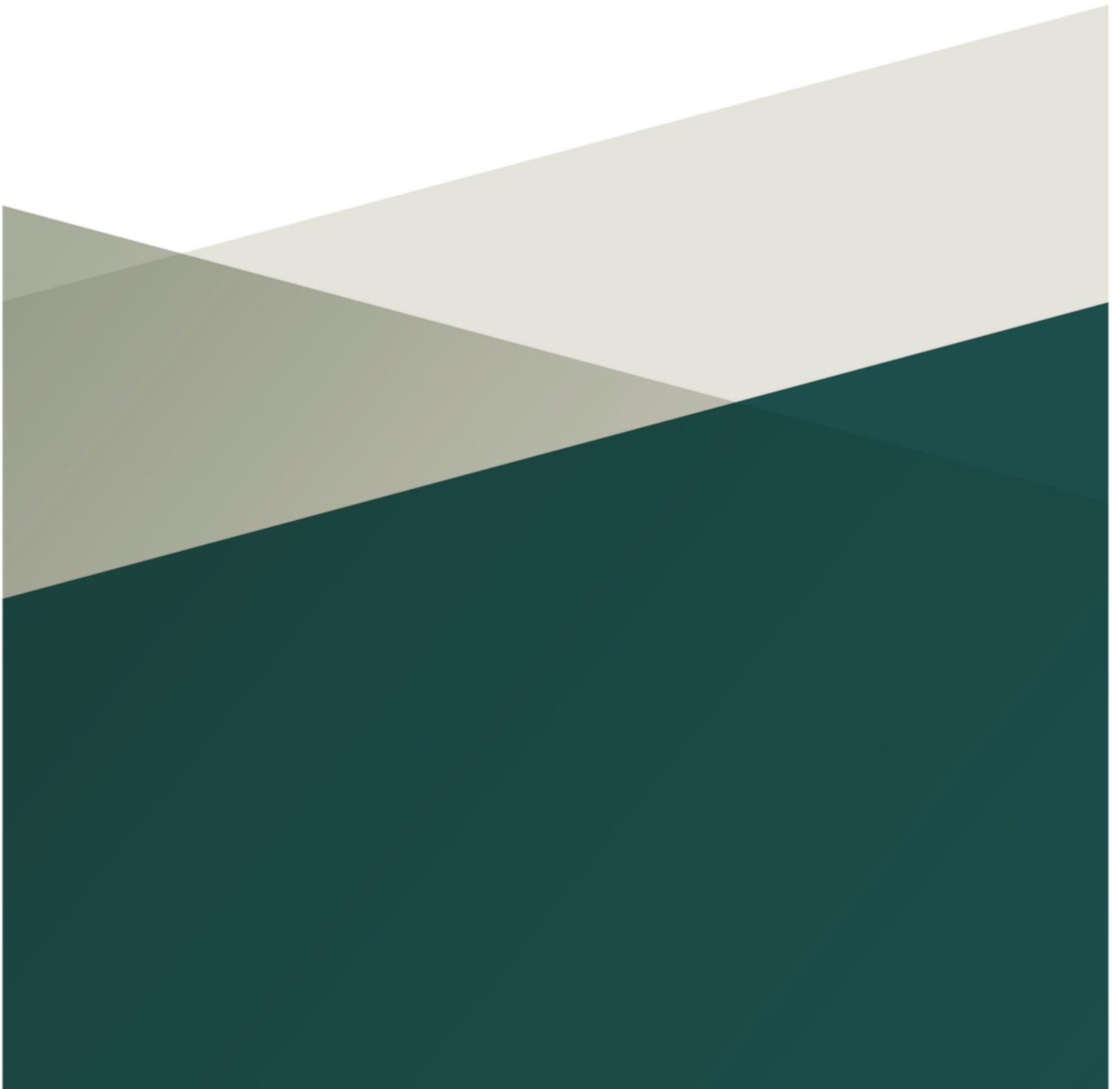




An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

Jobseeker's Allowance Control Survey 2019

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1. Introduction

1.1 Background

The Department of Employment Affairs and Social Protection undertakes Control Surveys to establish baseline incorrect benefit levels for social welfare schemes, with a view to designing processes and control measures specifically targeted to minimise the level of future risk.

