

Memo to Cabinet on Public Assistance by the  
Hon. Minister of Labour, Employment and Welfare

Increase in Weekly Rates of  
Non-Contributory Old Age Pensions

The weekly rates of non-contributory old age pensions payable under the Old Age Pensions Act, 1948 (Act No. XXV of 1948) were last revised on the 9th June 1965 when the full rate and all reduced rates were increased by 2s.6d per week. It is now considered that to avoid serious hardship to old people, these pension rates should be revised. In this connexion it is recalled that in Part VIII of the Party's electoral programme it was stated that:

"The Nationalist Party will increase age pensions in those cases where there are no alternative sources of income".

2. It is proposed that the full old age pension rate of £1.7.6d per week per person, as well as all the reduced rates, be increased by 2s.6d per week, as was done in 1965. This increase will raise the maximum rate to £1.10s. per week, and the minimum rate will rise to 10/- per week.

3. Old Age Pension payments under the Act during the last three years were as follows:

<u>Year</u>	<u>Amount</u>
1965	£903,732
1966	£934,882
1967	£897,084

Payments during period April to December 1967 amounted to £669,869. The number of these pensioners is declining as more persons are becoming entitled to National Insurance Old Age Pension.

/It ...

4. It is estimated that the proposed revision of Old Age Pension rates will cost an additional £85,000 in a full year.

#### Social Assistance

5. Social Assistance is payable under the National Assistance Act, 1956 (Act No. VIII of 1956) to households in need. These are in the main households where the Head is unemployed or incapacitated for work, and where the head of the household is a widow or has been abandoned by her husband.

6. Social Assistance rates, which are related to the number of persons in the household as well as to its means, were last increased on the 9th June 1965, and it is considered that they are now due for revision. It is customary to revise these rates when the non-contributory old age pension rates are increased. In fact the social assistance rate for one person and the maximum non-contributory old age pension rate for one person are both £1.7.6d per week.

7. It is proposed that all the relative rates which are laid down in the Second Schedule to the Act be raised by 2s.6d per week. This increase will raise the single rate for one person to £1.10s. per week, and the maximum rate, which is payable to a household of 12 or more persons, to £4.18s. per week. In addition to this social assistance allowance, a rent allowance of up to 5/- per week is payable to all households receiving social assistance.

8. During the last three years, Social Assistance payments were as follows:

<u>Year</u>	<u>Amount</u>
1965	£426,106
1966	£400,502
1967	£470,043

/During ...

During the period April to December 1967, payments amounted to £354,950.

9. It is estimated that the revision of Social Assistance rates would entail an additional expenditure of £34,000 in one year.

10. Honourable Ministers are invited to agree to the proposals in paragraphs 2 and 7 above.

15th January, 1968.