

## **Green Paper Consultation Responses**

### **Contribution conditions including average/total contributions approach**

#### **Submission 6**

Thank you for addressing the issue of pensions. It is badly in need of attention. I propose that: a) the distinction between a contributory and a non-contributory state pension is unfair to people such as homemakers or people who have lived and worked for a time outside Ireland or the European Union. That eligibility should be based on the total number of social welfare contributions the individual may have had over their working life rather than a notional average, and that special arrangements be made for widows based on their husbands' or partners' contribution record. b) retirement funds be split between annuities and approved retirement funds, according to the wishes of the citizen, so that they cater both for their own needs for a pension and to make provision for their heirs, in the proportion chosen by the individual citizen. c) insofar as is possible, the individual citizen be permitted to choose extending their own retirement age beyond age 65 in return for a higher pension later on.

#### **Submission 42**

Like many other Senior Citizens, I was pleased to see reports of your intention to reform the system in relation to the State Pension as currently operated. Your request that the public forward their suggestions as to how best this be accomplished is also appreciated.

The current method of assessing one's entitlement to a full Contributory Pension is illogical, inequitable and if contested in the courts would surely, be found - on the basis that it denies equal rights to all - to be unconstitutional. Niall Crowley, where are you? As I see it, there are three basic sets of criteria used to assess one's right to a full pension.

#### **Group A**

Those whose first contribution was paid at the age of 56 and who, on reaching 66 years of age have made an average of 48 contributions per year over that period. This means that such persons are required to have paid a total of only 480 contributions to qualify.

#### **Group B**

Under an amendment to the rules made by Proinsias de Rossa, when Minister for Social Welfare, those who commenced PRSI payments in 1979 and who reached age 66 after 5 April 1992 and who had an average of 48 per year over 13 years, giving a total of 646 contributions also qualify.

#### **Group C**

Of this group, many are the victims of red tape and because of age are most deserving of immediate changes to current rules. Very many have failed, for reasons not of their making, to meet the strict requirements of either of the above categories. They are required to have an average of 48 contributions per year from their first contribution of January 1953 to the date of their last contribution on their reaching 66 years. As the average is calculated by dividing the total of one's contributions by the number of years elapsing between their first

and last, the number of lapsed years can stretch to 50 and require a total of 2,400 contributions. Equality??????

An added difficulty for many in this group is that they are among those who, when work was not available in the 50s, had to emigrate. By their doing, so they saved the State millions of pounds in dole payments and it has been estimated that Emigrants Remittances added billions to the Irish economy. Those who returned brought back skills which helped in no small way towards the establishment of industry in this country and who by their applying these skills personally, thereby trained their workmates.

Years in exile are also regarded as “Lost Years” according to your Department. Those who remained here on the dole were, in addition, given credits towards their pensions. Why not grant credits in respect of years in exile to those who returned? Again we have a further anomaly. Social Welfare contributions paid to British Social Security are taken into account in some instances, but not others, when assessing one for an Irish pension. Why not make them applicable to all? Any pension which one receives from the UK was earned and paid for through our contributions while working there.

We have some politicians, gifted with bi-location, who emulate Boyle Roche’s Bird by being in Dublin and Brussels simultaneously and who draw two, pay related pensions, for their services to both Parliaments. For many, absence from the classroom over several years while serving in the Oireachtas and/or Brussels does not debar them from also drawing a teachers pay related pension. Though our contributions were pay related – our flat rate pensions are decided by the Minister for Finance of the day. Why are our pensions based on the average number of contributions rather than their total cash value?

Very many in group C above, are victims of the embargo introduced in January 1953, whereby employers were not allowed to deduct the cost of a stamp from those whose salaries exceeded IR£600.00 per annum. This figure was raised to IR£800.00 in December 1959; IR£1,200 in September 1965 and further to IR£1,800 in May 1971. This cap applied until 1974 when PRSI was introduced for all with special lower rates for Oireachtas members and Public Servants. For those caught in the embargo trap - returned emigrants suffer on the double – these are again lost years according to your Department. It is conveniently forgotten by all that during this period we contributed in the form of income tax, in very many cases at a higher rate than others. PRSI in itself adds to the inequality of the system as contributions vary in cash value according to one’s salary. Many of us were unaware that we could have made a voluntary social welfare contribution, discovering this fact only on applying for a pension. We are now told that this was printed on the back of the cards, but as these were held by employers and returned by them to the Department we did not have sight of them.

We have recently seen how an oversight by former Ministers has been corrected by an amendment to the law. Those of us who have tried to have the years of exile or the embargo years be ignored in reckoning our average, (mine is 34), were told the rules could not be altered. If the law can be amended for Ministers, why not for those who pay your salaries through our taxes? I have over 1,300 contributions but because I spent from 1956 to 1963 in the UK and from 1969 to 1974 had a salary exceeding the capped amount I have

gaps totaling 11 years in my contributions. My initial pension was cut by IR£6.00 per week and increases since have been cut accordingly. Even though I paid full PRSI from 1974, five years earlier than required by de Rossa's amendment, because I reached age 66, 36 days prior to 5 April 1992, I was assessed on my contributions from 1953 to 1993 and as a result have been cheated out of more than €3,000 and rising. Money can be found to compensate former Ministers. How about us?

Records in your office will show that my letters to successive Ministers have met with a negative response. One would hope that a precedent having now being set in respect of TD's that you will see your way to amend current regulations and thereby refund monies due to those who were short changed when being assessed for their pension.

### **Submission 52**

I submit that anybody who has a pension fund (whether sourced from an employer's pension scheme or from a personal pension plan etc) should be allowed to transfer the fund to an approved retirement fund ( ARF) and should not have to fulfil the criteria of being a director (with 5% shareholding) of the company from which the pension fund accrued. I think that this is a throwback to the thinking that only directors and suchlike were capable of managing their fund or understood investments and pension provision.

A person who has decided to take the fund from an employer's pension plan, and invest it in a retirement bond cannot subsequently invest it in an ARF (and/or an AMRF as appropriate). This is an unequal and unfair situation and should be reformed.

I submit that the criteria for assessing the level of the contributory social welfare pension paid should be based on total RSI contributions rather than average per annum. In the past, there was a rule that no contributions were necessary from an employer or the employee, if the level of income was above a certain amount. This was later discarded as the poor thinking behind the regulation was realised.

What could then occur was that, as no contributions were made for say 4 years, the average number of contributions were impacted on dramatically, despite the fact that full annual contributions were made for a long number of years.

### **Submission 62**

The averaging rule in calculating Contributory Pension entitlement: I submit that allowing the years spent caring for a family to reduce and erode a person's entitlement is an unjust system of calculation. It is unfair that homemakers with children before 1994 are disadvantaged. The rules should be amended: equality be given to homemakers not covered by the 1994 rule by allowing the child caring years to be disregarded, or credits given. An alternative for consideration: allow for the aggregate of PRSI contributions to be reckoned from the start of resumption of employment after the homemaking years and averaged over those years – a person's PRSI would thus be reduced but it would seem better than to be penalised for being the carer of society's developing citizens. (Or allow the better option in a person's record).

I also propose that there be some consideration for people with disabilities, or people who develop disability in later life. To recognise the greater difficulties in gaining employment, when there is a gap while a person may be re-training, gaining new skills,

seeking employment, and under the present system are not entitled to credits, credits be allowed to ensure that this pro-active period does not result in a reduction in a person's average contributions.

### **Submission 66**

A review of pensions, Transition and State Contributory is required now in 2008 as there are pensioners today who left the workforce prior to Carers Act 1994 to care for family members, siblings/parents or to get married and need to be considered now due to the high cost of living. Most of them are single people who have the same outgoings as a married couple/partner but have only one income to survive on.

#### **Contribution condition**

Persons are at present prevented from getting a pension because they do not satisfy the condition of 260 paid stamps and the shortfall cannot be purchased by voluntary contributions or credits. The condition should be changed so that it can be made up of a combination of paid and credited contributions.

Alternatively, a universal pension similar to pre-1953 would correct this now not in 2012 when 520 paid contributions are required.

#### **Pro-Rata Pensions**

If the pensioner has 260 paid cons abroad he should be given the difference between EU rate and Irish rate of pension on the strength of Irish contributions paid or credited to his record here because of the high cost of living in Ireland especially if resident in Ireland for a number of years.

#### **Pensioners Allowance**

Single pensioners on one income pension should receive a high increase in living alone allowance.

Fuel Allowance should not be means-tested, especially to carers of sibling/parents and if a single pensioner (especially suffering from a chronic illness).

Pensioner caring for relative should be exempt of road tax if the patient is unable to avail of travel pass.

Gas Company needs to show more transparency on Gas Bill. Allowance is not itemised or carry forward kilowatts shown.

NTL costs have risen considerably. Can the increases not be discounted for the pensioner?

Telecom Eireann have a charge for delivery of cordless phone. Can the increase be absorbed in the interest of security for the elderly.

A free call number (1800) should apply for all calls to the S/W Dept as it is impossible to get through without holding on indefinitely and especially since all departments are in the country. 1850 and 1890 numbers are charged at full rate as not included in package deals by Telecom.

For taxation purposes, pensioners must be notified of Pension Act each year as pension is now paid into bank.

If a person accepts a reduced contributory pension at age 65/66 and there is a Reform Bill to their advantage can they claim the difference at a later date to improve their existing amount and will they be notified as to the up-date situation?

### **Submission 98**

#### **Pension Averages**

I applied for the Contributory State Pension as I was the age in January 2007. On receiving the pension I only get €157.00 per week which is €52 short. The Department states that I have two contributions in August 1966 and I have no more until 1993 when I started paying P.R.S.I. as I am a small farmer and I paid that from 1993 to pension age which is enough for full pension. The Department are counting from August 1966 instead of from 1993. I would be very grateful if you would highlight my case as I think I am getting a very unfair pension.

### **Submission 99**

#### ***Homemakers Scheme***

- I contend that it is grossly unfair for older women not to get the benefit of the Homemakers Scheme because it only applies to those who stayed at home to look after children after 1994.
- It is difficult to understand the difference between looking after children in the home before 1994 and after 1994?

I would draw your attention to Article 41 of the Constitution which states

‘In particular the State recognises that by her life within the home, woman gives to the State a support without which the common good cannot be achieved’

It does not state that the common good can only be achieved after 1994.

Men who were unemployed had the benefit of the credit system and thus maintained their insurance record.

**The Homemakers Scheme should be extended retrospectively to 1953.**

***Determining a pension by calculating average contributions over 49 years e.g 17 years to 66 years***

- it is grossly unfair to take forty-nine years as the figure to calculate a pension when during the years in question women were effectively barred from the workforce due initially to having to give up their job on marriage, then marital status and then age.