This survey was undertaken on the Jobseeker's Allowance (JA) scheme. JA is a means-tested payment made to people who are unemployed and:

- Who do not qualify for Jobseeker's Benefit;
- Whose entitlement to Jobseeker's Benefit has expired;

OR

- Who do qualify for Jobseeker's Benefit (JB) but choose to claim Optional Jobseeker's Allowance.

For the survey, 900 randomly sampled JA claims in payment in 2019 were reviewed to assess recipients' compliance with the rules of the scheme. These reviews took place in two batches: 602 claims were reviewed in April 2019, while 298 were reviewed in October 2019.

It should be noted that work on this survey was delayed for several months by staff redeployments within the Department during the Covid-19 pandemic. Consequently the report is being published later than originally scheduled.

The headline reporting metric for this Control Survey is shown as Net Loss to Government, which is the overpayment rate established by the survey, minus transfers to other schemes, minus the value of overpayments actually recovered.

1.2 Methodology and categorisation of results

The results are categorised based on the decisions taken on each case in the sample:

- ✓ **Benefit Correct:** Includes cases where no evidence was found that any conditions for receipt of benefit, or the rate of benefit in payment, were not satisfied.
- ✓ **Incorrect Benefit:** Includes cases where one or more of the eligibility conditions for receipt of benefit, or the rate of benefit in payment, are not being met, such that a revised decision has been made, or should in principle be made, leading to a change in the payment rate for this customer or the termination of the claim. Cases of incorrect benefit are further classified based on the decisions of the Deciding Officer in each case included in the survey sample:

- Suspected fraud arises where a Deciding Officer is satisfied that there is sufficient evidence that the customer deliberately provided false or misleading information or wilfully concealed relevant information.
- Customer error refers to cases where a customer provided inaccurate or incomplete information or there was an unreported change in a person's circumstances; and
- Official error refers to cases where benefits are paid incorrectly due to inaction, delay or mistakes made by the Department's staff.

The main results of the survey are set out in section 2.

2. Main results

The survey finds that Net Loss to Government for JA was 7.2% of total expenditure.

Table 1 – Main results of JA Control Survey

Percentage of Expenditure	Predominant category	Type of claim impact (percentage of expenditure)				
		Over-payment	Transfers with other schemes	Recoveries	Net Loss to Government	Under-payment
	Suspected Fraud	3.6	0.0			0.0
	Official Error	0.5	0.0			0.0
	Customer Error	4.5	0.3			-0.4
	Total	8.6	0.3	-1.0	7.2	-0.4
	Percent of cases affected	17.1	0.3			2.3

Source: DEASP. Figures may not add due to rounding.

Table 2 – Outcomes by predominant category and eligibility component (percentage of expenditure) - Overpayments

Percentage of expenditure affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All Over-payments
	Customer failed to supply required information	2.4	0.0	0.0	2.4
	Customer does not meet basic eligibility criteria	0.7	0.2	1.2	2.1
	Customer means not correct	0.5	0.3	3.1	3.9
	Additional allowances are not correct	0.0	0.0	0.1	0.2
	Other unreported change in circumstances	0.0	0.0	0.0	0.0
	Total	3.6	0.5	4.5	8.6

Source: DEASP. Figures may not add due to rounding.

3. Scheme characteristics

3.1 Overview

Jobseeker's Allowance (JA) is a means-tested payment made to people who are unemployed.

The characteristics of the scheme on the dates of sample selections (April and October 2019), are summarised below in Table 3:

Table 3: Characteristics of the scheme

Date	Characteristic	Sample	Population
April 2019 (602 Cases)	Age (mean, median)	40 , 40	39 , 39
	% men	63%	63%
	% women	37%	37%
	% casuals	21%	21%
	Claim duration [months] (mean, median)	40 , 19	40 , 19
	Payment (mean, median)	219 , 203	224 , 203
October 2019 (298 Cases)	Age (mean, median)	41 , 39	41 , 40
	% men	63%	63%
	% women	37%	37%
	% casuals	20%	21%
	Claim duration [months] (mean, median)	39 , 19	40 , 18
	Payment (mean, median)	224 , 203	228 , 203

The eligibility conditions for JA are summarised below, and further information is available at <https://www.gov.ie/en/service/1306dc-jobseekers-allowance/>.

