2017 and had since been in decline, while outflows from DA were continuing to accelerate at a small but steady rate of around 2% year on year. These trends would be in alignment with previous international evidence which showed that benefits such as DA can often be a substitute for persistent long-term employment, at least up until job growth becomes substantial and outflows increase in line with improvements in the employment rate (OECD, 2010). However given the significantly high concentration of DA recipients in older age brackets, it is more likely that increases in DA's total outflows are being driven by people moving to State Pensions schemes rather than to employment. This is further explored in Figure 2021.

Figure 20: Total Number of DA Inflows and Outflows, 2014 - 2020

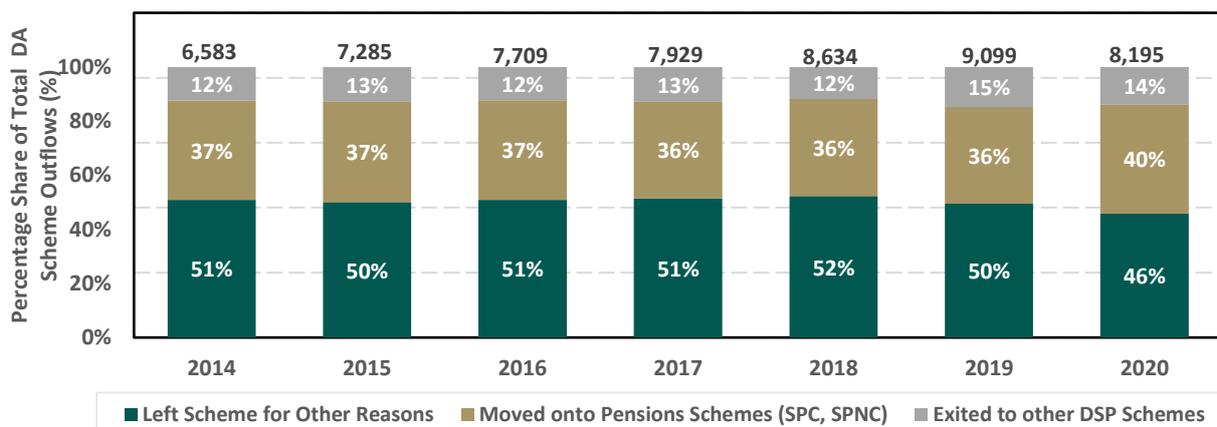


Source: DSP Administrative Data and authors own calculations. **Notes:** As at the time of writing, total inflows and outflows data for 2021 is currently unavailable. Annual inflow estimates are based on authors own calculations, while annual outflow estimates have been provided by DSP and compare those who were in receipt of DA in Q4 year of 1, to those who were not in receipt of DA in quarter 4 of year 2.

Scheme Outflows

Figure 21 provides a high level view of the general destinations of people leaving the DA scheme over time. From 2014 to 2020 *Moving on to State Pension schemes* had the highest identifiable destination of exits accounting for on average 37% of outflows, followed by *Exited to other DSP Schemes*³⁹ with 14%. However, combined these two categories would only account for just over half of DA's total outflows, with *Left for Other Reasons* capturing the remaining 46% of flows. This latter category has historically been used as an umbrella term to capture all of the other reasons⁴⁰ why a person may leave the social welfare system and could offer extremely insightful analysis if broken down further by DSP for future analysis.

Figure 21: Percentage Share of DA Outflows by Reason, 2014 -2020



Source: DSP Administrative Data

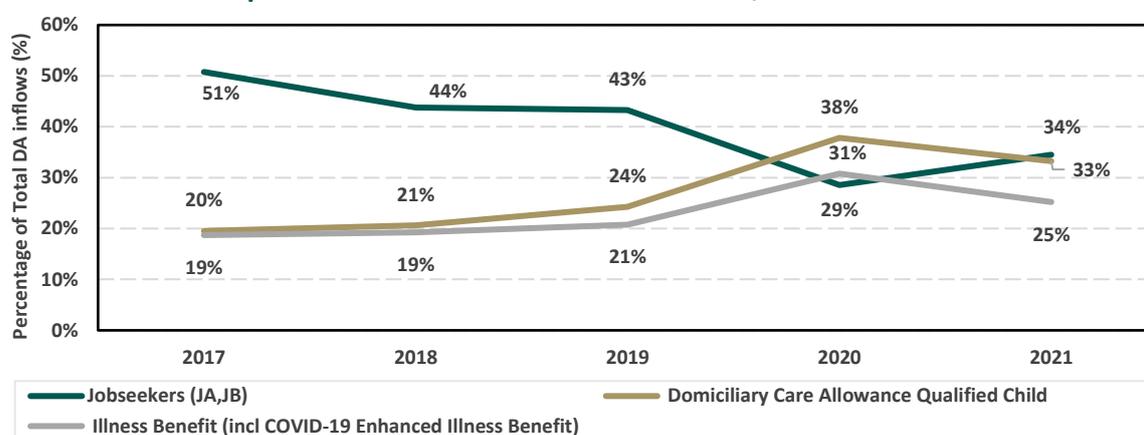
³⁹ This category would include those who may have moved onto other illness or disability payments or on to other DSP employment support schemes and / or contracted services.

⁴⁰ These reasons may also potentially include, moving into employment, moving out of the state, unexpectedly passing away, and / or becoming ineligible for the scheme as a result of a medical and / or means review.

Scheme Inflows

Figure 22 below examines individual scheme⁴¹ inflows into DA from 2017 to 2021. In 2021 the majority of DA inflows originated from those with previous Jobseekers⁴² claims (34%), followed by Domiciliary Care Allowance (33%), and Illness Benefit (IB) claims (25%). Yet despite the fact that these findings are consistent with previous historical trends, the absolute number of jobseeker inflows in both 2020 and 2021 has decreased significantly compared to its pre-2019 levels. However, while this was mostly likely due to the impact of COVID-19 related effects⁴³, overall it still remains to be seen whether the share of DA inflows from jobseeker claims rebounds from 2023 onwards, given recently improving labour market conditions, and based on previous historical trends (see Appendix Table 3 for detail). In contrast, DCA⁴⁴ which has also represented a significant new pipeline for new DA entrants has seen a much lower decline in its overall share of total DA inflows. This may be due to the fact that individuals on DCA are more likely to see DA as a natural point of progression, with almost half of those aged 15 years on DCA transferring to DA once they reach the scheme's maximum age limit of 16 years (see Appendix Figure 13 for detail). Furthermore based on Cronin's (2018) results, these trends in DCA inflows appear to have remained stable overtime with around 45% to 55% of DCA recipients transferring to DA between 2013 and 2017.

Figure 22: Trend in Top 3 Individual Scheme Inflows into DA, 2017 - 2021



Source: DSP Administrative Data. **Note:** percentages reflect individual scheme inflows as share of total inflows recorded each year and should not be added up to 100%. This is due to the fact that one recipient could be moving from multiple different schemes onto DA at the same time and would be double counted if all these inflows were summed together. From Q2 2020 onwards, there is also some noise in relation to data on previous jobseekers claims due to the presence of the PUP, while prior illness benefit claims also include those previously on the COVID-19 enhanced illness benefit scheme.

⁴¹ It should be noted that following analysis only considers individual scheme inflows as a percentage of total inflows into DA each year. This is due to the fact that many people are entitled to receive more than one social welfare payment which could lead to a significant overlap, or double counting of persons if one were to add all of these individual scheme inflows together.

⁴² Jobseeker claims in this instance refers to persons previously on Jobseekers Allowance and or Jobseekers Benefit.