**The way of calculating pensions on the 'average' contributions should be abolished as it gives rise to too many anomalies.**

### ***Extending working life***

It would make more sense to have PRSI contributions paid after 66 years taken into account. There is no point in the Government 'allowing' people work after 65 years of age unless their social insurance contributions are reckonable for pension. Many women work when they are over sixty-five years of age and it benefits them to pay AI class contributions and have them reckonable for pension.

**People should be allowed pay AI contributions after 65 years if they have not accrued enough for a full pension.**

I find it difficult to understand how women who had to retire from the Civil Service due to the marriage bar are being considered in this green paper. They were never in the social welfare system. If they went back to insured employment following years in the home they are at an advantage as their PRSI contributions would be reckonable from the day they started paying PRSI. They could go back to work at 55 years of age and qualify for a full PRSI pension.

### **Submission 103**

I am employed for 35 years and have been paying WOPS insurance for this period.

I have approximately 5 years and 6 months A type stamps. I was born on XX/XX/1946 which I understand rules me out of the 5 years qualification, could this anomaly be addressed in the upcoming review.

### **Submission 113**

Acting as a private citizen, I wish to make the following submission to the Green Paper on Pensions, please:

The current criteria applied by the Department of Social Protection in determining eligibility for entitlement of State Pension Contributory is based on various methods including total contributions.

It is my understanding that it is expected that the previous methods may be altered under the proposed Pensions Reform, which is due in the Autumn.

I feel that, in the interest of equity and justice, it is essential that such reform will take cognisance of a certain category of older people who have already a degree of certainty on their pension entitlement, i.e. under the existing eligibility criteria.

Such individuals (who reach 66 years of age before 6 April 2012) may be in their early sixties and their eligibility under the present criteria is based on a calculation method other than total contributions. Therefore, in carrying out such reforms it is absolutely crucial that the pension entitlements of people in that age category are protected and that any changes, implemented under the proposed reforms, do not diminish their pension entitlements. It should also be noted that, realistically, individuals of such an age are already too old to commence alternative pension fund arrangements.

### **Submission 118**

My issue concerns the current anomalies created by the compulsory age restrictions to qualify for a full contributory pension and public sector retirement schemes.

I wish the members of the Oireachtas to consider the following recommendations in the drafting of new legislation:

- Delete the compulsory retirement age of 65 years in the public sector.
- Delete the age restriction of 56 years for making contributions to qualify for a contributory pension.
- Delete the compulsory retirement age for all local authority officers including those permanently employed before 2004, when the Act was arbitrarily amended.
- Facilitate the continued payments, through PRSI towards contributory pensions for public sector employees, including the local authority retirement benefits, to qualify for full or maximum entitlement in relation to the number of years of service towards a full benefit.
- Replace compulsory payment of state and public contributory pensions at age 65 years with an elective system to enable those without the full entitlement at age 65 years to forgo a partial entitlement payment and continue to make payments through PSRI until full entitlement is paid, or until a person elects to retire.
- Make the legislation retrospective so that those currently over 65 years, lacking the minimum number of payments to qualify for a full contributory pension, who are still in employment and are paying PSRI can qualify for entitlement to a full contributory pension. This can be achieved through a sum payment of the value of the missing number of PRSI payments.

In my opinion, these amendments are necessary to ensure that new legislation, implementing the EU directive regarding the elimination of discrimination based on age, complies with the directive.

### **Submission 116**

While I agree that pensions will need to be funded in a totally different way in the future, they will also need to be distributed in a different way to take account of the many anomalies in the current State Contributory Pension. Women in particular are the main victims of a society who puts very little value on the role of the homemaker. Many women who worked in the Civil Service became victims of the marriage bar, stayed at home, reared large families and then went on to care for elderly parents. When the elderly parents passed on, the carer may have received an inheritance (perhaps not very large). This would not only have de-barred them from a pension in their own right but also excluded them from the

qualified adult portion of a husband's pension. This I believe is not an appropriate way to treat the carers of the nation.

- Homecarers Years need to be back-dated to include many of the current pensioners who cannot avail of those disregards.
- The yearly average needs to be reviewed and a basic pension paid to all plus an extra percentage for each 5 or ten years worked.
- Women who worked in the Civil Service and were victims of the marriage bar need to have their modified Contributions recognised as full rate Contributions
- Retiring age needs to be more flexible thus allowing people the choice of remaining at work and either drawing their pension at the same time or deferring their pension with added bonuses

### **Submission 121**

It is submitted that:

1. The new legislation will acknowledge the changing environment where over-65s are able and encouraged to continue in employment.
2. The new legislation will acknowledge that the public service and local authorities are able to employ over sixty fives due to changes in 2004
3. There is consequently a need to change the rules:
  - Requiring compulsory retirement at age 65/66
  - Requiring the qualifying entry age at age 56
  - To allow "stamps" to be paid beyond age 65/66
4. The Contributory pension should not be paid to anyone continuing in employment
5. Incentives should be given to anyone continuing in employment after age 65 in sectors where there is an identified skills shortage
6. That disincentives be applied in those sectors where there is no skill shortage to allow younger staff to be promoted to have their skills recognised and enable them to make their contribution
7. Legislative changes should be retroactive
8. Both Irish citizens, and anyone who qualifies under a Bilateral Agreement, who is adversely affected by existing legislation should be able to make up PRSI contributions by lump sum payment thereby qualifying for the Contributory Pension
9. A review of the service delivery of the Department be undertaken to ensure appropriate service level contracts are negotiated with Government
10. The current delays (two years in my case) responding to enquiries is not acceptable by comparison with international best practice
11. The role of the Social Welfare Appeals Board should be reviewed and the Board given powers to make decisions on appeals without depending on input from Departmental officials whose decisions are being appealed in the same way as Bord Pleanála makes rulings on planning matters based on the reports of its inspectors



and the Board's understanding of the merits or otherwise of the issue being appealed

### **Submission 137**

I have just recently retired from the Civil Service, on a pension of €500 net per week. This pension contains no allowance for my wife, who has no income of her own. My pension is my only income.

I feel most aggrieved that my wife who gave up her career 35 years ago to become a full time homemaker, will not qualify for any pension of her own, because her income is presumed to be half of mine, i.e. €250 per week. However in the case of a woman whose husband has the same income (€500 per week) but made up of a Social Welfare pension of €220 per week and a works pension of €280 per week, the Social Welfare pension is disregarded from the means test, and only half of the works pension ( €140 per week ) is assessed as means. In that case the woman would receive a Social Welfare pension of €102 per week.

The fact that two women with the exact same net household means are means tested differently is blatant discrimination. No court could uphold such practice.

As a solution to this unjust anomaly, I would suggest that the Dept. Of Social Welfare consider any of the following three options.

Treat these homemakers as individuals in their own right, and means test them on their own means only, and not on their spouse's means.

Or

Grant them full PRSI contributions (not credits) for periods spent as homemakers regardless of the 1994 Homemakers Act.

Or

At the very least these homemakers should receive a pension equal to the Adult Dependant Allowance accompanying the Old Age Pension.

### **Submission 138**

I am a public servant and pay PRSI Class D1, I work half time and will retire on a half pension which will not be adequate to live on. I do have other income from self employment but am prevented from paying PRSI on this income. I appear to have no mechanism with which to increase my pension or at least bring it to an adequate amount based on my other income. Having made numerous enquiries, my understanding is that because I am on Class D PRSI, I cannot pay PRSI on any other income which I might have. Neither can my self employed spouse claim me as a dependant as I am only *half* dependant therefore no allowance is paid for me. There are a number of people in this situation who work part time and also have self employment income. We would like to make PRSI contributions on our *other* income so that we might have a reasonable income on retirement.

Rental income which I understand is classed as “unearned income” and therefore PRSI cannot be paid on it. This is very unfair, not only is it earned income but often “hard earned” income. Please look at these areas and treat all citizens fairly.

### **Submission 142**

My family and I were responsible for the bereavement procedures for my father and mother. When I went to look for the Bereavement Grant, I was amazed to see that this benefit is restricted to contributory pensions and thereby people who had not paid Irish contributions could not benefit from this Grant. My father worked with [name of employer] before he emigrated to England. As he was in the an age bracket which was not registered, he would not have contributions paid. He returned from England and took up the family farm from his father and, as he had no transport, he could not seek work outside the farm. There was virtually no way he could get social assistance for that reason, as there was no work except road building, even though he was well educated and went to evening school. At no stage was he made aware that as he had no welfare benefits, that he would be deprived of benefits. It does not seem right that those people had to live by cutting hay with a scythe, dig with a spade, cut turf by hand, thatch, milk cows by hand and we are now told that they are not eligible for a Bereavement Grant, after all that hardship.

My mother was brought by an aunt to Chicago and worked there as home help. In 1935, when the depression came, she returned and got married and had three in family. It says in the welfare booklet that if she had any evidence of living in America she could qualify. As I had information to stipulate that she had become an American passport holder and citizenship, I sent this on to Sligo as it proved she worked there. The reply was when she had no contributions in this country, she did not qualify. She returned in an era when married women were not allowed to work, this was not possible. As she was excellent at embroidery she was given work to do by a company who had a factory. This was piece work and she no welfare contributions.

What hurt me is my father and mother were in the situation through no fault of their own. When I queried this, I was told that they had property and that was the reason. This was not so as there were big families and only for families emigrated and sent money home, those homesteads would not have survived, which I did myself. This would explain the welfare system for that category of people such as it is, however it does not give consideration to all those people without any means. I think the people responsible for the burial costs should get a bereavement grant. The fact that there is a contributory and non contributory pension means that those who have not got a non contributory pension are not entitled to an equal burial. I think whoever looks after the demise of the bereaved and produces “documentation for burial and monument by way of receipts and photographs should be reimbursed.”

When I visit graveyards, I am appalled with the neglect of some of the older areas. If the maintenance were made tax deductible it would be an incentive for people to give respect to those people who deserve some recognition.

### **Submission 144**

Given the strident and well-founded warnings about the looming pensions crisis and the vigorous exhortations to make private provision would it not be a responsible idea for the

Government to permit additional voluntary contributions to the Social Welfare Fund rather than steering worried people towards commercial pension providers which had until recently a patchy record and more recently an abysmal one.

The recent success of the SSIA scheme underlines, in my view, the heretofore untapped propensity of the general public to save and provide for the future, provided that the scheme carries a state guarantee.

The practicalities of the scheme could and should be kept as simple as possible and involve a budget announcement each year of the interest rate or coupon rate for voluntary contributions for the following tax year followed by an annual and well publicised “voluntary contribution day”. In good years the budget could also provide for an incentive premium of say one euro for every ten contributed. Obviously the earlier and more frequent contributors would increase their eventual entitlements under the contributory pension scheme to a greater degree.

The increasing expense of a burgeoning demand for Nursing Home Places and care in the home packages would in some degree be ameliorated by people being facilitated in the manner I suggest.

