

Green Paper Consultation Responses

Deferred Pension/Accruing PRSI Entitlements after 65

Submission 33

Submissions for Consideration

1. **Living Alone Allowance**

I suggest that this benefit be split into two categories:

1. those up to 80 years of age and
2. those 80 years of age and over

In category a) I suggest that the benefit be rounded up to €10 or more and then indexed with cost of living each year.

In category b) I suggest that the benefit be paid at a much higher rate as the cost can be readily ascertained, as actuarially speaking, it would be payable for an average of only 4.5 to 5 years.

2. **Adult Dependent Death Benefit**

I suggest that after the six month continuation of the allowance at the full rate that it should continue at half rate for a further six months. This would ease the problem of the sudden drop and the realisation that you must now adjust yourself in managing on less money.

3. **Continuity of Employment after Normal Retirement Date**

In cases such as these I suggest that where the normal retirement date is 65 or over that payment of the social welfare payment be voluntarily deferred and that the rate of payment be annually increased by a percentage for each year of deferral. To encourage workers to continue on in employment after the normal retirement date that payment of PRSI and the like should cease for both employer and employee. In those cases where there is an adult dependent, the adult dependent allowance should not be withheld but paid at the normal time and reviewed each year on budget recommendation.

I have studied the Green Paper and found it very informative and a very useful document. If I can think of any more suggestions I will send them on to you.

Submission 70

I feel that as people are living longer, healthier lives arriving at pension age should not be a full stop. Persons who qualify for Contributory Old Age Pension should be allowed to defer part or all of their pension if they are continuing to work. The pension should be divided in to 1/5ths as there are 5 days in the working week. So that if a pensioner undertakes to continue working 2 days a week they will be paid 3/5ths of the pension and have 2/5ths deferred. The deferred pension should be invested and when the pensioner decides to retire fully the 2/5ths deferred pension will be added to the existing 3/5ths at an enhanced rate reflecting the interest earned and the further contribution of the pensioner to the world of work.

Submission 93

1. A large number of women had to resign from State and Semi State Bodies on marriage up to 1973. Their years of unemployment prior to marriage are not counted for PRSI pensions and this should be changed as it is a huge problem.
2. The twelve year allowance for stay at home mothers starts from 1994. This is of no benefit to mothers who stayed at home in the seventies and eighties and were already back at work in 1994.
3. People should be given the option to stay working until the age of 70 without drawing the PRSI pension. At the age of 70 they should be paid a higher 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 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 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.