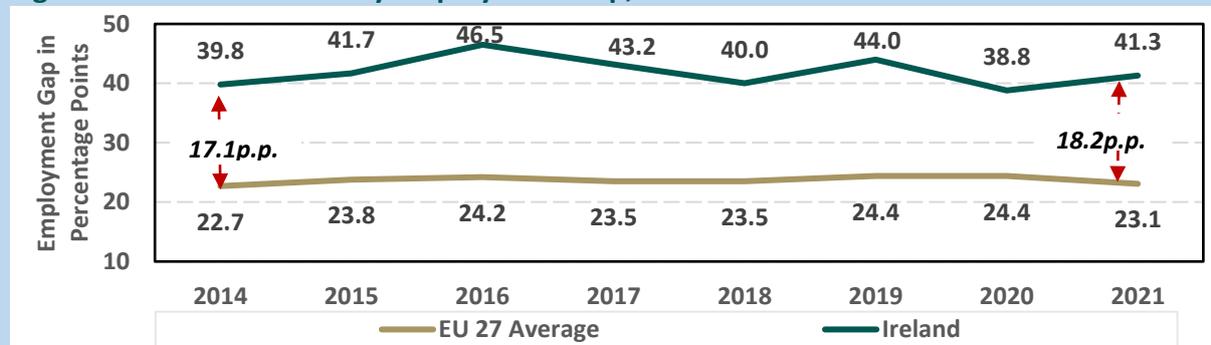
⁴³ Due to their similar targeting of the (working age) population, a decrease in work-related injuries as a result of workplace closures, combined with the presence of the PUP and its higher rates of payment (from March 2020 to January 2022), is likely to have had a significant decelerating effect on the number of jobseeker inflows to DA. The pausing of activation activity for Jobseekers during the COVID-19 public health restrictions is also likely to have reduced the movements of those on Jobseekers who were eligible, and may have moved to DA to avoid the activation requirements for Jobseekers.

⁴⁴ Domiciliary Care Allowance (DCA) is a payment made for a child under the age of 16 with a severe disability, who requires ongoing care and attention substantially over and above that usually needed by a child of the same age. The scheme is not means tested, with a flat rate of €309.50 per month being given to all those who qualified for the scheme as of 2023.

Box 1: Labour Force Participation and Likelihood of Employment by Age

Cross country analysis demonstrates that Ireland’s disability employment gap⁴⁵ is significantly higher than international standards. In 2021 Ireland’s gap rose to 41.3p.p. an increase of 2.5p.p. from 2020 (38.8p.p.). Yet while 2021’s figure is an improvement on 2016 and 2019, it still remains substantially above the EU’s average (23.1p.p.), by an 18.2p.p. difference.

Figure 23: Irelands Disability Employment Gap, 2014 - 2021

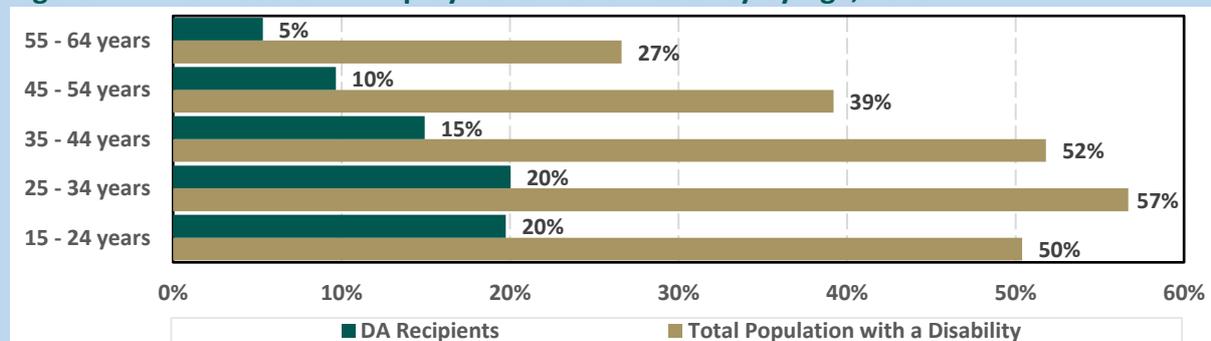


Source: Eurostat EU SILC data

In 2019 the likelihood of employment for those on DA was only 13% compared to 44% for the total working age population with a disability (i.e. 15-64 years). Breaking down these trends further for the total population indicates that those aged between 15-24 years (50%) and 25-34 years (57%) had the highest likelihoods of being employment, while those aged between 55-64 years had the lowest likelihood of employment (27%). Similar trends could also be observed for DA recipients, with those aged between 15-24 years and 25-34 years on the scheme having the highest likelihoods at 20% each, while persons aged between 55-64 years had the lowest likelihood of being in employment at 5%.

Read in conjunction with Appendix Figure 14, these results would mark a significant increase in the likelihoods of employment for both population cohorts compared to 2016, reflecting the overall pressures on disability and special education support expenditure due to an increasingly eligible population of younger age cohorts (Burmanje and Daly, 2022).

Figure 24: Likelihood of in Employment with a Disability by Age, 2019



Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series. Notes: The dataset uses individual’s responses to the disability related questions reported from Census 2016 and links them to pseudonymised administrative data on people’s employment, welfare, education, and social housing statuses in 2019 (see Appendix A for detail). For data in relation to employment, self-employment, and social transfers, the CSO uses its internally held Personal Income Register (PIR) dataset, which is derived from both Revenue and DSP’s administrative holdings. A person is considered to be employed in this dataset if they earn more than €500 per year in gross pay from P35 employee income (or IT form 11 for self-employed trading income), and / or if they have more than 2 weeks of PAYE employment (or self-employed trading). Therefore, the likelihoods shown above may not fully reflect the distributions of both DA recipients and the total population of people in employment during 2019. In-work DA recipients incomes would include both their social welfare payment and earnings from employment.

⁴⁵ The disability employment gap is the difference between the employment rate of people with disabilities and people without disabilities. The indicator is currently computed from the EU-SILC and is based on the disability status as given by the Global Activity Limitation Index (GALI). Survey respondents answer the following questions: 1) ‘Are you limited because of a health problem in activities people usually do? Would you say you are ... severely limited; limited, but not severely; or not limited at all?’ Is answer to question 1) is ‘severely limited’ or ‘limited but not severely’, respondents answer the question 2) ‘Have you been limited for at least for the past 6 months? Yes or No?’ A person is considered disabled if the answer is ‘Yes’ to the second question. As computed from EU-SILC, one can observe a correlation between the prevalence of disability based on the GALI concept and the disability employment gap based on it in year 2020 across Member States of the EU (Pearson correlation coefficient = 0.6).

8 Conclusion & Issues for Further Consideration

This paper seeks to provide some insights from the available data on the trends and characteristics of DA recipients in order to inform future policy direction and further analysis around recipient growth in this area. In particular, this paper highlights key trends in relation to the drivers of DA recipient growth; the characteristics of DA recipients; and flows in to and out of DA. Through examining these trends the paper has endeavoured to provide greater insight into the schemes recipient base in order to assist in informing future approaches to engaging with existing and prospective DA recipients. The paper does not present specific policy suggestions, but rather seeks to improve the evidence base and provide insights for policy makers.

Moderating expenditure growth: DA is a vital source of income support for many people with disabilities. However, expenditure on the scheme has increased substantially to around €1.8bn in both 2020 and 2021 (exceeding Callaghan's (2017) original projections of reaching over €1.7bn by 2020). Overall recipient growth has increased far beyond what would be expected based on demographics projections and disability prevalence, which only accounted for around 46% of DA's total recipient growth since 2012. Therefore, a deeper investigation by DSP into what other factors may be driving the remaining 54% of DA's recipient growth, in addition to examining the potential pressures resulting from increasing disability prevalence among younger age cohorts, will be critical to understanding the possible future expenditure trajectory of the scheme. Further consideration should also be given to investigating supports which could assist those with a disability in finding quality employment that will enable them to increase their earnings and rely less on DA as an income support. Effective supports in this area could deliver high value for money.

Labour market engagement and catering for an increasingly younger DA population: The number of people on DA has historically represented a significant share of the total population with a disability, accounting for around 23% in 2016. Although, this difference could largely be due to those in employment having sufficient means to not be eligible for DA.