I suggested such a scheme in correspondence with the Department of Finance some years ago but received a negative response, which seemed to presume that I intended that the scheme would involve the National Pension Reserve Fund and would give rise to conflicting short and long term investment strategies on the part of the Fund. It was not my intention that the fund be involved except perhaps to the extent that it could repatriate some of our National Debt each year by substituting the Voluntary Contributions for an equivalent amount of borrowings on the international market.

I trust that the submissions received will be considered by persons with experience across the full spectrum of employment profiles, as I fear that if they are filtered through the prism of the Public Service then it may be that the very real apprehensions of those of us outside the “Gold Standard” may not be fully appreciated.

### **Submission 149**

Budget 1988 brought self-employed into the Pension Scheme – Prior to that date self-employed were not liable for Social Welfare Contributions.

It was necessary to be under 55 years in 1988 in order to qualify – i.e. 10 years contributions by 1998. That meant that those who were 55 years by even a few months were not eligible and therefore no pension for them.

Many people in state and semi-state jobs opted for early retirement from their respective posts and took up non state positions and they now qualify for two pensions which were not means-tested.

At this stage I would be pleased to contribute what is required from age 55 to the age of 65 years and to have a pension paid from age 66 years. I have worked hard all my life and never got anything from the Government.

Why are the oldest in our Society treated as if they do not or did not matter.

### **Submission 150**

I worked in Ireland for a number of years before permanently emigrating to England in 1996. During my employment in Ireland, I accumulated contributions. I am very settled in England now and will not be returning to Ireland. Therefore I will not need to avail of the contributions that I have accumulated.

I was wondering if it would be possible to transfer the contributions, which I have made to my mother in order that they could be used to increase her pension entitlement. My mother stayed at home and did not go out to work, while she was rearing her family. She played a vital role in bringing me up and ensuring that I completed all of my studies, which have held me in good stead in every aspect of my life and employment. If possible the transfer of my contributions to my mother would be a small recompense for all of the love and attention over the years.

This suggestion would not result in any further liability to the state, as the contributions have already been made and will only be used by the recipient of the contributions not the donor. Any possible entitlement of the donor would be waived by the donor upon transfer. I would be obliged if you could consider the suggestion of transferring un-used contributions from a family member to a mother who stayed at home to rear her family, as part of the pension review process under the Green Paper.

### **Submission 151**

My state pension is €111 odd per week – I was one of the women who had to retire from my state employment when I married in 1955. I will be 77 years old this year, my husband, who will be 80 years in August has a similar pension.

Is there any hope that either one (or both!) of us could get a full pension?

### **Submission 153**

Submissions for Pensions

1. From Jan 2020 contributions paid should be 1040 (20 years).
2. From 2020 non-contributory pension should be abolished. Everyone should pay into a pension fund.
3. Retirement should be still 65 to make way for new entrants to the work force

### **Submission 171**

The current system, whereby people who have paid little or nothing into the State pension 'fund' are paid almost the same pension as people who have diligently paid their PRSI contributions for 40 years or more is, I contend, both inequitable and unsustainable. People should NOT receive benefits which they have not paid for; with the accepted exception

being those who are indigent or penniless and need a minimum amount to maintain a basic standard of living. However, such a basic standard should be just that - basic. Just enough to eat and live very modestly and no more.

In particular, the recent amendments to Pensions legislation whereby persons who have paid few or no contributions (especially persons from a farming or self employed background) get almost full benefits is economic nonsense and clearly unsustainable in the long run (i.e., the next 20 -50 years). The country cannot afford to pay every Tom, Dick and Harriet €200+ per week, especially as the number of pensioners grows rapidly. If people, for whatever reason, do not pay PRSI contributions **over a prolonged period** then they should be entitled to little or nothing from the PRSI 'fund' (theoretical and all as it is!!).

The idea that somebody, after 40 years of full PRSI contributions, gets a pension which is just about €10 per week more than a person who has paid practically nothing into the PRSI fund clearly discriminates against the prudent contributor and, in its effect, encourages people to 'sponge' off the State; i.e., paying minimum or no PRSI contributions and expecting (nay, demanding) maximum PRSI & pension benefits. Anybody who has not paid a significant number (at least 25 years I suggest) of PRSI contributions should be entitled to only a minimum pension (say 40% of the full, contributory pension). Where people seek to obtain a pension on the basis of 'poverty' then ALL OF THEIR ASSETS SHOULD BE CONSIDERED in determining what their needs and entitlements are.

Stop enabling the farmers and such-like, via myriad schemes which utterly fail to realistically value their assets & property, to obtain more State funds (from the compliant taxpayers of course) on the nonsensical proposition that they are indigent or struck by poverty. If you don't pay PRSI, you should not get a pension!

In short, if people won't contribute to the PRSI fund over a prolonged period then they should be entitled to little or nothing and the rules for determining 'need' and 'poverty' must be tightened up drastically, so that well-heeled farmers and ex-self employed persons are no longer paid undeserved pensions from the public purse.

### **Submission 173**

Like most women of my generation (I'm 59), I gave up work to become a full-time mother, only returning to the workforce when my four children were well established in school. I've since gone back to work full time and am making as much provision as I can for my retirement. My husband has not been well for a number of years and is on a disability pension.

I am concerned that I will fall between two stools when it comes to my pension entitlements – I may not have enough contributions when these are 'averaged out' to cover the years I was at home with our children, but at the same time I may have accumulated too much in savings to qualify for any means-tested pension.

There must be many women in my situation and I would like our needs to be taken into account when reporting on proposed changes to the pension system.

### **Submission 175**

My main concern is in connection with those who hold pre-1953 social welfare stamps. I should be entitled to full pension but due to the fact that I have six stamps pre-1953, I was deemed not to have the required number on the average and was given half PRSI pension.

Therefore I request that, as there are very few holding pre-1953 stamps, this anomaly be annexed and made null and void.

### **Submission 177**

Women who worked for three years who had stamps in 1952 and subsequently married and minded their children at home (as was done in those days) receive half a contributory pension. I feel we should be entitled to a full pension – we were the people who slaved and made the sacrifices and had no money, no holidays, no social life, etc. This pension is not paid in conjunction with any other pension so it could be considered. Granted, we might be entitled to a non-contributory pension – but if we have property or capital, we won't.

Believe me, we need to hold on to the capital to pay for nursing homes as all health board homes I know have years of waiting lists.

Thank you for your kind attention.

### **Submission 178**

I would like to make the following submissions:

1. Women who were forced to resign from Semi-State companies when they got married should now be entitled to a pension in their own right and not be means-tested on their husband's income/pension or savings.
2. That staff who were employed in Semi-State companies before 1995 and were prevented from paying the full rate of PRSI and were paying the reduced rate which was of no benefit should now get credit at the rate of one year's full contribution for every four years reduced rate thereby entitling them to benefits on reaching sixty five years of age.

### **Submission 179**

I would like to make the following submissions:

1. Women who were forced to resign from Semi-State companies when they got married should now be entitled to a pension in their own right and not be means-tested on their husband's income/pension or savings.
2. That staff who were employed in Semi-State companies before 1995 and were prevented from paying the full rate of PRSI and were paying the reduced rate which was of no benefit should now get credit at the rate of one year's full contribution for every four years reduced rate thereby entitling them to benefits on reaching sixty five years of age.

### **Submission 180**

My husband was told he would receive 7/8 of a full old age contributory pension if we paid 3 years voluntary contributions - which we did in 2002 -2004. He is a small farmer but because he worked for 3 weeks as a labourer in 1969, his old pension was reduced to half. At that time, there was little information about pensions. We have done everything to correct his pension with no result.

He left school at 14 to work on the family farm with no income, which was normal at the time. He did not take over the farm until 1974 as his income was small he was exempt from PRSI.

I wish you could change this and that he can receive 7/8 pension as he was previously informed

### **Submission 190**

Following your advertisement in today's papers re the Consultation Period I want to bring the following to your attention:

I worked for many years and paid tax as a self-employed director of a small company.

That system was changed and every worker became entitled to a pension but it was found that I had to have been on the new system for a minimum of five years to qualify for a full pension.

As I retired due to ill health before the five years requirement, I was only given a portion of the pension and was not given any opportunity to make up the missing time by continuing working or by my paying the small difference to make up to the full amount.

Having worked since I was in my twenties until I retired in my sixties, and having paid my taxes, I then ended up with a much reduced government pension through what I consider was no fault of mine.

This has always seemed to me to be more than unfair.

### **Submission 199**

With regard to the current pension system in Ireland, I would like to highlight the inequity of tax relief for stay-at-home parents. I am concerned that there is no tax incentive for a husband/wife to pay pension contributions on behalf of a 'stay-at-home' partner.

In the case of my own family, my wife has taken a career break for a number of years in order to care for our children at home. As a result, she will have a significant gap in pension contributions, resulting in an inferior pension at retirement. I was surprised to discover that, if I were to pay pension contributions on her behalf, such payments would not be eligible for any tax relief.

It is my belief that a family income should be regarded as such and that any payments made into a pension scheme for a 'stay-at-home' parent should be eligible for tax relief. Otherwise 'stay-at-home' parents – usually women – will continue to be penalised for caring for children at home. They will tend to opt out of pension schemes and will suffer the financial consequences later in life.

I would appreciate if this inequity could be addressed in the forthcoming Green Paper.

### **Submission 207**

Nursing for 13 years followed by 35 years active farming.

Hospital contributions ---not recognised.

Farming, a few months short for contributory O.A.P.

Tax compliant. Reared 7 children who now contribute P.R.S.I , and have never drawn unemployment dole.

My husband and I are semi invalided.

### **Submission 217**

I wish to submit that all single persons be treated equally as regards state pension provision i.e., widowed, single, separated.

At present, widowed or separated persons are paid a pension on the death of a spouse or former spouse and I feel that single persons should get a similar pension. I point out that the survivor pension is paid without any condition that the recipient was a homemaker or a means test, this is unique in the EU. At present single persons say in their fifties who are made redundant receive no pension and it will become increasingly difficult for single persons to qualify for a full OAP as contribution levels are being raised and the averaging condition. This leads to a situation where different categories of single persons are being treated differently as regards pension provision so perhaps to start all single persons over 55 should receive a similar pension to widowers and also receive the same rent allowance, mortgage relief etc. Equality before the law must be a cornerstone for future pension provision and as things now stand we are possibly breaking EU law in our unequal treatment of single people.

### **Submission 224**

I wish that pre-53 contributions be considered to enhance the old age pension of those who qualified for reduced rate pensions under the average test.

You will be aware that the cost is minimal short term and non-recurring.

It may benefit a limited number of over 80 year old pensioners.



## **Submission 225**

I submit that the current system of deciding what level entitlement to state old age pension does not meet the principles of equality.

