ALL-ISLAND SOCIAL SECURITY NETWORK

Response to Public Consultation on Potential New Working Age and Targeted Child Payments - JUNE 2026

Introduction

We welcome the opportunity to respond to the Government of Ireland's public consultation on potential new working age and targeted child payments. We recognise the potential benefits of reform, including greater flexibility and responsiveness to changing patterns of work, while emphasising the importance of ensuring that any new system reduces poverty and insecurity, supports those unable to engage in paid work, and provides adequate income protection for all. It will also be essential to ensure that payment rates and income disregards are linked to an appropriate index and uprated regularly. The absence of a systematic approach to indexation has been identified as a weakness in social protection policy. Without such safeguards, the value of supports can erode over time, undermining both adequacy and the intended objectives of reform.

What is the All-Island Social Security Network (AISSN)?

AISSN is a group of researchers, policy experts and practitioners from the North and South of Ireland and from other UK Nations. We wish to examine, understand, map-out, explore, disseminate and promote knowledge and understanding about the social security system in the Republic of Ireland and Northern Ireland.

We seek to create a safe space for discussion, debate and exploration of a social security system on both parts of the island that can meet the challenges of the future, while ensuring every individual can live a life centred on dignity and respect[1]. The AISSN notes and supports the public responses already issued by Irish anti-poverty and welfare rights activists and organisations and stresses the importance of centring their lived experience of income supports and services in Ireland. This policy perspective on behalf of the Network, is therefore intended to complement their own interventions utilising our experience as researchers with a comparative understanding of the Irish and UK systems[2].

The key proposals that the AISSN wish to respond to:

[1] The network was launched in 2023 and further details about AISSN and its activities can be found at 1 https://aissn.blog/.

[2] This response has been prepared by AISSN Steering Group members, Dr Uisce Jordan (uisce.jordan@glasgow.ac.uk), Dr Ciara Fitzpatrick (c.fitzpatrick@ulster.ac.uk), Dr Fiona Dukelow (f.dukelow@ucc.ie) and Dr Charles O'Sullivan (charles.osullivan@mu.ie).

AISSN is drawing on its knowledge of comparable reforms to working age benefits in the UK, specifically the development of Universal Credit (UC), the main income replacement benefit available to people in Northern Ireland and the rest of the UK. One of the aims of UC, when it was introduced in the UK in 2010, was to encourage more people to work and to become independent of the state.[3] This process has included extending welfare conditionality to people who are at work, which has effectively increased the level of surveillance and control that the Government is exercising upon low-income households. In this response, we have used the opportunity to point to the lessons that can be learned from the roll out of the new benefit in the UK.

The implementation of UC is also notable, as it extends welfare conditionality to people who are already in work. Low-income claimants are expected to increase their hours of work. It is not clear if the Working Age Payments will increase the expectations that JSA claimants currently incur.

New Working Age Payment: Lessons from the Failures of Universal Credit for People in Work

The AISSN steering group welcome the intention to make the social security system more flexible and responsive to modern work patterns, including the use of tapering to reduce cliff edges and improve transitions into work. However, the proposed New Working Age Payment introduces similar characteristics as are inherent in the design of Universal Credit, particularly in its move away from limits on days or hours worked and towards a tapered reduction in support as earnings increase. While this approach is presented as a way to encourage labour market participation and provide flexibility for workers with irregular hours, there are important lessons to be learned from the experience of Universal Credit claimants in the UK.

The UC Taper

In the UK's Universal Credit system, the taper is the rate at which maximum universal credit is reduced by earnings. Maximum UC is reduced by 55 per cent of earnings above the work allowance. Where no work allowance applies, Universal Credit is reduced at a taper rate of 55 per cent on earnings above the relevant threshold, meaning 55p is withdrawn for every additional £1 earned.[4] In practice, taper-based systems can create significant difficulties for low-income workers. One of the main criticisms of Universal Credit has been that the taper rate remains too high, meaning that workers can lose a substantial proportion of additional earnings