Although the proportion of DA recipients in work has since increased slightly to 15.5% in 2022, there is evidence that the employment rates of people with a disability in Ireland are relatively low by international standards. This is reflected by Ireland's employment rate gap⁴⁶ in 2021 being significantly larger (41.3 p.p.) than the EU 27's average (23.1p.p)⁴⁷. Comparing changes in this gap to trends in jobseeker scheme inflows shows that low employment rates for persons with disabilities have been a substantial driver of DA recipient growth. Therefore measures which address barriers to labour market entry along with increasing early engagement⁴⁸ with previous jobseekers claimants should prove invaluable to addressing further recipient growth pressures on the DA scheme in the future.

There is significant scope to work with individuals, employers, and the education sector in order to further improve employment outcomes for those with a disability, particularly for younger age cohorts. Domiciliary Care Allowance, which finishes at 16 is a significant pipeline of inflows into DA, and therefore may be a fruitful cohort to target in terms of education and labour market engagement.

The data also suggests that lack of quality opportunities may be impacting the attractiveness of employment for DA recipients. Further engagement with DA recipients, employers, and wider population with disabilities may therefore be required to more effectively understand the reasons

⁴⁶ Note: Employment gap refers to the percentage difference in employment rates between the total population and the subset of the total population reporting a disability.

⁴⁷ Note: Figures are taken from the Eurostat's *Disability employment gap by level of activity limitation and sex* EU-SILC dataset available at: https://ec.europa.eu/eurostat/databrowser/view/HLTH_DLM200/default/table?lang=en&category=hlth.hlth_dsb.hlth_dsb_lm.hlth_dsb_lm

⁴⁸ Early engagement means that people with a disability who are able to work and interested in getting a job are offered every possible support at the earliest possible opportunity to fulfil their employment goals. In this regard, it should be noted that DSP has already completed its consultation on the Early Engagement Roadmap for young people with disabilities, with national rollout having commenced in July, 2022.

behind these inequalities (e.g. lack of skills/training; lack of employment search and readiness skills), in order to reduce barriers, and facilitate better opportunities for employment.

Operational Activity & Further Research: On average approx. 17% of DA's means test reviews have required an amendment with an average reduction of around €2,600 per annum or €49 per week for each DA claim reviewed for means since 2015. This suggests that there is still scope to increase operational activity/efficiencies for these reviews procedures in order to become more aligned with DSP's annual means review targets. In line with previous research, a significant proportion of DA recipient growth cannot be explained by demographic and prevalence trends, suggesting that other factors such as increased awareness in the population, clinician behaviour, and individual behaviour may have a much more profound impact than can currently be accounted for. Therefore, further investigation into these factors, along with more robust developments of DSP's disability type and DA employment data would be extremely beneficial to disentangling these effects, and ensuring more effective labour market activation outcomes.

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10 Appendices

10.1 Appendix A – CSO Census Data and Disability Related Questions

In the 2011 and 2016 Census, questions relating to disabilities were namely Questions 16, 17 and 18.

‘Question 16: Do you have any of the following long-lasting conditions or difficulties?’

- *Blindness or serious vision impairment*
- *Deafness or serious hearing impairment*
- *A difficulty with basic physical activities such as walking, climbing stairs, reaching, lifting or carrying?*
- *An intellectual disability*
- *A difficulty with learning, remembering or concentrating*
- *A psychological or emotional condition*
- *A difficulty with pain, breathing, or any other chronic illness or condition’*

‘Question 17: If ‘Yes’ to any of the categories specified in Question 16, do you have any difficulty in doing any the following?’

- *Dressing, bathing or getting around inside the home*
- *Going outside the home alone to shop or visit a doctor’s surgery*
- *Working at a job or business or attending school or college*
- *Participating in other activities, for example leisure or using transport’*

Appendix Table 1: High Level Population Breakdowns, Census 2002 and 2006

Population Breakdowns	No. of Persons		Change 2002 - 2006	
	2002	2006	No.	%
Total Population	3,917,203	4,239,848	322,645	8.24%
<i>of which: 15-29 (young working age)</i>	<i>954,215</i>	<i>1,005,810</i>	<i>51,595</i>	<i>5.41%</i>
<i>of which: 15-64 (working age adults)</i>	<i>2,653,774</i>	<i>2,907,473</i>	<i>253,699</i>	<i>9.56%</i>
Population with a Disability	323,707	393,785	70,078	21.65%
<i>of which: 15-29 (young working age)</i>	<i>31,167</i>	<i>45,595</i>	<i>14,428</i>	<i>46.29%</i>
<i>of which: 15-64 (working age adults)</i>	<i>170,700</i>	<i>222,272</i>	<i>51,572</i>	<i>30.21%</i>
			<i>Percentage Point Change p.p</i>	
Disability Prevalence of Total Population	8.26%	9.29%	0.010p.p	
<i>of which: 15-29 (young working age)</i>	<i>3.27%</i>	<i>4.53%</i>	<i>0.013p.p</i>	
<i>of which: 15-64 (working age adults)</i>	<i>6.43%</i>	<i>7.64%</i>	<i>0.012p.p</i>	

Source: CSO Censuses 2011 and 2016

10.2 Appendix B – Deciding Officers and Medical Assessors

Deciding Officers

Deciding Officers are appointed under section 299(1) and (2) of the Social Welfare Consolidation 2005 (as amended) to decide questions in relation to the following social insurance and social assistance provisions in the Social Welfare Acts. These questions that a Deciding Officer will have to consider typically include those:

- in relation to a claim for benefit, including whether the benefit is or is not, or was or was not payable;
- as to whether a person is or was disqualified for benefit;
- as to the period of any such disqualification;
- as to whether an employment is or was insurable employment, or insurable (occupational injuries) employment;
- as to whether a person is or was employed in an insurable employment, or is in insurable (occupational injuries) employment;
- as to what rate of employment contribution is or was payable by an employer in respect of an employed contributor;
- as to who is or was the employer of an employed contributor;
- as to whether a person is or was entitled to become a voluntary contributor;
- on any such other matter relating to Part 2 (Social Insurance) of the Social Welfare Consolidation Act 2005 (as amended) as may be prescribed;
- as to whether an employment is or was an insurable self-employment;
- as to whether a person is or was in insurable self-employment;
- as to what rate of self-employment contribution is or was payable by a self-employed contributor;
- as to whether a contribution is or was payable by a public office holder, and or;
- as to the rate of contribution which is or was payable by certain employed contributors.

A DO should also approach the determination of claims and questions for decision by first considering the evidence which may be direct, circumstantial / indirect, or hearsay. From this evidence which can be either written or oral, the facts⁴⁹ of the case should be established.

In terms of oral evidence, while DA Applicants are not interviewed by DO's, they may be required to attend an interview by DSP's Inspectors when completing the Means Reporting Form. In these cases the aforementioned DA applicant will be:

- informed that his/her entitlement is being considered/reviewed;
- told the information available to the department in relation to the case;
- advised about the conclusion of the DO in the matter i.e. the [revised] decision that they propose to make, and;
- given the opportunity to put his/her side of the case before a decision is made.

In order to have a record for future use that such notification has taken place, a note signed and dated by the relevant officer should be made of the interview. This note should contain a record of any relevant observations made by the applicant/claimant.

Where the applicant/claimant is being dealt with by post, a letter structured in the same manner as the interview above and setting out the position in full will issue. The applicant/ claimant will then be given at least 7 days to respond before a decision is made by the DO.

⁴⁹ In this case a fact is defined as either a circumstance, an occurrence, or event which must have existed at the time the decision is given.

Medical Assessors

Medical Assessors (MA's) are all fully qualified medical practitioners with at least three years or experience in a variety of medical fields, and are all registered with the Irish Medical Council (IMC). They are employed by DSP to provide independent, impartial medical opinions to DO's regarding the medical eligibility of customers for DSP's various illness-related schemes.

MA's opinions are based on international evidence-based medical guidelines or protocols, and are informed by clinical experiences and judgements which recognise the bio-psycho-social model of disability. In carrying out assessments the Medical Assessor reviews any medical evidence available, for example GP or specialist reports, results of investigations, and expresses an opinion based on findings.