I am 75 years and fully retired, my wife is 76. We get a joint payment "state pension contributory" of a measly €261.70 per week.

I went to work immediately after sitting my Leaving Certificate in 1950, apart from being unemployed for approx 6 months in the 1950's. I was in full time employment until my retirement in 1998 when I was required to retire by the state.

We got married in 1960 and my wife left employment in 1961 to become a full-time housewife, we reared 7 children.

I queried the reason for such a paltry pension being allocated to us. I received a long letter outlining the system but it made no sense to me, it transpires that I was penalised for my previous employment. Surely the system would be fairer and easier to operate if everyone qualified for the SAME amount at age 65, 70 or 75 or thresholds based on age regardless of previous employment or circumstances.

Please simplify the system for deciding individuals' old age pension.

## **Submission 246**

Some years ago I put forward a couple of ideas regarding pensions in Ireland. This was based on the declining birth rate against death rate and an aging population over 65 years.

The benefits to industry and the country by keeping people over 65 at work by using their expertise, knowledge and experience is un-calculable. Also it would take a lot of the financial burden from the existing pension fund and allow it to be better regulated.

(1)

1. (1) People in certain occupations which does not demand a great deal of physical work could easily work up to 70 years of age. From the age of 65 they could retire any year after that if they felt the work was too strenuous or their health was not up to doing the work.

As an incentive

2. They would not have to pay Social Welfare contributions after 65.

3. The amount of their pension would be included in their tax free allowance from 65 as an incentive.
4. People with a superannuated pension would be given their lump-sum at 65 and their pension when they retire.
5. They could also be allowed to build up "A" stamp credits if they needed them to increase their Social Welfare Pension entitlement when they retire.

To use as an example:

It would probably be best to take one firm and use it as a model. FAS has a number of pension schemes and also different types of work force and therefore ideal to see if it was possible for it to work.

(2)

If a scheme was designed where every PAYE worker paid a sum of say €5 per week and this money was invested. The money would be deducted even if they were drawing unemployment benefit. People not on PAYE would be allowed to opt into the scheme.

After five years the interest was paid to those who retired while the capital sum was still being collected. After a certain number of years the interest would not only pay the increase in inflation but would do away with the government's contribution altogether and give a pension that people would be able to live on comfortably.

Year 1. 2m workers @ €5 = €10m per week 52 weeks = €520m + interest

Year 2. €1040m Capital Sum + Interest

Year 3. €1560m Capital Sum + Interest

Year 4. €2080m Capital Sum + Interest

Year 5. €2600m Capital Sum + Interest

Year 6. €3120m Capital Sum

The interest from this year would be paid out to the people on the pension register. When the interest exceeded the cost of living the additional amount would be taken off the monies paid by the Government.

Eventually the monies paid by the Social Welfare Pensions would be reduced and the people would have a guaranteed pension which would give them a good standard of living.

The capital sum would never be touched. Running expenses would be paid from the interest.

Year 7. €3640m Capital Sum

Year 8. €4160 Capital Sum. And so on

To set up the scheme by using the first weeks money, hire staff, buy equipment and premises required to run a successful organisation. The whole thing would eventually belong to the members. The staff would be totally independent of any influence from Ministers or Government but would be overseen by an all party committee in the Dail which would have no say except as watching brief.

This is not a quick fix, but a long term solution to the problems of people pensions.

### **Submission 250**

On a Contributory Pension, the law presently provides that one is entitled to claim full pension if one has contributed for an average of 48 contributions per year for ten years. I came home from abroad and contributed an average of 52 contributions per year for 12 years. One would therefore assume that I was entitled to a Full Pension but that was not the case.

I pointed out to the Department that contribution would also have been made on my behalf for my one years salary in 1962-1963 of £500 per year by my employer in Dublin before I went abroad. No one has stated how much that might have been but, based upon present day deductions, it would have been £42-10-0 or 53.86 for the year. Therefore, because of that payment, my average, instead of being 52 weeks for 12 years is now brought down to 28 weeks for 43 years and my weekly pension is reduced by €50 per week. In brief, my contribution of €53.96 45 years ago now costs me €2,500 per year for the remainder of my life. More importantly, it shall impose undue hardship on my widow. If I had claimed under the Non-Contributory Plan, I would now be receiving a larger State Pension.

I retained a farm here while I was abroad but I was informed by my accountants of the time [Company Name] that I was not permitted to make a pension contribution as a non resident. Those intervening years were, therefore eliminated by the State for contribution but are not eliminated by the State for averaging. I have written to the Minister and the Ombudsman and, while they agree with the unfairness of my situation, they quote the law as it presently stands.

While I am sure that the law is written in that manner for the normal situation of a full time resident, I request that an allowance, or alteration, be made in the law to cover a situation like mine so that one is not penalised for years in which one is precluded by law from making a contribution.

## **Submission 251**

I wish to make a submission about an inequity, which, I believe, exists in relation to State Pensions granted to those who reach 66.

In my case, I was refused any pension, due to insufficient insurance contributions. This is fully documented in correspondence with CP/RP Correspondence Section, Pension Services Office at the Department of Social & Family Affairs in Sligo.

The matter subsequently went to appeal but was turned down.

I would like to suggest, using my situation as an example, that those who have contributed but not reached the required levels, should, at least, be put on a scale at retirement, possible at a small weekly entry rate. This, I believe, would then mean that, as Ministers of Finance in their annual budgets, give pension increases, which are not percentages, people, like me, would then be granted the appropriate weekly increase.

In my case that would mean that I could possibly be getting €50 per week pension, at this stage. I would request that this is given consideration in the review process in keeping with the Government's stated policy of assisting older people in a generous way.

## **Submission 265**

I feel I have been discriminated within the Social Welfare system. I have been a lone parent since 1991. During that time, I stayed at home to raise my seven children and only returned to work in the last two years, when my last child started school. I find now all those years spent looking after and caring for my children, that I have no credits built up for a pension in my later life. I am looking for credits for all those years of caring. Both for myself and countless other women who chose to raise their children at home themselves.

I have been involved in the National Women's Council social welfare campaign. I see the need for women's economic independence as a priority in combating women's poverty in older years. The majority of those over 65yrs, especially women because they live longer, are solely reliant on the state pension through the social welfare system for their income. (And 36.2% of women over 65yrs are at risk of poverty). The Irish social welfare system, based as it is on a male breadwinner model, discriminates against women. And defines many older women as 'qualified adults', deriving their pension rights through their husband's contribution record and receiving a reduced payment on their behalf. The system thus reinforces women's dependency on men as the primary earners.

The National Women's Council of Ireland - Comhairle Naisunta na mBan, a non - governmental organisation, is the national representative body for women and women's organisations in Ireland.

The National Women's Council of Ireland works to achieve change through a very broad range of action and activity. Increasingly their work is carried out in partnership with other organisations in the public, private and voluntary sectors.

As an affiliated group of the National Women's Council we share a common vision.

My aim is with the help of The Nation Women's Council of Ireland to provide a decent pension for all, particularly women. To ask for recognition for women who chose to stay at home and care for some one be it child, husband, or parent. To look for credits for that time of caring in order that I and they may have a decent standard of living in or retirement age. Also women who were affected by the marriage ban.

As the collective voice of women, The National Women's Council is committed to securing economic independence for all women whether working as carers in the home or in the formal economy. We see Pension policy as an essential component in the work of ensuring women's economic independence.

Pension Policy affects the lives of all women - young and old, working in the informal or formal economy. Pension policy particularly affects women who, due to the nature of our taxation and social security systems, are economically dependent and women who are living in, or at the risk of poverty.

Women's access to pensions was historically restricted and reflected the general male breadwinner character of social welfare, taxation and employment arrangements: one of the first tasks of future reforms should be the final removal of discrimination.

Fewer women than men in old age have independent access to pensions and that the level and sources of their income in old age differ from those of men. These differences arise from past and current differences between men and women in relation to their respective roles in the economy and the family: women still earn less, work fewer hours and withdraw from the labour market to a greater extent than men.

We are concerned that the government, for instance, has attempted to make the case for mandatory supplementary pensions because of the low take up of voluntary (supplementary) pensions. Such a reform would tie the pensions system as a whole *more closely* to the nexus of employment and earnings and would therefore exacerbate rather than mitigate gender inequalities.

These concerns are all the more important in light of the fact that women comprise a majority of the older population.

If state pensions are not adequate, women lose relatively more than men, as women are more likely than men to rely on state pensions. We have a shared vision with the NWCI in which we want to see a society where men and women enjoy the same power to define their lives and the type of society they live in. It is a vision of the future in which both care and employment are shared more equally by men and women and which achieves gender equality outcomes. In pursuit of this vision pension policy needs to promote the following gender specific principles:

- **Economic autonomy.** Financial autonomy and individual entitlement are core characteristics of a feminist pension model. The key challenge for a feminist model is to move to a feminist model of pensions where women have direct pension rights.
- **Labour Market Equality.** Gender inequality in pensions is primarily a function of cumulative labour market inequality. A woman friendly pension cannot happen without measures to address gender inequality in working life and without reforms to support and maximise high levels of female labour market participation for considerable periods of their adult lives.
- **Facilitating atypical work.** Gender equality in pensions requires a pension model that recognises and rewards all labour market participation.
- **Ethic of care.** No reform can be complete without the development of a care contingency that enables care work to be facilitated and respected and that enables women to have pension cover and maintain pension contribution records during key stages of care.
- **Equal sharing of care obligations.** The method of facilitating and/or compensating for time spent caring during working age and caring should not disproportionately lock women into long-term patterns of caring . This requires the State to invest in a child and elder care infrastructure and also requires the state to have parallel policy promoting men’s full engagement with care obligations. This can be achieved by way of statutory family friendly policy, obligatory paid paternal leave and supporting traditionally male employment sectors to engage more fully in developing work life balance policy and culture
- **Pension equality or pension justice.** While working towards greater gender equality in terms of participation in care and employment the pensions system must not reinforce and must be capable of compensating for the disproportionate time women spend in periods of care and the wider gender equality women experience in the labour market

#### **Include women affected by the Marriage Bar**

- **Retrospective pensions justice.** The pensions model must be able to compensate for the disproportionate time older Irish women have already spend in periods of care and the significant historical discriminatory practices (until 1973 married Irish were banned from public employment and women also experienced other discriminatory policies and practices) which led to significant gender inequality in the labour market.

Special attention is drawn here to principles of *economic independence* for women and an *ethic of care* that values and rewards care in the context of gender neutral care policies. These principles have implications for many aspects of pension provision. At a *general* level it requires policy makers to ensure that the pensions system as a whole is not predicated on male lifetime patterns of work and earnings: on the contrary, we insist that women's continuing experience of lower earnings, fewer years employment and greater contribution to unpaid care work should not exclude them from an adequate, independent pension in old age.