3.2 Eligibility conditions

To qualify for Jobseeker's Allowance, an applicant must:

- Satisfy a means test;
- Be habitually resident in Ireland;
- Be capable of work;
- Be available for full-time work;
- Be genuinely seeking work; and
- Be fully or partly unemployed (at least 4 days out of work in every 7).

Note: If an applicant is self-employed, the last condition does not apply.

3.3 Payment rates and means test

The rate of payment will depend on an applicant's income and the outcome of the means assessment. If an applicant has no means, are aged 26 or over, and are single, s/he will get the full weekly payment of €203.

An increase is payable for each child dependant if an applicant is getting an increase for a qualified adult. If an applicant does not qualify for an increase for a qualified adult, s/he may get a half-rate increase for a qualified child dependant.

4. Survey Findings & Conclusions

4.1 Survey findings

The Net Loss to Government arising from JA is 7.2% of scheme expenditure. This is made up of the overpayment rate established by the survey of 8.6% of expenditure, minus 1% of expenditure recovered from overpayments in 2019 and 0.3% transfers to other schemes. (Figures may not add due to rounding).

4.2 Risk analysis by cohort

The survey did not find significant differences in expenditure impact by claim characteristics. In terms of cases, the survey results identified the following risk factors:

- Means – About half of the expenditure impact and about two thirds of the cases with overpayments are as a result of incorrect means details (Tables I-7 and I-8). Those with any type of means were three times as likely to have been overpaid as those without means. After excluding employment from means, those with non-employment means were twice as likely as those without means to have received an overpayment. This indicates the importance of people updating the Department of changes in circumstances that might affect their payment rate and also of the Department undertaking regular reviews of cases in payment.
- *Method of payment* - Customers receiving payment via electronic funds transfer (EFT – paid into a person’s bank account) are twice as likely to have been overpaid compared to those who collected their payments at post offices – paid via Electronic Information Transfer (EIT)¹. EIT clients are in general people who have been in receipt of payment for shorter durations and therefore are less likely to have experienced a change in circumstances/means since their claim was awarded.
- *Casuals* – casual jobseekers were twice as likely as non-casuals to have received an overpayment. This difference is not reflected in the expenditure impacts, which suggests that more casual jobseekers had smaller changes in payments compared to non-casual jobseekers.
- People who are married or cohabiting were more likely to have been overpaid.
- People receiving an additional allowance for a dependant (child or adult or both) were more likely than those with no dependants to have received an overpayment.
- There were no statistically significant differences:
 - Between Irish and non-Irish customers;
 - Between long and short term claim durations²;

¹ EIT: 13.0% (95% CI: 11 – 16) versus EFT: 30.0%, (95% CI: 24.0 – 37.0)

² The analysis examined differences between the following groups: Under / Over 12 months; Under / Over 24 months; Under / Over 60 months. No statistically significant differences were found.

- Between men and women;
- By province of residence; or
- By age band of customers.

Expenditure Impact

As outlined above, while casual jobseekers are more likely than non-casual jobseekers to have been overpaid, this is not reflected in the expenditure impact. This suggests that more casual jobseekers had smaller changes in payments compared to non-casual jobseekers. This should be the case given that casual jobseekers have declared means from their casual employment and would be receiving smaller weekly JA payments.

4.3 Measures which will improve control activity

Given the risk categories highlighted in the survey results, in particular in relation to casual jobseekers, the Department will put a greater emphasis on reviewing casual jobseekers with means and/or dependents to ensure that correct payments are being made.

In this context, the Department will:

- Continue to identify JA cases that are most at risk of non-compliance using data analytics techniques. In this regard, it will also explore how these techniques can be used to identify high risk casual jobseekers cases for review. Analytics models and rules will continue to be developed during 2020 to improve detection rates across scheme areas and to target areas of concern highlighted in this - and other - survey results.
- Utilize the resources and experience of the Department's Special Investigation Unit to target high risk sectors where fraud and abuse is considered to be the most prevalent, e.g. non-residency, concurrent working and claiming.