When conducting an assessment the Medical Assessor does not dispute the existence of the certified cause of incapacity but rather she or he assesses the degree to which the loss of function in work-related activities resulting from the disease or injury affects the person's ability to perform either their own job or alternative types of work. These medical assessments are conducted as desk reviews, with the following factors being considered during this reviewing process:

- The customer's impairment i.e. the illness or accident. What symptoms they currently have. What investigations, treatments (medical or surgical) that they have received, and what the prognosis of the condition is.
- The customer's account as to how they consider themselves to be adversely affected by their condition, with special emphasis on how it affects their ability to cope with the Activities of Daily Living (ADLs) and work related activities. Consideration is also given to any restriction in social participation. This information is gained from the customer via the MR99 component of the disability allowance application form.
- All additional medical evidence is considered e.g. MR33 component of the application form, any specialist reports, results of investigations, X-rays, CT and MRI scans, and blood tests etc.
- Any co-morbidity which might exist, in addition to their primary condition, is also taken into consideration.
- The customer's vocational and educational experience is taken into consideration.

10.3 Appendix C – Detailed Means Test Criteria

For the purposes of DA, means are calculated in accordance with Part 2 of Schedule 3 of the Social Welfare Consolidation Act 2005 as amended.

In assessing means for social assistance payments the main items that count are:

- Cash income⁵⁰;
- Capital Assets, bar the applicant's home;⁵¹
- Maintenance payments,⁵² and;
- Certain income that may be derived from employment or self-employment.

The following items do not count as means:

- The family home;

⁵⁰ Cash income refers to the income that a person or their spouse, civil partner or cohabitant may have, along with certain income derived from employment or self-employment.

⁵¹ Capital for the purposes of the means assessment can include the value of savings, investments, shares or any property a person may have. However, the values of persons own dwellings along the first €50,000 of a person's capital assets is not taken into account.

⁵² Maintenance payments can be either be voluntary or a legal responsibility of parents (whether married or unmarried), to maintain their dependent children and or spouses/civil partners in accordance with their means.

- a payment from the Department of Social Protection to another member of the applicant's household;
- The first €20 per day of the applicant's spouse's, civil partner's or cohabitant's weekly earnings from insurable employment (excluding self-employment) subject to a maximum of €60 per week and 40% of the balance.
- The first €50,000 of capital assets, such as savings;
- Money received from a recognised charity (excluding a public or local authority);
- The maintenance element of a higher education grant paid for certain courses;
- Income up to a certain limit from employment;
- Income from training if the training provider does not take over the payment for the duration of the course, any top up paid to the customer is not included as means;
- Domiciliary Care Allowance paid for any qualified child;
- Child Benefit, Supplementary Welfare Allowance or allowances paid by the Health Service Executive (HSE) for children placed in foster care or with relatives by the (HSE);
- Mobility Allowance from the HSE, and;
- Compensation received from certain state tribunals such as the Hepatitis C, HIV, Residential Redress Board, Lourdes Hospital Payment Scheme and the Symphysiotomy Payment Scheme.

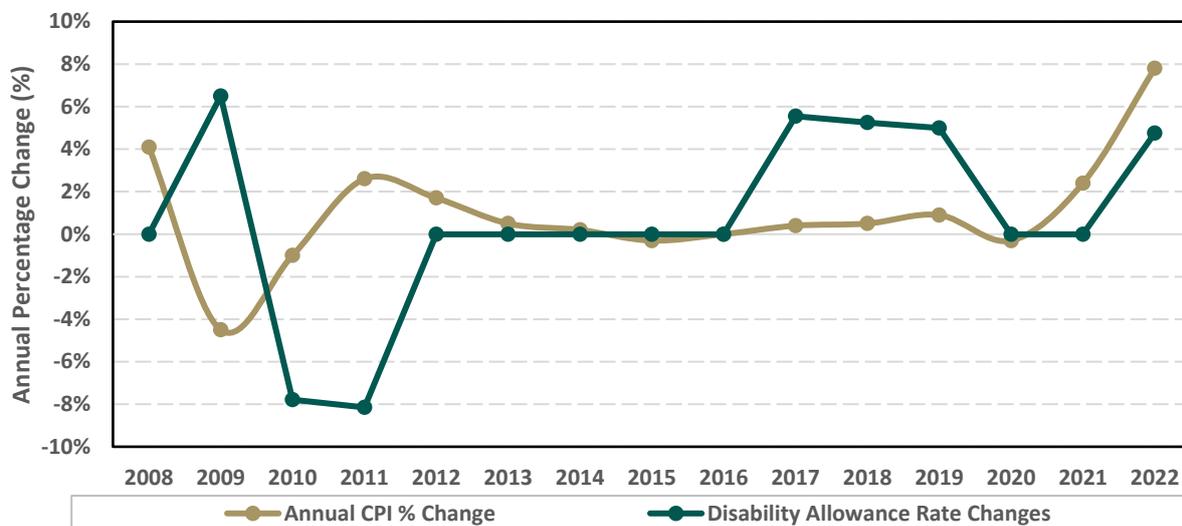
The assessment formula used to evaluate the weekly value of capital for DA in Appendix Table 2 below provides for the first €50,000 of capital to be disregarded. This means that a single person may have €50,000 in savings, and if they have no other means, they will receive the full rate of such payments. This additional disregard is in recognition that a person in receipt of DA may have a substantial permanent disability with no prospects of employment in the future. In these cases, parents, for example, may wish to provide some capital for their adult children as a safety net, without it impacting on their child's weekly payment. The €50,000 disregard applies to both single and couple DA claimants: i.e. one €50,000 disregard is available.

Appendix Table 2: Means Test Capital Disregards Thresholds for the DA

Formula	Weekly Means
First €50,000	Nil
Next €10,000	€1 per €1,000
Next €10,000	€2 per €1,000
Any Capital in Excess of €70,000	€4 per €1,000

10.4 Appendix D – Payment Rates and inflation

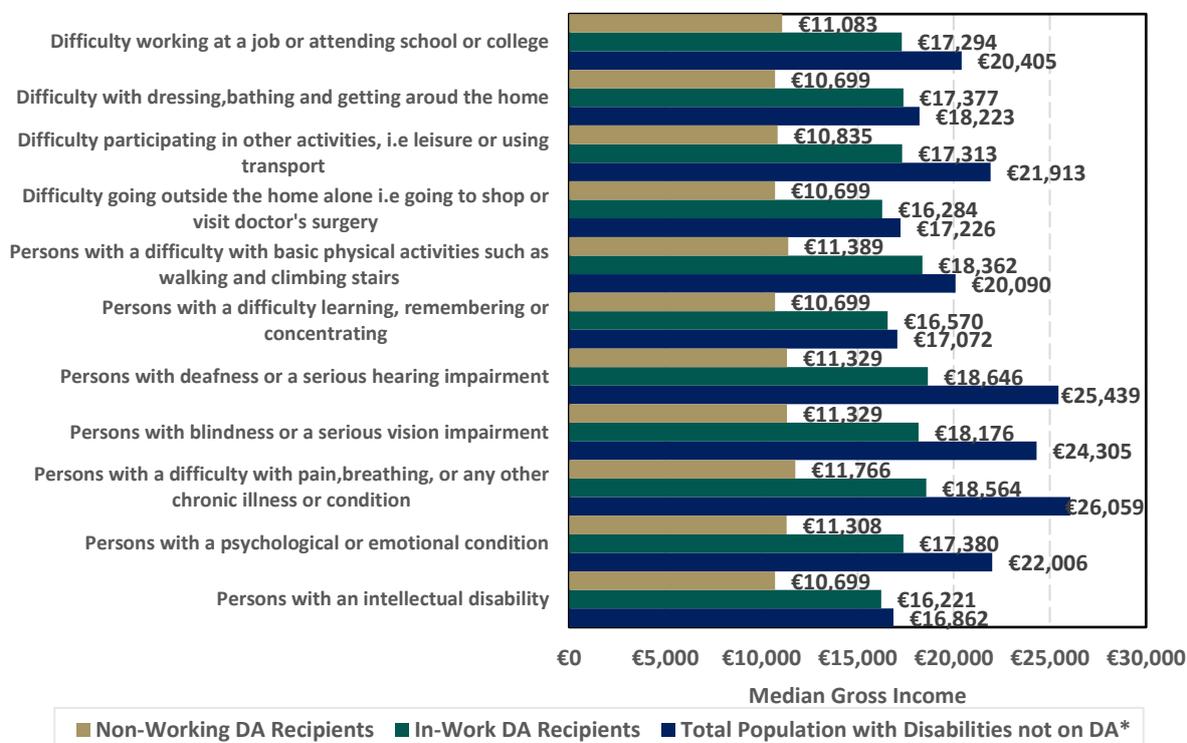
Appendix Figure 1: Comparison of Percentage Change in Inflation (CPI) with Percentage Changes in DAs Weekly Payment Rates, 1997 to 2022