### **Gender and pensions- Overall strategy**

The policy principles reflecting the concerns of the organisation: I and the NWCI and the international experience of pension provision and reform suggest the following strategic lessons for Ireland.

The critical decision is the relative importance in the pension system of the first-tier state pension. Specifically, the core of the pension system should be an *adequate, comprehensive pension guarantee* for all individual men and women. The stronger the first tier of pensions, the lower the level of poverty and the greater the access women have to an independent pension in old age.

- In relation to adequacy, the structure and amount of state pensions should build on the so-called 'paradox of redistribution'. Policy should not only *prevent financial poverty* but *guarantee a decent quality of life* by offering income replacement levels significantly above the 'poverty line' rather than targeting means-tested pensions to those on lower incomes to alleviate their poverty
- The redistributive impact of pensions arises not only from the generosity (or otherwise) of pensions but also from *the mix of direct state expenditures and indirect tax expenditures*. Even if these are not wholly equivalent, there is a clear trade-off between tax subsidies (for example to occupational and private pensions) and improvements to the state pension. Indirectly, women benefit less than men from tax expenditures and therefore general equity considerations and gender equality principles suggest that reforms should focus on a considerably enhanced state pension in the context of a more limited use of tax allowances for supplementary pensions.

As a collective voice with the NWCI we acknowledge that a pension appropriate to Ireland's evolving circumstances requires *the development of a second-tier pension*. However, NWCI suggests that neither the recently introduced PRSA scheme nor the option of a mandatory second-tier pension is appropriate for women. Aside from general social arguments against such provisions (shifting of risk to individuals, uncertain pension outcomes, need for tax support, the inability of such reforms to improve the incomes of current pensioners) these pensions tie the second-tier directly to workers' capacity to fund pensions and therefore to

their incomes and employment: this would be to women's disadvantage.

Stressing that the critical issue is the link between the first and second tier, we propose that, if a second-tier pension is to be introduced, it should take the form of *a state earnings related pension* that builds on the existing, widely accepted social insurance system. This should have low entry thresholds in terms of income and hours worked, offer scope for credits for periods of non-employment for care, and apply an earnings formula that allows women to reflect their 'best' years in terms of ea

## **Recommendations**

### **Gender and Pensions- specific reform priorities**

We recognise that in developing this vision of a pension model specific short-term reforms are required in themselves and as steps that are incrementally consistent with the recommended longer-term strategy.

#### **Comprehensive Pension Guarantee**

Make adequacy and individual entitlement the immediate, core function of first tier pensions.

Over a time period introduce an adequate universal pension for all over 66 and resident in Ireland for a minimum of ten years with a value of 1/40th pension for each year of residency.

#### **Social Assistance aspects of pension provision.**

1. The means testing system needs comprehensive reform to ensure maximum coverage and maximum level of individual entitlement within a partial household resource test. All of these reforms could be introduced in the short-term.
2. Full individualisation of marriage-based old age non contributory pension;
3. Introduction of means-tested parental allowance as discussed in DSFA (2006);
4. Abolition the 'limitation rule' and the qualified adult allowance and changes to the household means test formula to maximise economic autonomy
5. Reform of Carer's allowance/Benefit into a 'wage' - facilitating care of older and infirm people to be valued as paid work
6. Information campaigns, administrative changes and resources to ensure consistency in regional application of guidelines, so that each individual man and woman is exercising his/her full potential to be an individual claimant.

#### **Social Insurance aspect of pension provision**

1. As a long term objective, introduce an income replacement function into social insurance, but more immediately introduce a gender sensitive income replacement function



into social insurance old age contributory pensions by:

2. Ensuring maximum eligibility by permitting short time spans for minimum entitlement, moving away from an average contribution test to a shorter time span for testing contributions, switching from rewarding 'maximum number of years' contribution records to a 'best of' rule over shorter periods that allows the most beneficial period to be chosen for pension contribution periods.
3. Ensure benefit calculations advantage women by avoiding averaging over 'last' years of employment when the gender pay gap can be more pronounced, and having tiered gradual movements across contributions-based entitlements and across averaged earnings.
4. Maximise access by enabling easy re-entry after periods of disruption; this would entail reforming the S.57 SI 312 1996 rule, according to which a person with no SI record for more than two years must have 26 paid contributions before credits can be awarded, and would also reform of social insurance contribution rules to enable relatives assisting, including spouses of self-employed and farmers, to be insured as employees.
5. Accommodate care and address previous pension injustice by transforming homemakers' disregards into credits and awarding these retrospectively from 1973.
6. Promote a gender neutral care ethic by introducing paid parental leave benefit for parents of young children
7. Acknowledge the previous injustice of the 'marriage bar' with a once-off, ring fenced retrospective scheme

### **Voluntary pension recommendations**

- There are various reforms to the tax treatment of pensions that could bring greater equity and more progressive income distribution outcomes
- In the next and subsequent budgets it should be possible to make the tax treatment of pensions more equitable and there are a variety of specific reforms that should be considered that include full abolition of tax relief for private and occupational pensions, restricting such relief to standard rate relief, introducing more stringent caps on the use of reliefs, and limiting the use of Approved Retirement Funds as tax avoidance measures
- Examine options for savings schemes that are supported by the State and structured progressively to benefit those on lower incomes.
- Encourage Credits Unions, and the Money Advice and Budgeting Service to introduce a state-backed low charge savings product for low income earners.
- Regulate to require unisex life plans and pension splitting

### **Governance**

Effective, gender inclusive, transparent governance systems are also required. As a member of the NWCI we wish to engage fully in the pension's debate and in seeking formal representation in key pension's policy institutions including the Pensions Board. We will also seek to ensure pensions policy is fully engaged with, within the National Women's Strategy. We also insist that all data on pensions (including tax reliefs and private pensions) are disaggregated by gender.

As an affiliate of NWCI we fully support the NWCI in pursuing economic independence for women and we look forward to a transformed pension system which acknowledges the disproportionate time women spend in periods of care and employment.

I believe that the Government must place women's issues and concerns at the centre of the current developments in pension policy as part of the Green Paper.

### **Submission 271**

A review of pensions, Transition and State Contributory is required now in 2008 as there are pensioners today who left the workforce prior to the Carers Act 1994 to care for family members, or to get married – pre marriage ban, and need to be considered now from the perspective of equity and fairness. Some of them are single people who have the same outgoings as a married couple/partner but have only one income to survive on.

I feel it is very unfair for older women not to get the benefit of the Homemakers Scheme because it only applies to those who stayed at home to look after children after 1994.

It is difficult to understand the difference between looking after children in the home before 1994 and after 1994?

Many of these women, who were carers between 1953 and 1994 have been denied, or at best received reduced pensions, because they did not possess the credits younger women have been awarded in their capacity as unpaid carers.

Single pensioners on one income pension should receive an increase in living alone allowance.

A free call number (1800) should apply for all calls to the Department of Social Protection Carers are playing a valuable part of the Healthcare System and must therefore receive credits entitling them to a Contributory Pension.

**Marian Harkin, MEP**

### **Submission 272**

**Introduction**

Formulating an ideal pensions system is commonly viewed as next to impossible by the various bodies, interest groups and representative organisations because of the fundamental differences in opinions between them as to what constitutes such a system. As a result our pensions legislative environment and by extension the resulting pension systems are inordinately complicated and complex as different elements of different arguments have attempted to be accommodated – but with one eye firmly on ensuring that the existing regime is not in any way impacted by each change as it is being made. Added to this is the fundamentally changed macro regulatory environment that exists globally and impacts directly (and in a costly manner) on employers coupled with the sea change in access to information which means that members and potential members want and demand significantly better outcomes from any pension arrangement.

We have an opportunity to look at what makes an ideal pension system today and what will the Irish people need from their pension system in the future. I hope that the policy makers have enough confidence to adopt the best approach rather than commit the sins of history by once again tinkering at the edges of the system.

### **What would be the ideal system?**

As mentioned, there are differing views on this but I would suggest the following would be accepted by most parties:

1. Equal and open access for all
2. A guaranteed level of income for all
3. Full transferability between jobs and employment status
4. Some encouragement for those that wish to provide higher benefits
5. A spreading of the costs and risks between employer/employee/government
6. A Simple System for everyone

In order to achieve this I would suggest the following be implemented

### **Revised and simplified State Backed Contributory Pension scheme**

A significant reform of the Social welfare pensions system separating Contributory Pensions completely from the rest of the Social Insurance system. A mandatory Contributory Pension contribution to be made by employers and employees (and the self employed) to this state system (this would replace the existing contributory pension). Contributions will be set (as present) on a % of gross income basis. This new state contributory pension system will operate on a funded DB basis. There would be no ability to “cash out” or transfer out benefits from it. It will provide every contributing member with a defined benefit pension plan from age 70 (with no early retirement option). The benefit will be fixed equivalent to

2/3rd of the GAIE (or some similar measure). Benefits to accrue on a simple 30ths basis – i.e. if you have contributed for 30 years then you get 30/30 X 2/3rd of GAIE when you reach age 70. Consideration should be given to providing some simple way of providing a relevant benefit on death. This could be phased in over a period of time in the interest of fairness.

### **Why this is important in the ideal model**

The above system provides a **universal guaranteed minimum pension in retirement for all** based on a very simple calculation. The benefit is at a level that most benefits the lower paid and the contribution basis means that the higher paid contribute more to the scheme than those lower paid. The system is **fully portable between jobs and employment status** as it is provided by the state. It is effectively a **State guaranteed** mandatory Defined Benefit scheme – historically the Unions have always pushed for a DB environment whilst the Employers have resisted this due to the burden it places on them. **This approach provides every Employee with a defined benefit scheme without placing an excessive burden on Employers.** Also as it is **using the existing PRSI infrastructure** and broad model, it can be implemented without an excessive burden on the state.

Finally it meets the need for **simplicity** – everyone should know how many years or partial years' contributions they have made and therefore will know exactly what benefit that they will get at age 70. I haven't formulated the exact contributions to be made by each party but I would expect a splitting of the cost across employers/employees and the state.

I would suggest it move from the current PAYG system to a **funded scheme** basis with the funds managed for the State by NTMA. Legislation can be introduced if there is a need to exempt this scheme from some of the rules that apply to private sector DB schemes.

I would suggest that this be implemented for all workers – private and public sector. This would mean that the quite high cost of this new measure would be somewhat ameliorated by the removal of the public sector pension for the impacted employees. A spin off of this approach would be to significantly simplify the current benchmarking process.

### **Single Simplified DC arrangement for all private pensions**

I propose that **all existing DC arrangements** (personal, executive, AVC, Retirement Bond) should be **converted into PRSAs** and all new arrangements be set up from outset as PRSAs. There should be a **reduction** in the maximum **charges** allowed under a **Standard PRSA** to make them more attractive and cost effective for members.