---

[3] Millar J, Bennett F. Universal Credit: Assumptions, Contradictions and Virtual Reality. *Social Policy and Society*. 2017;16(2):169-182. doi:10.1017/S1474746416000154

[4] Citizens Advice, Work incentives aren't working: is the Universal Credit review asking the right questions? Available from: https://www.citizensadvice.org.uk/policy/publications/work-incentives-arent-working-is-the-universal-credit-review-asking-the/

through reduced welfare payments alongside taxation and other deductions. This can weaken the financial benefit of taking on extra hours or seeking progression in work. This was a finding from Safety Nets, a landmark study across the UK with participants in receipt of Universal Credit. Elen (pseudonym) shared:

> *"I just feel like if you're trying to earn, like I'm trying to juggle kids and a job, and it'd be great if I could save, but like, it's just, it's all just taken off. As soon as you earn more, or as soon as you try and save, it just is removed again. So it's like, well, this is the poverty trap, you're completely stuck, there's no way of getting out of it and that's kind of really defeating." (Elen, Wales, Safety Nets Project)*

Concern about the unpredictability of the taper whilst working on a zero-hour contract while claiming UC and the risk of payments being disrupted was a strong disincentive to work for one parent, who explained that:

> *If I go for a zero-hour contract, that means my, my circumstances change every month, which means my Universal Credit would change every month, which would make it really, really difficult for me to budget on a regular basis. And when you have three kids, that's a major concern." (Bridget, Northern Ireland, Safety Nets Project)[1]*

There is also evidence that such systems can create disincentives for workers with fluctuating or unpredictable earnings. Struggling to manage on an inadequate income can itself take up considerable time and energy, leaving less capacity for active job searching[5].

In particular, Universal Credit claimants described how the system is unable to respond to irregular income patterns, including overtime, temporary increases in hours, and one-off bonus payments[6]. In some instances, the deductions led to participants working fewer hours. Melissa, interviewed as part of the Safety Nets project shared:

> *"I previously worked two jobs and I was earning a really good wage when I was, obviously because I had two jobs, but I was working 65 hours to do it. But I've received, I think it was something like £50 Universal Credit a month. And then I called them up and I said, if I quit the second job, what would it be? And I worked out that I would be £40 better off a month to quit the second job. I think actually I'm more than willing to work all the hours under the sun to get*

---

[5] Joseph Rowntree Foundation, Inadequate Universal Credit and barriers to work. Available from: https://www.jrf.org.uk/social-security/inadequate-universal-credit-and-barriers-to-work#:~:text=A%20range%20of%20studies%20described,recent%20research%20(Pollard%2C%202022):

[6] https://www.citizensadvice.org.uk/policy/publications/a-better-fit-how-universal-credit-can-improve-income-stability-for-employees/?utm_source=chatgpt.com

better off, but I can't, I can't get better off." (Melissa, England, Safety Nets project)[7]

In some cases, workers may lose Universal Credit entitlement entirely for a particular assessment period because of a bonus or short-term increase in earnings, only to require support again shortly afterwards. This creates instability and unpredictability for households already experiencing financial insecurity[8]. The AISSN has noted that the Government is considering assessment over a period of time or at certain time points in the year, this could mitigate some of the issues that claimants in the UK are currently experiencing with monthly assessment periods.

Intra-Household Finances

The application of the means-test to UK based benefits involves the amalgamation of needs, and income and other resources on a household basis. In a family means test; this means that one person's decisions and outcomes often depend on their partner's.[9]

In the UC system, there is an income penalty for 'second earners' who are more likely to be mothers who have taken time out of the labour market. This is a departure from the previous system of Working Tax Credits. A study by Bath University found that "some dual-earner families were generally worse off – reflecting the incentives structure under Universal Credit designed to encourage the first earner in a couple into employment."[10] There remains a lack of incentive for them to re-enter the labour market or to increase their hours. Primary earners in a household can access a 'Work Allowance' as part of UC, this means that the first £472 in earnings is disregarded in their monthly UC calculation (if there is a dependent child / someone in the household has 'Limited Capability for Work'). However, this provision does not extend to second earners. In addition to the UC taper rate, earnings are subject to national insurance and income tax and families also must contribute to