Source: DSP Annual Stats Reports & CSO's data on the consumer price index (available at <https://data.cso.ie/table/CPA01>)

10.5 Appendix E – Additional CSO Income Data

Appendix Figure 2: Median Gross Income by Population Group & Disability Type, 2019



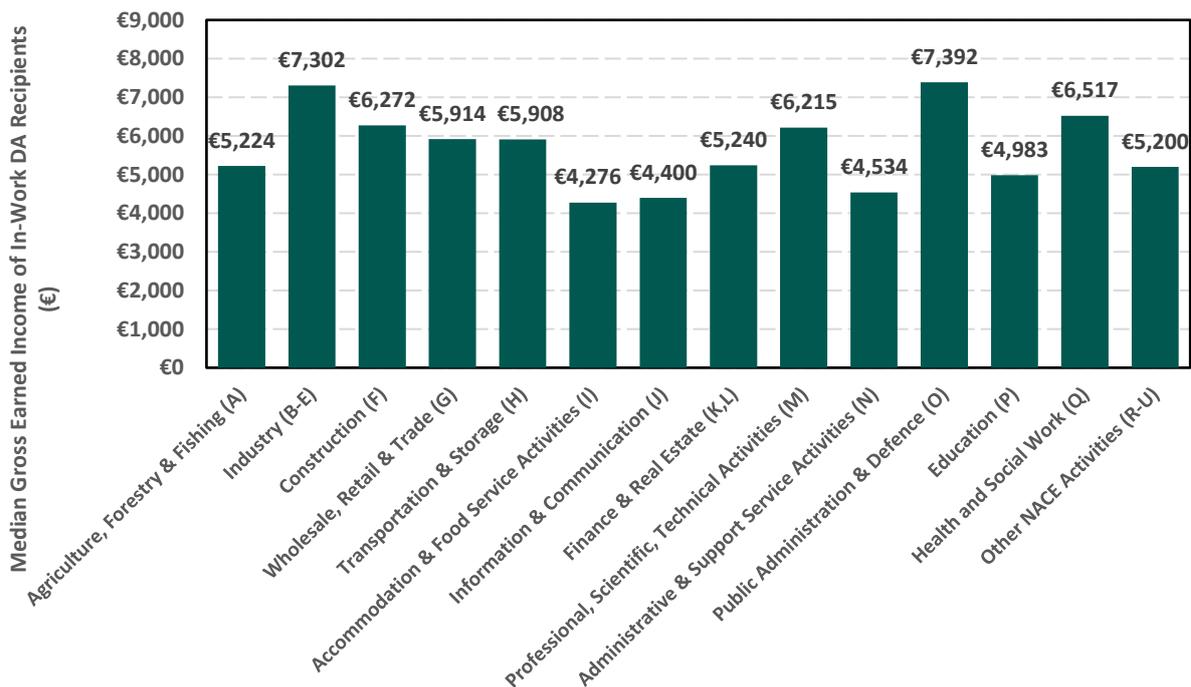
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset. **Note:** Median Earned income is defined in this dataset as annual gross earnings for 2019 from P35 employee income and IT form 11 self-employed trading income before deductions such as tax and PRSI from Revenue unadjusted for hours and/or weeks worked.

Appendix Figure 3: Median Gross Earned Income of In-Work DA Recipients by Age, 2019



Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset. **Note:** Median Gross Earned Income is defined in this dataset as annual gross earnings for 2019 from P35 employee income and IT form 11 self-employed trading income before deductions such as tax and PRSI from Revenue unadjusted for hours and/or weeks worked.

Appendix Figure 4: Median Gross Earned Income of In-Work DA Recipients by Sector, 2019



Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset. **Note:** Median Gross Earned Income is defined in this dataset as annual gross earnings for 2019 from P35 employee income and IT form 11 self-employed trading income before deductions such as tax and PRSI from Revenue unadjusted for hours and/or weeks worked.

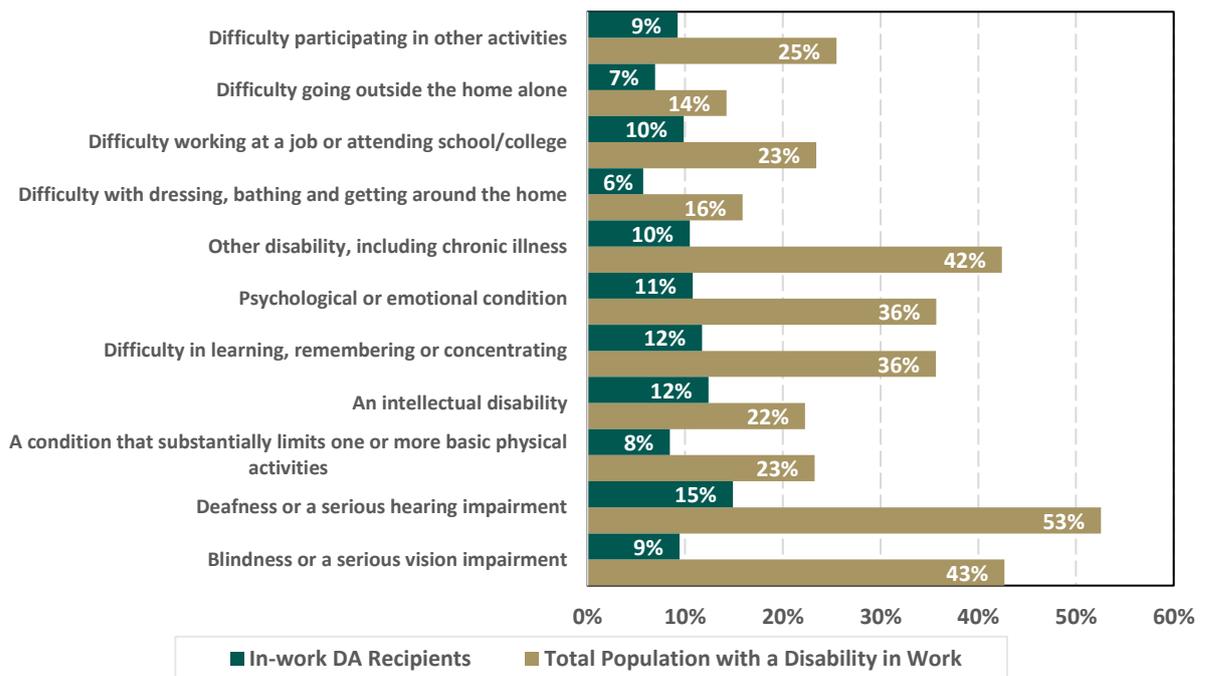
Appendix Figure 5: Median Gross Earned Income of DA Recipients by Occupation, 2019



Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset. **Note:** Median Gross Earned income is defined in this dataset as annual gross earnings for 2019 from P35 employee income and IT form 11 self-employed trading income before deductions such as tax and PRSI from Revenue unadjusted for hours and/or weeks worked.