In addition, the Department also plans to run an awareness campaign in early 2021 to encourage customers to inform the Department, in a timely manner, of changes in their means/circumstances, thereby helping to ensure that correct payments are made and no overpayments occur.

Additionally, new guidelines on JA reviews were issued during 2019 by the Department's Control Policy Unit to the regional divisions. These guidelines specified a **maximum** review interval of 3 years for cases with means and 5 years for cases with nil means. In the vast majority of means cases, reviews will occur much more frequently than 3 years, through data analytics, activation, customer requested reviews and various local / national projects. These guidelines will be kept under review by the Department.

The JA scheme is now part of the new programme of "rolling" control surveys, as outlined in the Department's Compliance & Anti-Fraud Strategy 2019 - 2023. The new programme involves on-going sampling of major schemes, in quarterly batches. Cases will be issued on a quarterly basis from now on.

Under the new survey model, a report will be issued in Q4 of each year, covering the control surveys conducted in the preceding 12 months.

Annex 1 - Detailed survey results

The results of the survey are presented in this section. Bootstrapped 95% confidence intervals for the results are shown both graphically and numerically below each table.

Incorrect benefit by type and category

Percentage of Expenditure

Figure 1 - Incorrect benefit by type and percentage of expenditure, with 95% confidence intervals

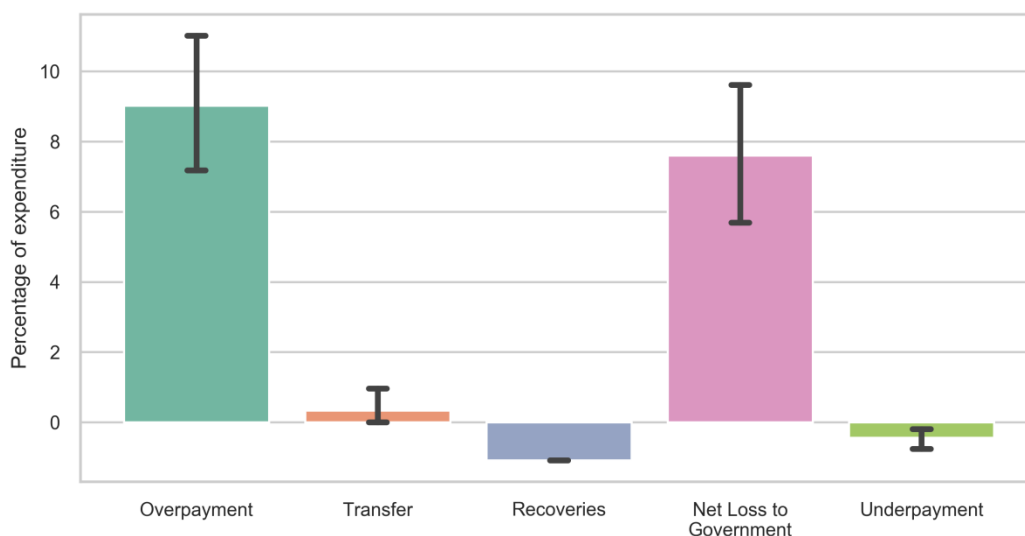


Table I-1 - Incorrect benefit by type and predominant category (percentage of expenditure affected)

Percentage of Expenditure	Predominant category	Type of claim impact (percentage of expenditure)				
		Over-payment	Transfers with other schemes	Recoveries	Net Loss to Government	Under-payment
	Suspected Fraud	3.6	0.0			0.0
	Official Error	0.5	0.0			0.0
	Customer Error	4.5	0.3			-0.4
	Total	8.6	0.3	-1.0	7.2	-0.4
	95% CI Lower	6.9	0.0	-1.0	5.4	-0.2
	95% CI Upper	10.4	1.0	-1.0	9.2	-0.7

Source: DEASP. Figures may not add due to rounding.

