

CUT-OFF CRISIS:

The impact
of transition
from PUP
to Jobseekers

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Covid-19 had a devastating impact on employment and continues to affect many thousands of people across a range of employment sectors.

Over the course of the past 18 months, people have had access to a range of supports to ensure that they did not fall off a cliff as a result of the havoc the virus caused for workers and employers across the country. Those supports were much needed and welcomed at that time.

As we emerge from the effects of Covid-19, we must ensure that people continue to be supported as they find their feet and return to work. We know that planning for post-Covid is important, but even the best laid plans need appropriate safety nets. We must still provide support to those who need it across a range of employment sectors – including those working in hospitality and live entertainment.

It is important to remember that these workers want to return to work but are unable to do so due to public health advice. It is a point of principle that the Government should continue the supports they are entitled to while their industries are prevented from reopening.

The Government's plan to transition people from the Pandemic Unemployment Payment (PUP) to Jobseekers payments from September 7th is ill-timed and incoherent. Not only will payment rates be cut, each cohort of PUP recipients will eventually be transferred to Jobseekers payments, which require that they are actively seeking work. They can also be referred to job activation schemes.

Many people have been able to return to work, but the pace of decline in PUP numbers has now slowed sharply as the lifting of many restrictions last month runs its course.

These cuts will see many workers, including those in the live entertainment sector, currently on the PUP rate of €203 being moved to standard Jobseekers terms. This will affect up to 29,000 people over the coming weeks.

Many people cannot yet return to work and others work on a self-employed or freelance basis – they are not unemployed.

Jobseeker's Allowance is a means tested payment in which entire household income is taken into account. As thousands of people are transitioned off the PUP and onto Jobseeker's, some of them are going to see their income fall drastically.

Instead of supporting people at this crucial stage, the Government are pushing people towards a financial cliff-edge, and potentially out of their respective industries and into short-sighted and unsuitable job activation schemes. Workers are just weeks from this huge drop in financial supports. Many will be left with no way of paying their rent, mortgage and other essential bills. They need certainty and clarity now.

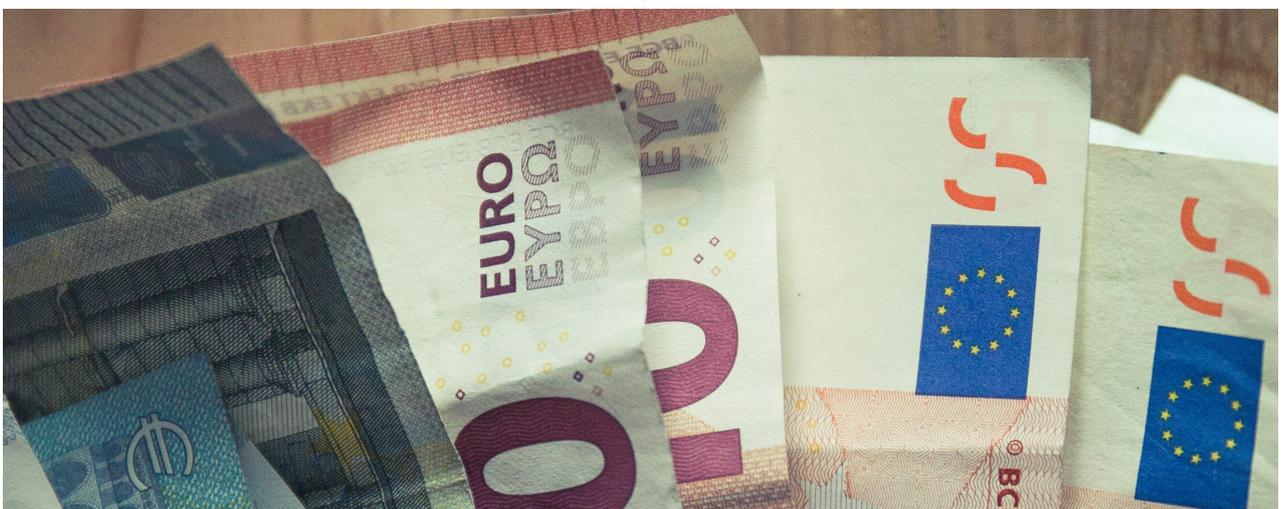
We are calling for the Government to immediately suspend plans to transition people from the PUP to Jobseeker payments beginning on September 7th, in less than three weeks time.

It is crucial that Minister Humphreys engage with those sectors which continue to be affected and provide certainty on financial supports for those who remain unable to work due to public health restrictions, through no fault of their own.

It is not enough for Government ministers to simply shrug their shoulders and walk away. Sinn Féin will stand up for workers and fight for them to get fair treatment.

PUP vs Jobseekers: How do they differ?

<i>Pandemic Unemployment Payment (PUP)</i>	<i>Jobseekers Allowance & Benefit</i>
Varied rates dependent on previous earnings	Maximum rate of €203 per week
No age-related cap on rates	Reduced rate of €112.70 per week for 18-24 year olds
Not means tested	Jobseekers Allowance: Means tested (entire household income)
PRSI contributions not considered or affected	Jobseekers Benefit: PRSI contribution requirements
No requirement to seek employment	Requirement to seek employment
No requirement to participate in Job Activation Schemes	Eligible for Job Activation Schemes



When are the changes to the PUP scheduled to take place?

**Tuesday
7th
September**

The top three rates of PUP will reduce by €50:

€350 reduced to **€300**

€300 reduced to **€250**

€250 reduced to **€203**

Continuing students currently receiving the PUP will receive their final payment

Those on the PUP rate of €203 will transition to Jobseekers

**Tuesday
16th
November**

Two further phases of rate changes are scheduled to take place, with each rate of PUP reducing by a further €50:

€300 reduced to **€250**

€250 reduced to **€203**

**Tuesday
8th
February
2022**

As PUP recipients go on to the €203 rate in each phase, they will be transitioned to standard Jobseeker terms

Who is affected by these changes to the PUP?

Over 153,000 people remain on the Pandemic Unemployment Payment, with just 4,400 people closing their claim the week of 18th August¹.

The sector with the highest number of people in receipt of the PUP is Accommodation and Food Service Activities, with Events and Live Entertainment sectors also heavily affected.

People under the age of 25 make up the largest group of recipients of the €203 rate (7,645) and are set to be transitioned to the standard youth Jobseekers rate of €112.70 per week, a €90 drop in weekly income from 14th September. Added to that the household means test and their income could be far less.

Number of people in receipt of €350 rate of PUP	Number of people in receipt of €300 rate of PUP	Number of people in receipt of €250 rate of PUP	Number of people in receipt of €203 rate of PUP
70,770	26,870	26,501	29,168

Figures from Department of Social Protection update on Covid-19 Unemployment Payment 18 August 2021¹

What we are calling for

- **Minister Humphreys to outline what the future will be for financial supports for those who remain unable to work due to public health guidelines**
- **Certainty for workers in the live entertainment sector about the future of financial supports they will receive**
- **Suspension of plans to transition people from the PUP to Jobseekers**
- **Continuation of PUP at current rates to be reviewed quarterly**

¹ Department of Social Protection, Update on Covid-19 Unemployment and Illness Benefit Payment, 18 August 2021 - <https://www.gov.ie/en/press-release/08b65-update-on-payments-awarded-for-covid-19-pandemic-unemployment-payment-and-enhanced-illness-benefit-18-august-2021/>

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