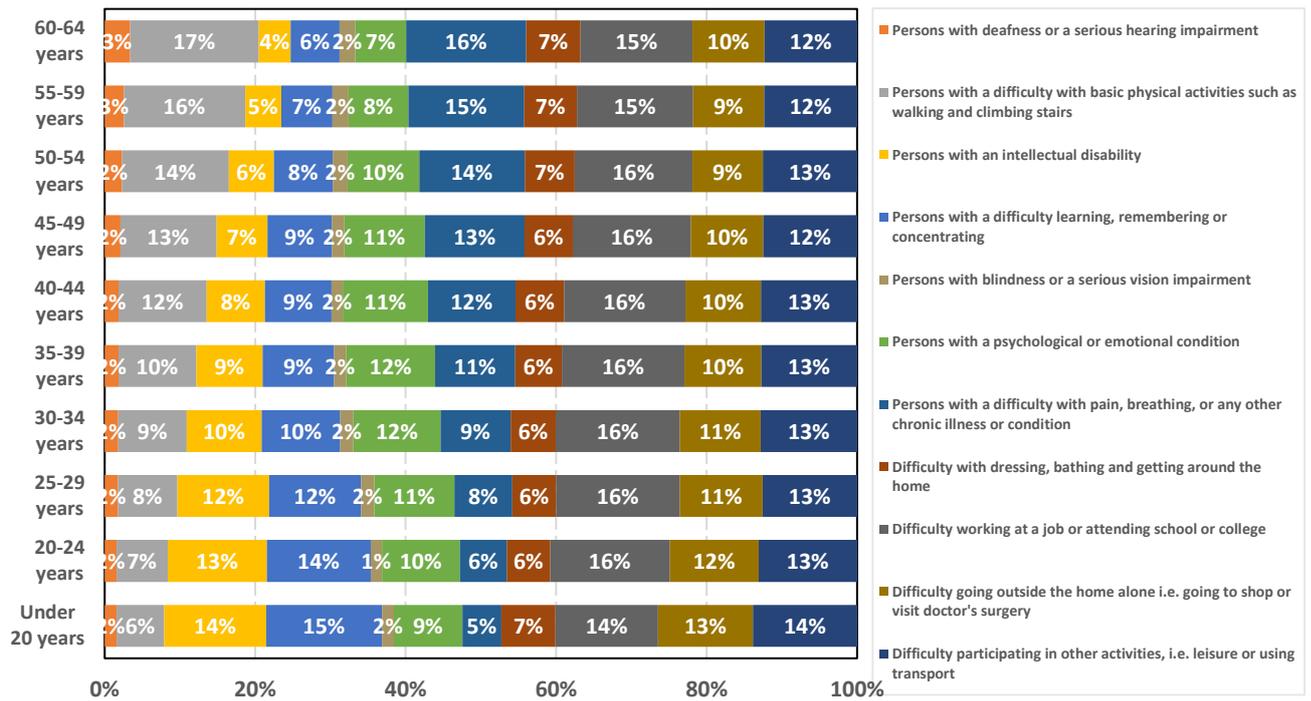
10.6 Appendix F – Additional CSO Sectoral, Occupation and Age Data

Appendix Figure 6: Likelihood of being in employment by Disability Type, 2019



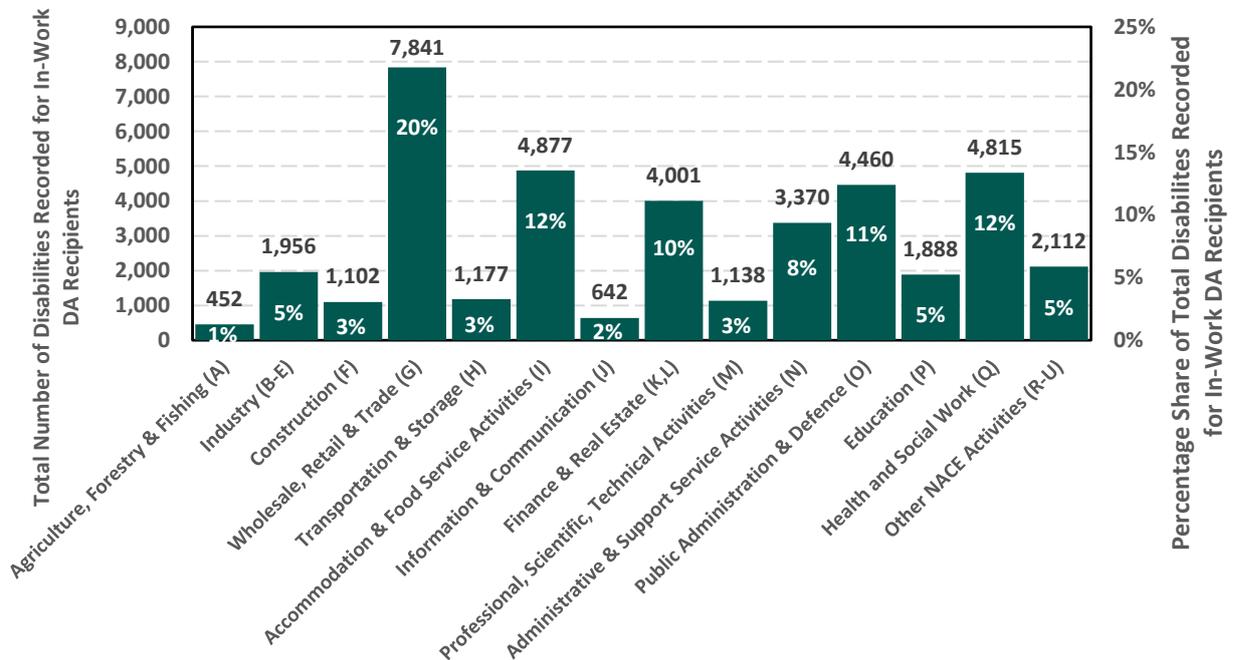
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 7: Share of Disabilities by Age & Disability Type for all DA Recipients in 2019



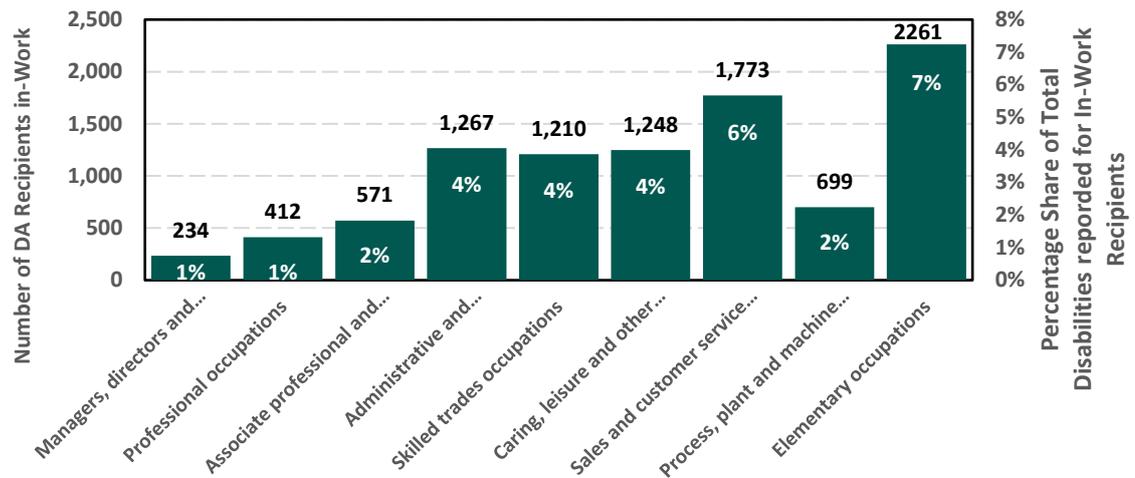
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 8: Number of Disabilities Reported for DA Recipients by Sector, 2019