Percentage of claims affected

Figure 2 – Cases of incorrect benefit by type, with 95% confidence intervals

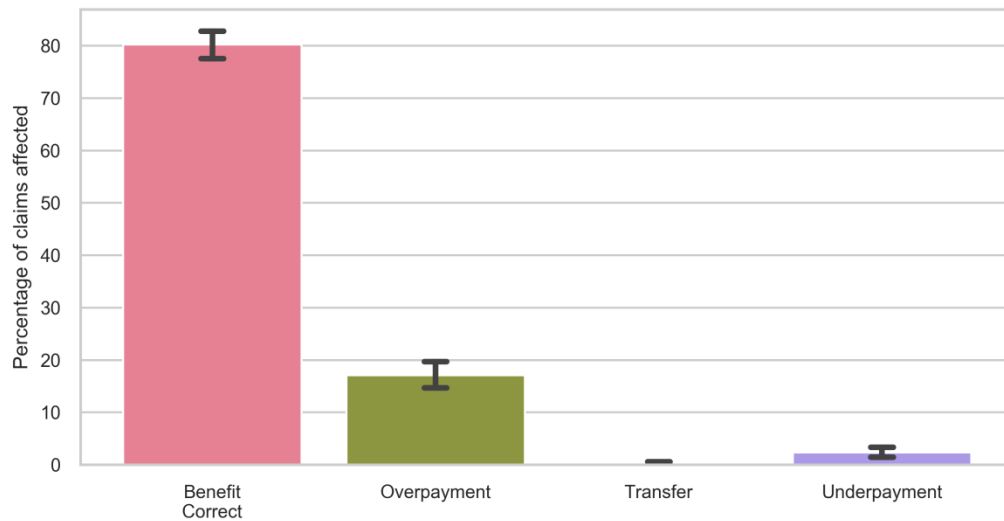


Table I-2 – Percentage of Overpayment and Transfer cases by type and category

Percentage of cases affected	Predominant category	Type of claim impact (percentage of cases affected)		
		Overpayment	Transfers with other schemes	Underpayment
	Suspected Fraud	4.1	0.0	0.0
	Official Error	1.2	0.0	0.0
	Customer Error	11.8	0.2	2.3
	Total	17.1	0.3	2.3
	95% CI Lower	14.7	0.0	1.4
	95% CI Upper	19.6	0.6	3.3

Source: DEASP. Figures may not add due to rounding

Predominant and overlapping error categories

More than one category of incorrect benefit may be detected in respect of a given claim. In such cases, the *predominant* category is assigned according to the following hierarchy: 1–Suspected Fraud; 2–Official Error; 3–Customer Error. The tables in this section show which cases were affected by more than one type of incorrect benefit, and provide an additional breakdown of the Fraud or Error categories found.

Figure 3 – Overpayments by *predominant* and *overlapping* category (*explanatory table*)

<i>Predominant</i> category ↓↓	↓↓ <i>All cases</i> affected by this category (including overlaps)		
	Suspected Fraud (all)	Official Error (all)	Customer Error (all)
1. Predominantly Suspected Fraud	Suspected Fraud (all cases)	←←of which, Suspected Fraud AND Official Error	<i>Not possible to combine</i>
2. Predominantly Official Error	<i>Cases with Suspected Fraud can't be predominantly Official Error</i>	Official Error (NO Suspected Fraud)	←←of which, Official Error AND Customer Error
3. Predominantly Customer Error	<i>Cases with Suspected Fraud can't be predominantly Customer Error</i>	<i>Cases with Official Error can't be predominantly Customer Error</i>	Customer Error (NO Official Error)

Table I-3 – Overpayments by *predominant* and *overlapping* category (*percentage of expenditure affected*)

Percentage of Expenditure	<i>Predominant</i> category ↓↓	↓↓ Overlapping category (<i>percentage of expenditure</i>)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
1. Suspected Fraud		3.6	0.0	
2. Official Error			0.5	0.1
3. Customer Error				4.5

Table I-4 – Overpayments by *predominant* and *overlapping* category (*percentage of claims affected*)

Percentage of Claims Affected	<i>Predominant</i> category ↓↓	↓↓ Overlapping category (<i>percentage of claims affected</i>)		
		Suspected Fraud (any)	Official Error (any)	Customer Error (any)
1. Suspected Fraud		4.1	0.0	
2. Official Error			1.2	0.6
3. Customer Error				11.8

Source: DEASP. Figures may not add due to rounding.