There is no reason to suggest that any existing DC arrangement could not and should not be converted to a PRSA. Protections can be put in place to ensure that the conversion is done on a zero charge basis (legislation already exists covering transfers into and out of PRSAs which has the same effect). It should also be a feature of this change that the pension arrangement post conversion should have an ongoing charging structure no higher than that

which obtained immediately pre-conversion. This can be verified by the PRSA actuary. This coupled with the zero charge in or out on transfer will mean that there is no risk of mis-selling.

This could be implemented on reasonably short notice – perhaps 12 months to allow providers to adjust their PRSA charging structures. I would suggest that a further 12/18 month period could be allowed to enable existing DC pension providers amend their systems to comply with any additional requirements that would arise on the conversion of this business to PRSA. That said, as this only applies to DC pensions there shouldn't be many particularly onerous issues – in addition the majority of the providers in the market are already PRSA providers and therefore will already have the necessary systems and processes in place.

Some changes might be considered to the PRSA regime – most importantly the facility to access partial benefits – this would allow people move to reduced hours without suffering too significant a loss in earnings by using a combination of reduced salary and part of the pension fund.

### **Why this is important in the ideal model**

In an environment where the above mentioned State operated DB scheme was in place there would (arguably) be only a limited demand for private DB or other similar schemes. As above system provides the lower paid (i.e. those earning up to the GAIE) would have a guaranteed income of 2/3rd of that GAIE they would have little need for further pension income in retirement.

The higher paid, on the other hand would generally require additional income in Retirement. The amount needed increasing for people as their income increases further away from the GAIE. These people should be encouraged to look after that need for themselves – through private pension plans. I would suggest that every study in this area has clearly indicated that a simplified and flexible private pension model will succeed where the current raft of complicated models has hitherto failed.

This simplified model approach again builds on the existing infrastructure – there is already a PRSA model in place in terms of product/provider/regulations/regulator - no reinvention required. By removing the raft of other pension types and multitude of products within these types you are left with a very simple and transparent system which can be easily understood by all.

Although a recent report by the Pensions Board found that the Trust Model was appropriate for pensions I would respectfully suggest that this is only true for DB arrangements (where it is important to separate the Employers own assets from the Employers DB pension scheme assets). In a DC environment, the assets are held in individual member accounts. The

contract model in a DC environment provides **ownership, security** and **control** to the person that actually needs it – the plan holder

This model meets the requirement from members and Unions for **simplicity**. It meets the industry requirement for there to be a substantial element of **private provision** rather than a move to 100% state provision. It is **voluntary** which should mean there is no reason for existing plans not to be maintained.

### **Revise the Tax Relief system**

I would suggest that a simplified credit system (similar to the SSIA) be implemented whereby a contribution made by a member generates a direct additional contribution from the state. I would suggest that this be **standardised so as to remove the additional tax benefit currently being bestowed on higher rate tax payer**. This approach should go some way to assisting the general public to appreciate more readily the contribution that the State is making to their plans. The level of State additional contribution will depend on the overall costs of the above changes but should be set so as to be sufficient to generate a positive overall after tax position on retirement for members.

As contributions will now come from after tax monies, and given that all benefits will be subject to at least some level of taxation in retirement, and in the context of the existing maximum allowable retirement fund, there would be no requirement for the current maximum contribution. In terms of the post retirement regime I would suggest that the imputed distribution regime from ARFs should only commence at age 70.

From the employer side I would suggest that employer contributions remain fully deductible against company profits. As corporate tax is just 12.5% this is not a major cost and it can be positioned as a compensation for employers having to pay a mandatory contribution to the new State Contributory pension mentioned above. The benefit of this approach being that companies remain incentivised to pay into members pension plans.

### **What this would mean when implemented**

If the above “ideal” was implemented everyone would benefit as follows:

1. Up to 2/3rd GAIE payable from age 70 following completion of 30 years employment
2. This would be paid by the state through the existing SW system and would have been provided on a pre-funded DB basis with contributions from Employers, and Employees collected through the existing tax system
3. It will have been ring-fenced completely from the Social Insurance fund and the Non-contributory pension arrangements

4. Additional pension benefits would come from a very simple PRSA account providing a tax free lump sum of 25% of fund and either a taxable ARF or a taxable annuity. The PRSA could be accessed on a full or partial basis from age 60
5. The maximum PRSA fund would be the current €5M Standard Fund Threshold (as indexed)
6. The PRSA would be completely voluntary but any contributions from members would attract an additional contribution from the State
7. Any Employer contributions to PRSAs would be offsetable against corporate tax

This model meets the oft-stated requirements of Unions, Employers & industry bodies. It also arguably meets a number of the wider societal needs in that the higher paid help subsidise the lower paid and the benefits are structured so as to dis-proportionately benefit lower paid members of society.

The biggest benefit though is that it provides a system which meets the criteria regularly put forward as crucial to the success of a pensions regime :

1. It's simple
2. It's universal
3. It's transparent
4. It's regulated
5. It has guarantees - State backed
6. It's fully portable
7. It's very flexible
8. It can be implemented onto the existing infrastructure
9. It protects existing arrangements without having to retain existing inefficiencies
10. It spreads the costs between all the relevant stakeholders
11. It delivers a reasonable income in retirement for all

### **Submission 274**

My wife and I attended the Dublin Seminar and were assigned to workshop 2.

During our deliberations it became apparent that there was a lot of unhappiness in the way which people are assessed for Contributory State Pensions.

In my own case, in December 1955, whilst on vacation from my studies, I secured a two week post as a temporary Postman. This job was temporary with no prospect of full-time employment. After Christmas vacations, I returned to [college name] to complete my studies by Dec 1956.

Once qualified, I went abroad to work and I did not return to Ireland to work until 1981. Going abroad for employment was a common event in those days.

When Mr S Brennan was appointed Minister for Social Affairs, he stated that two of his priorities were to alleviate the hardship and anomalies. I feel I fall into either of these categories because of these two contributions paid in 1955, when I was legally still considered a minor.

Although I have in excess of 530 contributions I have been assessed as being entitled to a pension of €111.70 per week. I understand that a person can enter the system at the age of 55, work for 10 years and qualify for a full rate Contributory Pension. I feel that people should be assessed on contributions paid over a reasonable period and not a whole lifetime of 48 years employment from the fifties, when the employment climate in Ireland was very poor indeed.

### **Submission 276**

The conditions for old age/retirement (i.e. contributory state pension) include rules about average contributions paid since entry into insurance. These rules can have serious effects that affect females and returning emigrants generally more than males and those who stayed at home, possibly unemployed.

The system needs to deal more effectively with the realities facing many women who had and still have to work part-time or intermittently because of the important duties they undertake as mothers and homemakers and indeed they undertake a disproportionate share of caring.

After a lifetime of juggling work and home duties they get clobbered by social welfare average contribution conditions that were probably acceptable in Bismarck's time but which were already becoming outdated in 1953. And the situation is getting worse not better for those women who tried to put a little in a pension plans when they were working because the pensions system only really serves the wealthy who can put millions into pension plans.

People with fragmented pension plans face all kinds of difficulty when they retire and so called advisers are powerless, or maybe not just interested, when the insurance companies insist on penalising these women in numerous ways.

One simple thing the Minister could do, and there is a precedent for it, would be to revise the alternative average contribution test to apply from 1988 when PRSI for the self-



employed was introduced. The concept of using an average based on relatively recent years was adopted in 1992 mainly for administrative reasons, I believe that the cost was negligible when administrative savings, increased tax take and switching from means tested pensions were put in the balance. It should now be adopted on grounds of equity and equality for female contributors.

A start could be made with by using 1988 instead of 1979 as the base year for average contribution conditions for married women immediately and then look at the implications, in cost terms, as well as in equity in result, of taking a more daring approach such as having an average test based on the last 10 years where, at a minimum, the person can demonstrate that she is losing pension because she had to emigrate or assist on family farms etc, undertook substantial periods in homemaking or in assisting family businesses and were thus unable to pay social insurance on their own account and is thereby facing a reduced benefit because of the extended averaging rules

Similar considerations would also arise in relation to males who felt compelled to emigrate and having returned to Ireland in recent years also face reduced or nil pensions because of extended average rules

### **Submission 282**

Pension rights for women working in the Public Service, who prior to 1972, had to retire from the workforce on marriage grounds and who remained in the home to rear families. Some of these women returned to the Public Service in recent years, mostly in the year 2000. They paid modified rate of Social Insurance during their previous service in the Public Service. When they returned, they paid full PRSI. To be eligible for a contributory Pension in their own right, they must have started paying social insurance contributions before reaching age 56.

Even if the Homemakers Scheme was back dated to cover years prior to 1994, they still would not be eligible for Contributory pension if they recommenced working in the Public Service in 2000 at age 57, 58 or later as this scheme also specifies that you must have started paying social insurance contributions before reaching age 56. This is a very serious matter and should be addressed and changed.

### **Submission 286**

In response to your invitation to make a submission on the Green paper on Pensions, I would like to make the following submissions in line with the remarks made at its launch by the then Taoiseach Bertie Ahern when he said, and I quote from the reported remarks on this issue: "Now that we are living fuller longer and more productive lives we need to shift our thinking. Let us look at how we can create advantage from demographic trends to enhance the quality of life of individuals. The pension issue is a challenge which will be facing us for decades and will require a fair and flexible approach."

1. I would respectfully request that the issue of women who by virtue of the fact that they married had to give up their employment, at the time, thus effectively losing out on subsequent benefits, be looked at anew and whilst some would argue that the marriage bar was subsequently lifted, in many cases women found themselves unable to return to the workplace given the dearth for one thing of there being any suitable childminding facilities to look after their children and unlike today where facilities abound. Women feel that the important role they played in the formation and development of their children in those very difficult times has been forgotten, and whilst in a lot of cases, have the necessary number of contributions, nonetheless fall short of the yearly average to qualify for a full pension.
2. Individuals who worked in the semi-state sector who have under the present law, the relevant number of full rate contributions, together with a high number of modified rate contributions are at a great disadvantage viz-a-viz those who have the relevant number of full rate contributions, but who have a lower number of modified rate ones, as far as the amount of pension applied to them is concerned. Let me give some examples of this situation, which is very difficult to understand.

Page twenty six of the publication entitled retirement and old age contributory pension SW 18, illustrates the formula used by the department in arriving at the benefit deemed appropriate, whilst page twelve of booklet SW19 entitled Social Welfare rates of payment 07 illustrates the amount of pension payable.