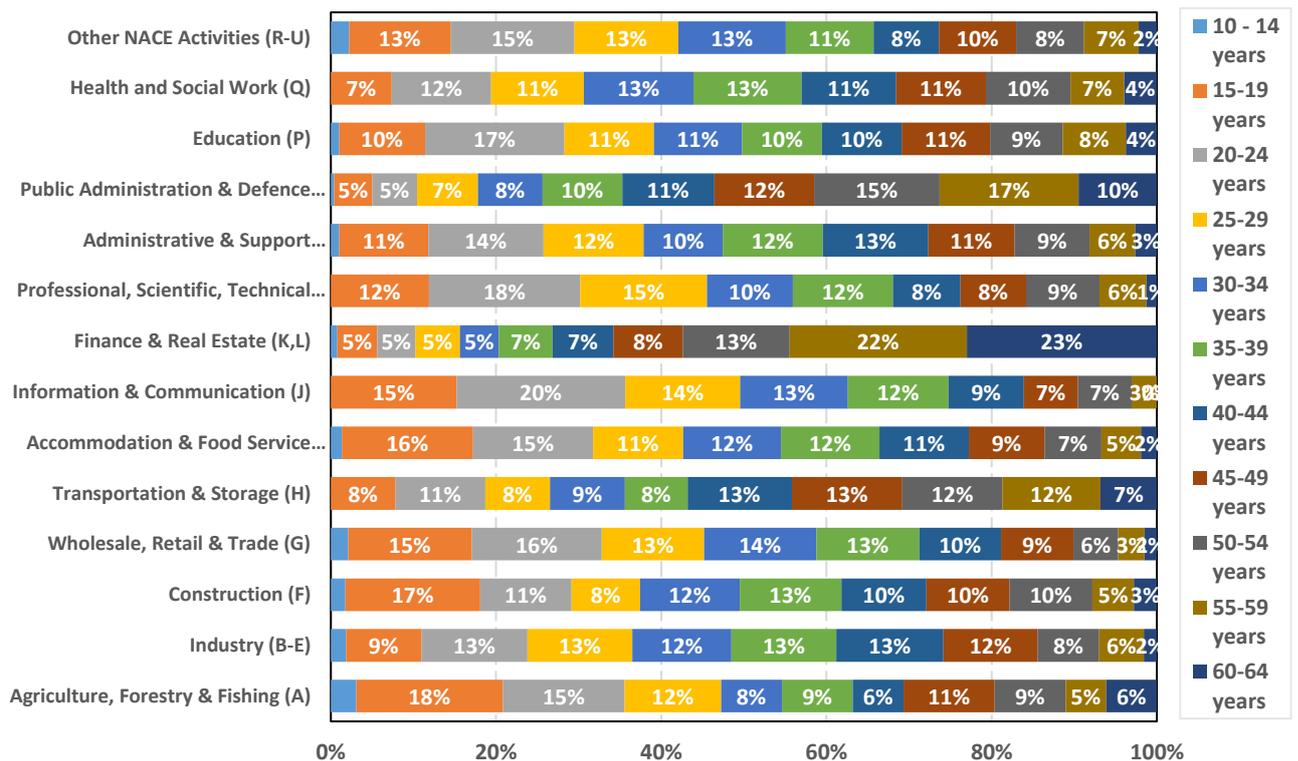
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 9: Number of Disabilities Reported for DA Recipients by Occupation, 2019



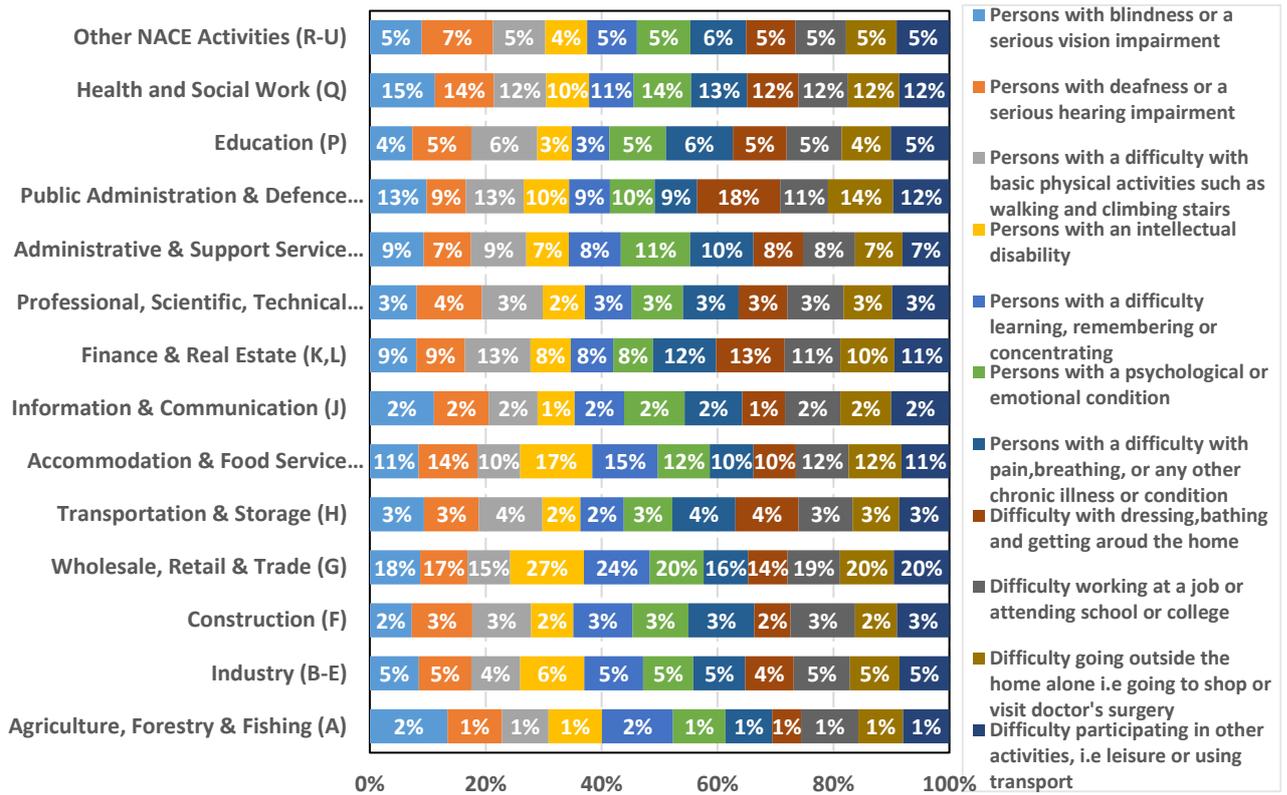
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset. **Note:** The Not Stated Category has been excluded from this graph for presentation purposes however this category would have accounted for around 22,100 or 70% of total disabilities reported for in-work DA recipients in 2019.

Appendix Figure 10: Share of Total In-Work Recipients by Sector & Age Group, 2019