Table I-5 – Overpayments by **predominant** and **overlapping** category, with details (percentage of expenditure affected)

Percentage of Expenditure	Predominant category ↓↓	↓↓ Overlapping category, with details (percentage of expenditure)						
		Suspected Fraud		Official Error			Customer Error	
		Materially incorrect information	Wilful concealment	Decision error	Failed to act on information	Length of time since last claim review	Inaccurate information provided	Unreported change in circumstances
1. Suspected Fraud		0.7	2.8	0.0	0.0	0.0		
2. Official Error				0.1	0.4	0.0	0.0	0.1
3. Customer Error							1.1	3.4

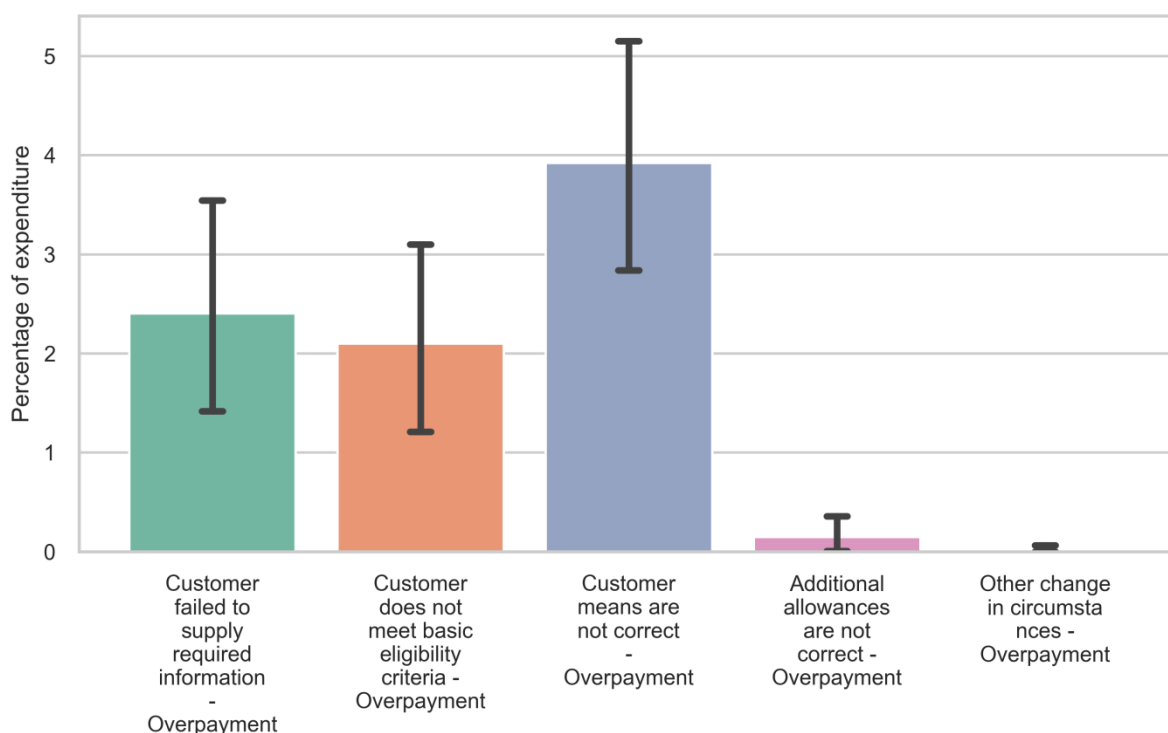
Table I-6 – Overpayments by **predominant** and **overlapping** category, with details (percentage of claims affected)

Percentage of Claims Affected	Predominant category	↓↓ Overlapping category, with details (percentage of claims affected)						
		Suspected Fraud		Official Error			Customer Error	
		Materially incorrect information	Wilful concealment	Decision error	Failed to act on information	Length of time since last claim review	Inaccurate information provided	Unreported change in circumstances
1. Suspected Fraud		0.8	3.3	0.0	0.0	0.0		
2. Official Error				0.1	0.8	0.3	0.0	0.6
3. Customer Error							1.3	10.4

Source: DEASP. Figures may not add due to rounding.