For an individual with 260 full rate contributions and eight hundred modified ones, the formula used divides the total one thousand and sixty by forty eight to determine the yearly average, giving a pension of two hundred and five euro and twenty cent if all stamps were full rate, but because some are modified they multiply €205.20 \* 260 and divide by the total number of stamps, giving a pension of €50.33

- 260 Full Rate and 800 modified = €50.33
- 260 Full Rate and 900 modified = €45.93
- 260 Full Rate and 1000 modified = €42.34
- 268 Full Rate and 1214 modified = €37.10
- 320 Full Rate and 1862 modified = €30.09
- 320 Full Rate and 1981 modified = €28.03

As can be seen from the foregoing, the more contributions one has to their credit the less they obtain in monetary terms.

Surely to all fair minded and right thinking people this situation is most unfair and I would respectfully request that whatever changes are necessary, whether they be policy or legislative, be put in place, in accord with the remarks already referred to.

### **Submission 289**

In view of the issues and challenges facing the Social Welfare pensions system and the approaches to reform discussed in this chapter, the key questions include:

*1. In the light of the reforms to the Social Welfare system undertaken in the 1970s, 80s and 90s which will, in future, see most people qualifying for contributory pensions, are there implications for people who are at present not receiving support through the Social Welfare pension system?*

There are many considerations that would need to be addressed individually. One of the most critical would be how to deal with worker mobility within the EU both in respect of Irish-born citizens who spend some of their careers overseas and also workers who come to Ireland for part or all of their career. Presumably coordination and integration of national pension arrangements is something that should be dealt with at EU level.

*2. Is the introduction of a universal pension arrangement a desirable and feasible option?*

Pension arrangements need to be simple to understand. However, there will inevitably be some level of complexity for exceptional cases. But for the majority of workers in the mainstream there should be a universal pension arrangement.

*3. If universal provisions are not considered appropriate then what groups, if any, currently outside the Social Welfare pensions system should be targeted for action?*

There should be a needs-based approach whereby those with most need, i.e. those in economic hardship, should be targeted.

*4. Policy in relation to pensions has, for many years, concentrated on improving the position of all pensioners. Is this the most appropriate way of improving pensioner incomes or should there be a more targeted approach using measures such as the Living Alone Increase?*

Basic State pensions, as stated above, should be universal and simple to understand and meet basic financial needs. Other enhancements should be means tested and funded through mainstream Social Welfare funds. The basic State pension should be related to minimum wage rates on a 35 hour-week basis.

*5. If the basis of qualification for contributory pensions was changed from average contributions made, to one based on total contributions, what would be an appropriate level of contribution a person should be required to have to receive a full pension?*

The present arrangement of average contributions is the most equitable. It could be improved by increasing the number of variations to, maybe, 10 year multiples. e.g. 10 years contributions =  $\frac{1}{4}$  pension, 20 years contributions =  $\frac{1}{2}$  pension etc. The calculation should also give credit for contributions paid elsewhere in EU.

*6. Should a formal indexing arrangement linking pensions to some level of prices, earnings or risk of poverty threshold be introduced? How would a formal indexation mechanism be operated having regard to the overall budgetary and economic position?*

Absolutely, pensions should be indexed to CPI, or average hourly pay-rates, or minimum hourly pay-rates or some other appropriate benchmark

*7. Given the issues raised in this chapter, in Chapter 3, and in the Green Paper in general in relation to the long-term affordability of existing arrangements, how can the challenge of the growing cost of Social Welfare pensions be addressed?*

It is not a question of “can it” but how it should be done. All citizens of the state are entitled to a basic pension that meets basic needs. The debate should be around how much is “basic” and how funding from the Exchequer should be raised and allocated.

## **Submission 295**

I wish to make the following points-

1. People should be able to make Additional Voluntary Contributions to their State pension. This would guarantee a specific defined benefit and would eliminate the administration and commission fees charged by private pension companies. It would also give the State substantial income on an ongoing basis as basically an interest free loan.
2. All organisations that receive State funding as their sole or substantial source of funding should have their employees in the Public Service Pensions scheme

Specifically in the Education Sector where 3rd level Colleges receive Capitation fees and tuition fees, all such Colleges should have a State Pensions Scheme.

3. Where those Colleges have Dept of Education staff, or staff from a public body, on secondment, those Colleges have to pay the Dept of Education, or the public body, employer's pensions contributions for those teachers and staff but the Colleges themselves may only have private and or PRSA types schemes for their own staff. Indeed, whereas the State sector employees remain on defined benefit schemes even whilst on secondment, it may be the case that employees of some Colleges of Education are on defined contribution private PRSA type schemes

4. I would like a review of all pension schemes in operation in the 5 Colleges of Education in order to establish equity and equality.

### **Submission 297**

I am a woman and I am 60 years of age. I have spent a large part of my life in caring duties, mainly childcare and eldercare, this is my story.

I began working in 1963, I then got a job in the Civil Service and I worked there from 1965 to 1977. I got married in 1977 and then I had to leave my job because of the Marriage Bar. I felt this was very unfair but because this was the norm in Ireland nobody questioned it, we just did it and got on with life.

I was at home rearing my young children and working with my husband on the farm. My husband was also working outside of the farm. Work on the farm was extremely hard. We had dry stock and needed to get up really early to check the animals. This had to be done morning and evening in all weathers. As part of this work I also did all the administration, for example, keeping records and returns to the revenue. It entailed juggling my time between children and farm work.

In 1989 I began to care for my mother-in-law. I applied for the carers allowance but didn't meet the means test and was refused. I continued to apply for six years and eventually got it. Circumstances had changed; my mother-in-law needed more care so my husband gave up his job and got more involved in the day-to-day running of the farm in order to allow me to give more care to his mother. I cared for her until 2006.

During this time I assumed I was gaining credits while on carer's allowance. Nobody told me different and this was not stated anywhere in the documents. In 2006 I went to my local social welfare office to see how many contributions I had. I was shocked to discover I did not qualify for credits as I did not have paid contributions at the date of applying for the carer's allowance.

I am so angry with the Social Welfare System. I believed all the time I was caring I was contributing towards my pension. Nobody told me about the Homemaker's Scheme in 1994, I could have registered! I could be eligible for my pension. I would like to see the system take women like me into account. Caring should be recognised and credited. After all, I cared for sixteen years and this was not easy work. I would like to see full credits given to all people on carers allowance and those in receipt of child benefit allowance.

I am totally disgusted with the system which does not entitle me to a full Contributory Pension after a lifetime of fully contributing to Irish society.

## **Submission 298**

I am a woman. I am sixty years old and I am single. I am not entitled to a contributory old age pension. This is my story.

I worked in the public service in 1966, then I inherited my parent's farm. I have been a carer for years, first caring for my father and then my mother. It was not an easy decision to give up work in the public service and care for my parents. But in those days you didn't think twice, it was something you just did.

I applied for the carers allowance on a number of occasions and was refused. In 1988 I was successful in getting the carers allowance. This was the last year of my father's life.

As well as running the farm, I cared for my mother until she died in 1991. I continued to work on the farm continuously trying to secure my future in relation to a State Pension. The Government provided a scheme for farmers to ensure they would qualify for the contributory pension. This depended on your age or the amount of land you had. If you had qualified for this scheme it meant you could pay £120 per year. I didn't qualify at the time.

My work on the farm is physical hard work, looking after the animals and their every need, to basic management of the farm and ensuring all accounts are up to date.

In 1989 the government brought in a voluntary contribution scheme which meant you could pay for your own credit. Again my income was not enough and I was excluded from making a contribution.

In 1992, I applied for Farm Assistance and got it. I am still continuing to apply to make voluntary contributions, my last application was May of 2007 and I still haven't heard anything. I feel totally excluded, I feel it is my right to decide if I can afford to make this voluntary contribution not a civil servant in an office. My situation means that when I'm sixty six years old, I will be means tested for a non-contributory pension. I cannot hand over my farm to a relative in order to secure a State Pension. This is allowed but only in certain circumstances.

My concerns and worries are that as I get older how will I manage the farm, I won't be in a position to continue to run the farm. Farm work is very isolating and tiredness is built into farming. I live from day to day.

My long search for security in my later years has left me feeling frustrated with the Social Welfare system. I feel unvalued by the State for all the years I've given to caring, we were unpaid workers who took care of parents. We saved the State a lot of money.

I want to see major changes in the Social Welfare System, those of us who were denied ***voluntary contributions should be credited for all the years we spent caring for others.***

I would like to see the language used within the Social Welfare system changed, words such as "Disregards" and "Adult Dependants" these are negative terms. I am angry that my role as a wife and mother is not recognised as important in Irish society. I believe women should be ***credited for the years spent as homemakers.***

### **Submission 300**

Our 15 year old daughter has a life threatening condition. She has been left severely disabled mentally and physically. Through circumstances beyond my control I became a full-time Carer, a role I have fulfilled for almost 16 years.

I don't have rights that other people take for granted, e.g. time off, holidays, weekends or bank holidays. My job is 24 hours 7 days a week 365 days a year. In addition to my caring role we have also had to fight and campaign for access and entitlement and medical services.

Despite my contribution to society the State regards and treats myself and my daughter as an 'economic burden'. It introduced the policy of 'Individualisation' which is in effect a taxation on Carers. As a single income family we pay the top rate of tax €20,400 before a double income family. This in our opinion is gross discrimination. While my husband is treated as an 'individual' for taxation purposes, I am not treated the same for 'benefit' purposes.

I have no pension entitlement in my own right, either contributory or non-contributory. We cannot afford to make separate pension provision for me and even if we could, it would not qualify for any tax allowance. As the State don't recognise my 'employment' I will not receive a Contributory pension. Bearing in mind the vast sums of money that Carers save the State surely paying these contributions is the least the State should do.

As a Carer, I at least took some comfort from the fact that my husband, who pays full A1 contributions, would be entitled to an Adult Dependant Allowance on his Old Age Contributory Pension in respect of myself. We were very surprised to recently learn from the Citizens Advice Bureau that this allowance is now subject to a means test. We would like to know exactly how and when this change was introduced as it received little or no publicity and many people are unaware of it.

Our role as Carers place an additional burden on our health. My husband who has to work extra long hours to support the family has already suffered a heart attack. He is unable to look after his own health needs as he is required to lift and carry our daughter despite being advised not to do so, on medical grounds, Cutbacks in health services have resulted in us not having respite for four months. Should anything happen to either my husband or myself we will be left in an unsustainable situation.

The ongoing refusal by the 'partners' at successive Programmes for Government to grant a fair deal for Carers is clearly not just or equitable. Neither is rule by the majority without taking the rights of minorities into account, democracy.

### **Submission 301**

I would like to take the opportunity to thank you for your recent letter regarding the pre-1953 pension system. However there is a rather large issue arising from it that I would like to address.

In your letter you stated that it would be quite costly to grant the pre-1953 social welfare contributions to other pensioners who also have a minimum of 260 (5yrs). However since the inception of the pre-1953 pension system, the number that qualified and continues to qualify has diminished considerably due to natural causes.