---

[7] Citizens Advice, A better fit: How Universal Credit can improve income stability for employees with fluctuating and non-monthly pay. Available from: A better fit: How Universal Credit can improve income stability for employees with fluctuating and non-monthly pay - Citizens Advice See also: Safety Nets, https://safetynets.study/publications

[8] Joint Committee on Social Protection, Community and Rural Development and the Islands debate - Wednesday, 12 Jun 2024 https://www.oireachtas.ie/en/debates/debate/joint_committee_on_social_protection_community_and_rural_development_and_the_islands/2024-06-12/2/

[9] Millar J, Bennett F. Universal Credit: Assumptions, Contradictions and Virtual Reality. *Social Policy and Society*. 2017;16(2):169-182. doi:10.1017/S1474746416000154

[10] Rita Griffiths, Marsha Wood, Fran Bennett and Jane Millar, 'Uncharted Territory: Universal Credit, Couples and Money. Available from: uncharted-territory-universal-credit.pdf

childcare costs. Child Poverty Action Group explain that the effective marginal tax rates can therefore become alarmingly high.[11]

The AISSN has noted the proposal that separate, but equal payments would be made to claimants in a couple, rather than a single household payment. This would ensure financial independence and would mitigate against the risk of financial abuse.

Child Poverty Action Group provided the following case study:

Clarissa (Pseudonym) and her husband have three children. Their youngest is three and attends nursery. Clarissa's husband works in manufacturing. Clarissa is keen to work and has been looking for a job ever since her daughter started nursery, but she wants a job in the evenings to enable her husband to look after the children when she is at work. One of the children has some health issues and finding suitable childcare is difficult. Their household income is currently £2,515 a month. With Clarissa working 16 hours a week, their income would be £2,811 a month, an increase of £296. However, when Clarissa finishes work in the evenings, she would need to use taxis to return home due to distance and poor public transport. Monthly taxi costs are £91. Factoring in those essential travel costs, Clarissa and her family would see an increase in their income of just £205 a month, or £47 a week for working 16 hours. Clarissa is disappointed that being away from her family for four evenings a week – missing bedtimes, help with homework and general family time – would result in a net gain of less than £50 a week.

Conclusion:

In summary, we welcome the broad aims of reform and recognise the merits, in principle, of a more flexible system that uses tapering to reduce cliff edges and support transitions into and out of employment, However, any Irish reform drawing on similar principles must carefully consider its potential impact on experiences of labour market precarity and ensure that it does not contribute to further precaritisation for people in low-paid, insecure or fluctuating work.

A growing body of research in the UK has reported the introduction of UC has had considerable negative impacts[12] including increased risks of poverty[13], food insecurity[14], and poor mental health[15].

---

[11]Child Poverty Action Group, Your Work, Your Way: Supporting Second Earners. Available from: https://cpag.org.uk/sites/default/files/2024-01/CPAG-Poverty-175-your-work-your-way-supporting-second-earners.pdf

[12] Andersen et al., (2026) Devolved Conversations Universal Credit Workshop. Safety Nets.

[13] https://www.bbc.com/news/articles/c3r3w0w1gepo

[14] Reeves, A., & Loopstra, R. (2021). The continuing effects of welfare reform on food bank use in the UK: the roll-out of universal credit. *Journal of Social Policy*, *50*(4), 788-808.

[15] Cheetham, M., Moffatt, S., Addison, M. and Wiseman, A., 2019. Impact of Universal Credit in North East England: a qualitative study of claimants and support staff. *BMJ open*, *9*(7), p.e029611.

An important lesson from UC is the aim to restructure social security must not overlook people who are unable to undertake paid work[16]. This focus diminishes the value of other important forms of contribution, such as unpaid caring responsibilities, which play a vital role in society[17].

[16] Andersen et al., (2026) Devolved Conversations Universal Credit Workshop. Safety Nets
[17]Richards-Gray (2020)
https://eprints.bbk.ac.uk/id/eprint/31540/1/Article%20JEPOP%20-%20With%20title%20page_FINAL_To%20upload.pdf