Outcomes by incorrect eligibility condition

Figure 4: Incorrect Benefit by eligibility criteria and expenditure impact

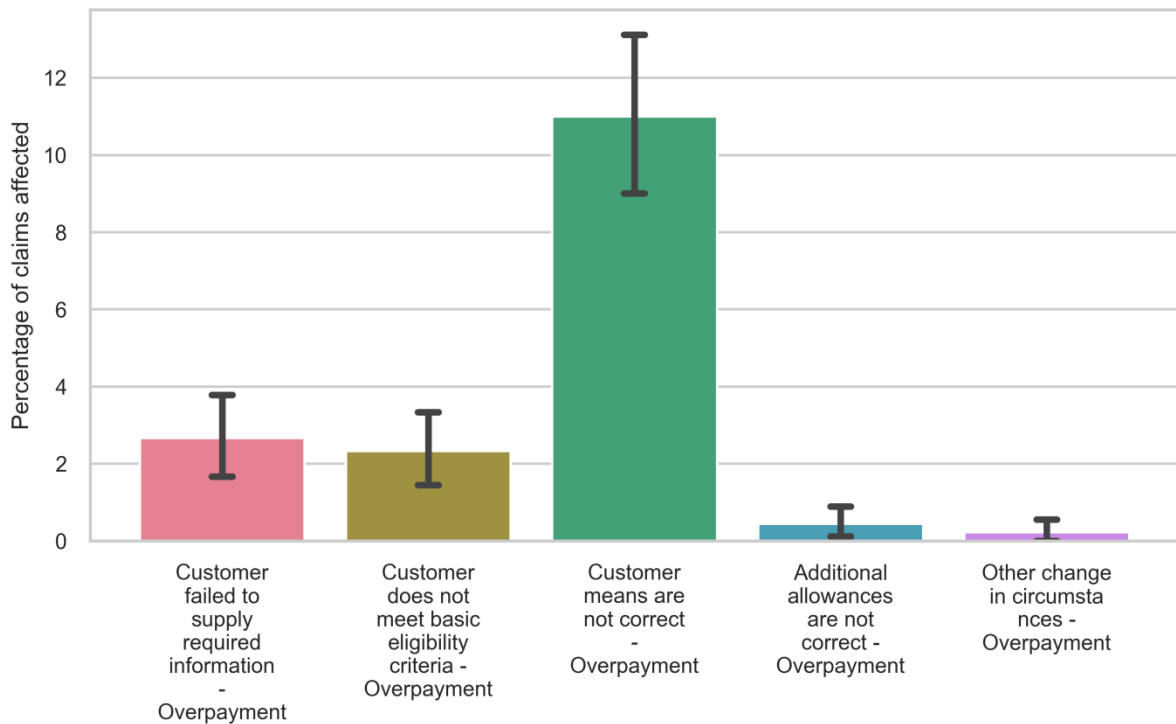


Incorrect benefit by type, with 95% confidence intervals

Table I-7 –Outcomes by predominant category and eligibility component (percentage of expenditure) - Overpayments

Percentage of expenditure affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All Overpayments
	Customer failed to supply required information	2.4	0.0	0.0	2.4
	Customer does not meet basic eligibility criteria	0.7	0.2	1.2	2.1
	Customer means not correct	0.5	0.3	3.1	3.9
	Additional allowances are not correct	0.0	0.0	0.1	0.2
	Other unreported change in circumstances	0.0	0.0	0.0	0.0
	Total	3.6	0.5	4.5	8.6

Figure 5 - Incorrect benefit by eligibility criteria and number of cases affected



Incorrect benefit by type, with 95% confidence intervals

Table I-8 – Percentage of Overpayment cases by predominant category and eligibility component

Percentage of cases affected	Predominant incorrect benefit component	Predominant category			
		Suspected Fraud	Official Error	Customer Error	All Overpayments
	Customer failed to supply required information	2.7	0.0	0.0	2.7
	Customer does not meet basic eligibility criteria	0.7	0.2	1.4	2.3
	Customer means not correct	0.8	0.8	9.9	11.4
	Additional allowances are not correct	0.0	0.1	0.3	0.4
	Other unreported change in circumstances	0.0	0.1	0.1	0.2
	Total	4.1	1.2	11.8	17.1



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