In reality all pensioners with pre-1953 social welfare contributions are now in their late 70s and 80s and realistically this number will continue to diminish every year to a point where the 1953 system will effectively be redundant.

It would be seen, I believe, as a caring and sympathetic gesture to pensioners if a maximum of 260 pre-1953 social welfare contributions were recognised and added to their existing post-1953 social welfare contributions divided by the additional 5 years to achieve a new yearly average.

The actual additional cost would be a quarter of full pension, which is approximately €2,600 per pensioner per year and this cost, as I've already pointed out, would obviously diminish each year. Pensioners who retired at age 65 since 2003 would have pre-1953 social welfare contributions. I trust this request will get a duly broad minded and sympathetic hearing within the green paper consultation.

I am providing for your convenience an example of how my request would work.

#### **Current Pension Formula**

500 post-1953 SWC\*

42 post-1953 years to 65th birthday = 11.9 yearly average = 50% of full pension

#### **Requested Pension Formula**

500 post 1953 SWC + 260 pre 1953 SWC = 760

42 post 1953 years + 5 pre-1953 years = 47 = 16.17 yearly average = 75% of full pension

Again I trust you will give this due consideration



### **Submission 304**

I am a woman of 43 years of age. I came to Ireland in 1994 as an asylum seeker. This is my story.

In 1994 I arrived in Ireland. I was 29 years old. When I was nineteen (in my home country) I started working in Construction & Architectural Enterprise. I worked there for 10 years from 1984 to 1994 as a quantity surveyors technician.

After three years in Ireland with non-status and unable to work or study I got refugee status which led to me receiving Irish Citizenship by naturalisation. I married an Irish man in 1996 and I now have three children of nine, seven and five years old. I am still learning English, learning about Irish society and culture. I think it is very important to integrate into Irish society. While my children are attending school, I have returned to education and training in order to find fulfilling work and secure a pension for my later years. As the children are growing, I feel it is important to be there for them too, they are part of the future of Irish society.

Part-time, flexible work is what I need while they are young. The work of caring and homemaker must be recognised as a direct contribution to the economy and workers in this sector should be properly rewarded. Women should have choice about the type of work they decide to take.

In order to qualify for a contributory pension at sixty six I will need credits of 520 in 10 years working full time, it sounds impossible for anyone who has been out of paid employment.

**I am a person in my own right and I would like to be as independent as possible.**

### **Submission 310**

I am writing to you in the hope that you will grant the Old Age Pension to Cross Border workers who have more than earned the right to it. I am using my own life-story to illustrate their case.

After graduating with an MA degree in 1958, I taught in England for six years. I returned in 1964 to take a Higher Diploma in Education so that I could teach here, I taught for two years 65 and 66 and then took a job in Derry where I taught from 1967 until I retired in 1989. Since 1967 I have been resident in Ireland (where I was born in 1936) paying taxes on my earnings to my own government – sometimes at the rate of 70%.

It seems crazy to me that in return for all those taxes paid over the past forty plus years I have managed to reach my seventies without my own government ever giving me one cent in return. I don't know how many others are in the same situation but one is too many. Twice before I have managed to get a similar injustice put right.

In 1965 when students discovered that the government wouldn't be paying them one penny during their first year as full time secondary teachers, they talked of marches and demonstrations in the streets of Dublin. I suggested I write to the Minister for Finance to arrange a meeting. They agreed. Within a fortnight five of us met George Colley in his office. He pointed out the difficulties, union opposition to any changes in existing circumstances etc., but all other years have benefited since.

Again in 1974, I was warned that the Double taxation Agreement would mean all Cross Border Workers would owe our own government a year's back tax overnight. One letter to the Minister for Finance got that unfair bill halved.

Now for a third time, I find myself hoping to put right another inherited social injustice. I've been told I can get a Bus Pass and a few other concessions if I apply for them- but you will have to act on this Old Age Pension issue to see that an injustice is put right. Cross Border Workers resident here deserve some financial return for all those extra taxes paid to our own government over so many years but not one cent do they get.

### **Submission 311**

I am a retired nurse and mid-wife on reaching my 66th birthday my application for a contributory old age pension was refused as I had not paid the correct number of contributions.

Having worked for 23.5 years in both a temporary and permanent capacity from 1964 I had no idea that on becoming permanent my employer did not pay reckonable contributions!!

In those years your duty was constantly broken when you were a temporary nurse and when you married you were obliged to resign from your job!! How was one expected to have the required number of reckonable contributions?

For the past 8 years I have been a full time carer and nurse to my ill father-in-law who lives with us (100 years old) I was not allowed any credit for these years. I have never been given the opportunity to purchase credits even though I applied for information about my old age pension in 2003 and have never looked for unemployment benefit, no one gave me any information or advised that I required 260 reckonable contributions. I have been treated very unfairly as a person who has always paid my way in this country. The system leaves me very depressed and unhappy.

### **Submission 314**

I wish to forward my views for consideration with the Pensions Policy Unit on the following issues:

#### **1. Contributions:**

There is too wide a base used for average contributions to decide on qualifying for a pension (Contributory) i.e: missed years, time in other states etc. These periods are included in arriving at an average contribution per year from first year of employment until pension year. If it is accepted that a person would be lucky to have any or part-time employment in the 50's 60's or 70's and 80's this system is unfair

## **2. Occupational Pensions**

From my personal experience of having 22 years contributions made with an employer of Semi-State status from 1965 to 1987 when I was forced to accept redundancy and had to accept a refund of my contributions minus a stoppage of 10% I found this most unfair, especially so when there were special arrangements between this semi-state company and the Dept. of Labour to allow workers in the company go on retirement pension if over the age of 50 years (and in poor health?) I was 46 at that time so did not qualify for this arrangement where the company and the Dept. of Labour needed work-force reduction. This company (since folded) has a Pension Fund which probably is more substantial in Capital and requirements to pay pensions is still existing (alive) contributors and their spouses. There needs to be an enquiry and examination into these types of company schemes. A now retired Taoiseach was Minister for Labour in 1987. I would expect that with 22 years service and contributions to this pension scheme I have a moral right to some form of recognition from this scheme after all we have politicians receiving pensions after 5 years service although in some cases being still in gainful employment

## **3. Means Testing**

The Dept. of Social and Family Affairs use a formula to arrive at income from investments which is most unfair. They refuse to accept actual income and use a 'trickster' formula which must be from 'outer space' at the top end of weekly means assessed, if for example a couple had €40,000 saved and these is a formula that say every €1296 earns €5.08 per week, which equates to €160.12 per year, so €40,000 would equate to €8,327 per year which equals to 20.8% P.A. rate, Hard to accept when An Post pay 0.5% to 1.5% per annum. It's hard to accept that the Department say there is a 20% interest rate out there presently when the maximum rate would be more around 3.5% to 4%.

In wishing the Pensions Policy Unit every success in their endeavours I now sign off, although I could have made more observations but 3 submissions on the issues I refer to really stand out strongly and there needs to be something done to rectify these anomalies.

## **Submission 316**

I started work in 1953, worked until August 1961 when I married, I had 3 children, and I returned to work permanent/part-time in 1969 I have never claimed unemployment or sick benefit. I was not aware, or made aware, that I should have been signing on for "credits" re

stamps for my pension. I am now short changed with my pension, approx €6.00 per week. The difference is getting wider.

I was informed that in 1996/97 the rule was changed to enable people at that time to get equality. I queried this when I last wrote and was informed a line had been drawn and that was the position.

My claim for the pension did not go to the Pensions Board until 2002, if it was adjusted in 1996/97 it must carry forward I ask whoever is reading this to please put yourself in my position and try to understand what I am requesting.

I do not have any other pension, nor does my husband. We both worked in non-pensionable jobs for the short fall, while it may seem small to some, the difference means a lot to others. I refer to the Irish Constitution:

“The family article 41 pages 136-138 2°: The state shall therefore endeavour to ensure that mothers shall not be obliged by economic necessity to engage in labour to the neglect of their duties in the home;

Ref form Constitution of Ireland, Article 4. Family fundamental rights 2 1° In particular, the state recognises that by her life within the home, woman gives to the state a support without which the common good can be achieved.

### **Submission 320**

We would like to express our view on the pension system.

Our pension is based on my husband's stamps from 1953 to 1960 for which my husband gets €167.50 and I get €150.00 as a dependent. My husband worked part time from 1950 to 1960 when the Government included the pre 1953 stamps as we expected to get a full pension. We applied for same and were told it was separate which seems unfair. We hoped his stamps would be added on. He also paid self employed stamps from 1988 to 1995 which we got nothing from.

My husband is now 78 years and I am 77. I find it have to live on such a small amount as all out savings are nearly gone.

### **Submission 322**

I am a 77 year old man. For the past number of years I have been in receipt of just half the contributory pension. This is despite the fact that I made eight PRSI contributions. At my age I feel I'm entitled to the full contributory pension.

In addition my wife is only receiving a minute portion of her pension every week.

Between us this total weekly amount is not enough to survive on.

We feel that after working so hard throughout our lives and paying all our due taxes the Irish pensions system has now left us in an extremely vulnerable position in our old age.

### **Submission 325**

I wish to make the following submission to your committee. I am 87 years old and hope you will be able to read my writing.

I commenced my working life at 15 years of age and my contributions to Social Welfare commenced in 38/39 period and continued at the Class A rate until 1957. At that time I was working with [Company Name] in 1957, I was promoted and, as a consequence, I was then changed from Class A to Class D rate. The latter rate did not entitle me to an Old Age Pension.

From 1957 to 1986, my contributions continued at Class D and when I retired I was not entitled to an Old Age Pension because I had been superannuated at [Company Name] who were exempted from paying the full rate. As I had time on my hands a number of us formed an association "Deprived Old Age Pensioners" and commenced lobbying TDs and senators and after a very long fight over 12 or 14 years we got some recognition and small amounts of pensions were paid to us. As a result of the anomalies created in Social Welfare and the injustice of the scheme from 1995 all public service employees recruited after that year are now paying Class A contributions and will be entitled to State pensions as they are now called plus their occupational pension.

At present I have my occupational pension approx €298pw and half the State pension which is approx €125pw. After contributions made by me for 48 years of my life at either the Class A or Class D rate I feel this is a shocking injustice to me. I have given loyal service to the State both as a public servant and in [Employer Name] from 1940 to 1946.

The use of pre 1953 contributions was only allowed on a very limited basis for half the State pension and despite the fact that I have pre 1953 stamps on record I am not allowed to use them and I am denied a full pension. This is disgraceful and I am not sure whether or not it is within your remit? I hope it is and that you will rectify it.

If you require any further information from me or if there is any way I can be helpful, I am very willing to do so, even to travel to Dublin, I am quite capable of doing so T.G. I await your comments & reply.