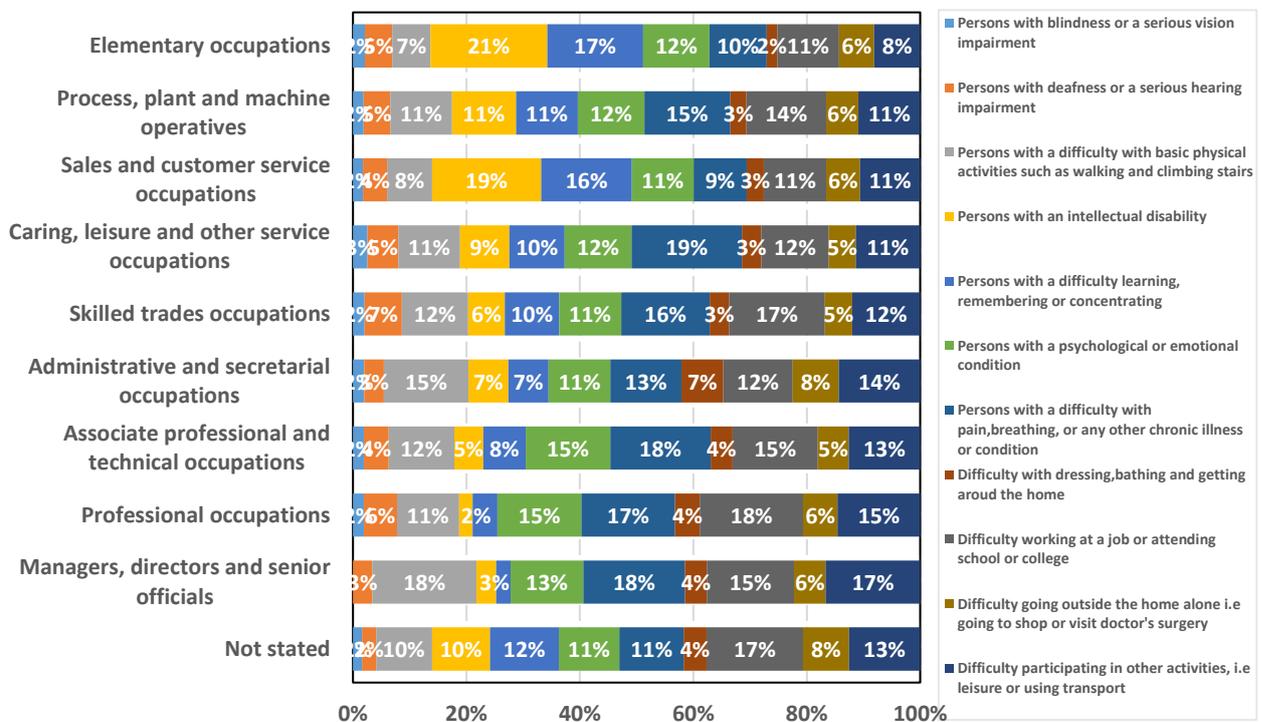
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 11: Share of Total In-Work Recipients by Sector & Disability Type, 2019



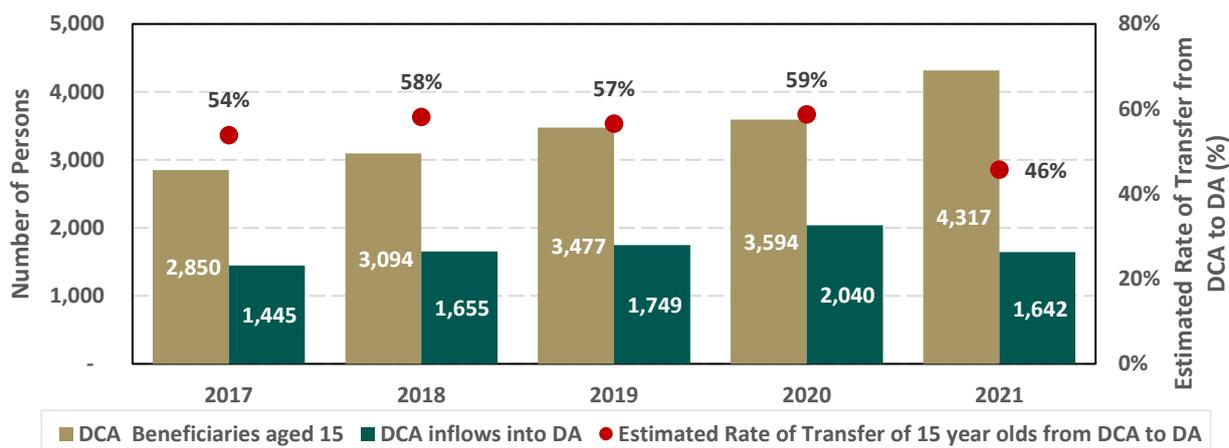
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 12: Share of Total In-Work Recipients by Occupation & Disability Type, 2019



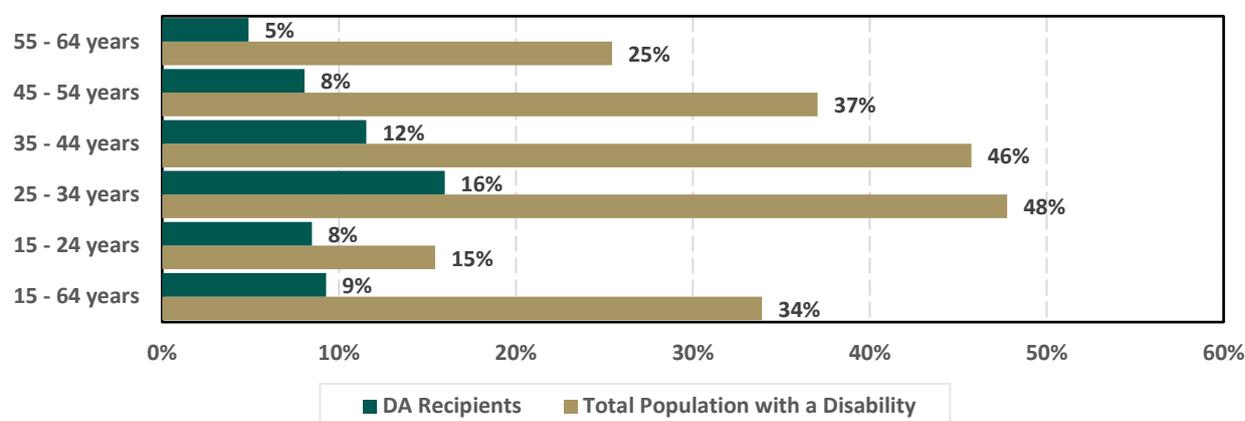
Source: CSO Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

Appendix Figure 13: Movement from DCA to DA, 2017 - 2021



Source: DSP Annual Stats Reports and authors own calculations.

Appendix Figure 14: Likelihood of in Employment with a Disability by Age, 2016



Source: Census 2016 and the CSO's Income, Employment and Welfare Analysis of People with a Disability 2019 Frontier series Administrative Dataset.

10.7 Appendix C – Detailed Inflow Trends for Jobseeker & Other IDC Payments

Appendix Table 3: Comparison of Jobseeker Recipient Trends with DA inflows, 2015 - 2021

	2015	2016	2017	2018	2019	2020	2021
Annual Number of Jobseekers on the Live Register (LR)	343,269	302,661	258,580	220,065	191,529	208,487	175,360
Annual % Change in Live Register Number	-10%	-12%	-15%	-15%	-13%	9%	-16%
Jobseeker Inflows into DA (No)	2,932	4,513	3,755	3,512	3,114	1,540	1,703
Inflows into DA as % of Total Jobseekers on the LR	7%	11%	9%	9%	11%	-9%	5%
Employment Gap	41.7p.p.	46.5p.p.	43.2p.p.	40.0p.p.	44.0p.p.	38.8p.p.	41.3p.p.
Annual % Change in the Employment Gap	5%	12%	-7%	-7%	10%	-12%	6%

Source: DSP Administrative data and authors own calculations.

Appendix Table 4: Comparison of IB Recipient Trends with DA Inflows, 2014 - 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Illness Benefit (IB) Recipients	57,024	55,540	54,492	52,809	55,995	49,313	45,270	45,853
Annual LR Change (No)	-1,966	- 1,484	- 1,048	-1,683	+3,186	- 6,682	-4,043	583
Annual LR Change (%)	-3%	-3%	-2%	-3%	6%	-12%	-8%	1%
IB Inflows into DA	-886	-931	-1218	-1384	-1546	-1495	-1661	-1244
Inflows into DA as % of Annual Change	2%	2%	2%	3%	3%	3%	4%	3%

Source: DSP Administrative data and authors own calculations.

Quality Assurance process

To ensure accuracy and methodological rigour, the author engaged in the following quality assurance process.

- √ Internal/Departmental
 - √ Line management
 - √ Spending Review Steering group
 - Other divisions/sections
 - √ Peer review (IGEES network, seminars, conferences etc.)

- √ External
 - √ Other Government Department
 - Other Steering group
 - √ Quality Assurance Group (QAG)
 - √ Peer review (IGEES network, seminars, conferences etc.)
 - External expert(s)

- Other (relevant details)



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