

## **Green Paper Consultation Responses**

### **Homemakers/ Marriage Bar**

#### **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 14**

In response to the Green Paper I would like to make the following submission on the Homemaker Scheme, please

##### **Submission on the of the Homemakers Scheme:**

1. On balance I would consider that the most appropriate year to which the scheme should be backdated would be 1979.
2. Civil Servants employees who prior to joining the Civil Service had paid the full rate of PRSI at some stage and who availed of the current Term-time Scheme within the Civil Service to care for a child (or Children under 12 years) during the summer months do loose out on pension entitlement during the periods of their Term-time. This obviously can impact negatively on their actual service within the Civil Service and in turn on their Civil Service Pension entitlement. Accordingly under any reform of the Homemakers Scheme and in the interest of equity, consideration should be given to have such employees rendered eligible for credit awards in respect of periods of Term-time.

This is a Submission with regard to any reform of the Old Age Contributory Pension and its possible impact on people who have already reached 56 years of age. Under the term of existing Old Age Contributory Pension people who are contributors and who have already reached the age of 56 do have a degree of certainty in relation to their Old Age Contributory entitlement. Therefore, any reform of the Old Age Contributory Pension Scheme should protect the pension entitlements of such people. Care should also be taken that any reform

to the scheme will not result in a diminution of pension entitlements of people who are already over 56 years of age.

### **Submission 15**

With regard to the Pensions White Paper and to the intended reforms I wish to make the following submission as an individual, please.

#### **Re: Homemaker Scheme:**

1. From the point of view of justice and equality it is of fundamental importance that any reform of the Homemaker Scheme does take cognisance of homemakers who are now over 46 years of age and who have in the past have taken time out of the workforce to care for child/children under 12 years of age and who have now returned to work. In cases where such women have accrued pension entitlements under the term of the Homemaker Scheme as it presently exists, accordingly any reforms to such terms should ensure that there is no diminution /worsening of such a person's pension entitlements.
2. I recommend that Periods of Term-time in the Civil Service should be reckonable for credits awards under any reform of the Homemaker Scheme. The reason for this recommendation is that Civil Servants who avail of Term-time to care for child/children under 12 years lose both service and pension entitlement in respect of all such periods of Term-time. Therefore in the interest of equality and natural justice periods of term-time that are availed of for the purpose of caring for child/children under 12 years of age should be reckonable for credit awards under the Homemaker Scheme. Otherwise to exclude such periods of Term-time would be to discriminate against mothers/fathers who are employed in the Civil Service and who take time out of work to care for child/children under 12 years of age.

### **Submission 34**

I would like to make the following points:

1. I, and a number of other women were not employed in the public service, yet we had to give up our jobs when we were married. Had we not been forced to leave our employment, we could have worked on for some time and built up pension credits.
2. I, and a number of other women, who were full rate PRSI contributors, were never made aware that we could have maintained our record through voluntary contributions; indeed many of us were unable financially to do this, as we were no longer in employment and were dependent on our husbands' incomes.
3. The changes in the way in which qualified adult allowances are paid will not benefit me, or a number of other women, as our spouses do not qualify for a contributory pension.
4. This county had to be dragged into the 20th century because of the way in which its citizens were treated, e.g. the abolition of the marriage bar in c.1973. This was

achieved by taking the matter to the European Court. Despite this, some women continue to be discriminated against because they do not have the correct number of credits to qualify for an Old Age Contributory Pension.

May I point out that throughout Ireland's toughest years, the women affected by this pension's inequity were the glue that held this country together. We cared for our families, old and young on an everyday basis with **no** state recognition, (even the Family Home Protection Act did not come into being until the mid 1960's). When family and social conditions allowed, I, and a number of other women affected by the marriage bar did return to work, but we now find ourselves in a situation where we cannot build up enough credits in order to qualify for a full Old Age Contributory Pension. We are now in our 60's and have run out of time. Surely the Government should allow some leeway to women affected by the marriage bar, and who later returned to the workplace for say, 5 or 10 years, but who simply cannot build up enough pension credits in order to qualify for a pension in their own right?

The number of people affected is small, and continues to dwindle. Is the Government waiting until we all die off? Certainly that would be one unsatisfactory answer to the problem. No doubt, in 20 years time we will be praised for our contribution to this country's success, but by then most of us will be dead. Should the Government be concerned about the cost of giving us our due, then I suggest that it examine its own collective conscience about the amount of pensions awarded to each member of the Cabinet and compare it with what we are seeking. There is a recent precedent for changing the law in order to facilitate one of its own.

I am not seeking a concession; I am just looking for what I believe to be my entitlement.

### **Submission 36**

I wish to make the submission to the Green Paper Consultation on Pensions. I wish to make the submission in relation to the Reform Options [Chapter 6], i.e. Reform C: Reforming and Backdating the Homemakers Scheme.

I was employed from 1970-1973 by [name of employer]. I had to leave my employment on my marriage in 1973 (owing to the then marriage bar) to care for my children. I returned to work with [employer] in 2001 and intend to continue working to retirement age. I am presently paying Class A PRSI.

At age 65 I will have very little Class A Contributions paid, so my pension would be small. It would be of great benefit to me to have the Homemaker's scheme which was introduced in 1994, backdated and credits applied so that I would have a decent pension to retire on.

### **Submission 44**

I worked for [name of employer] from October 1961 to May 1962. I then worked in [employer name] from May 1962 to March 1967 when I had to leave my job because I got

married in March 1967! I have been told by the Pensions Ombudsman that the marriage bar situation is up for discussion in a Green Paper on pensions (Chapter 5).

The Ombudsman advised me to make a submission to the Green Paper regarding “societal norms which applied until the early 1970’s”.

I will be 66 this year and have no other pension.

## **Submission 45**

Chapter 6

### **Reform A.**

**Impact** of earlier social insurance structures must not be allowed to continue:-

Examples – When social insurance was first introduced in 1953.

1. **Males** only were accepted and the females several months later
2. Again, when self-employed were brought into the Scheme in 1988 – the over 55’s were excluded even though these people continued working beyond the 10 year minimum period while collecting V.A.T. payments each two monthly period and paying tax due.

**Question 2.** NO

**Question 3.** All those born before 1930

**Question 4.** NO

A more targeted approach should be adopted for the very elderly Living Alone Allowance given to those (again I would suggest those born before 1930) for very many obvious and various reasons).

### **Re: Reforming and backdating Homemakers Scheme**

Many of the very elderly could be short of the minimum of 260 Class A, PRSI contributions unless the same 2 for 1 criteria applies for the pre 1953 stamps.

I do not know about this scheme but it would be a crying our injustice if these 80 year old mummies and grannies were not given the 1040 credits. Any woman who made a home and six or more children (irrespective of when they were born and cared for) should be included in the scheme.

High time the very old are given a small token in recognition of their contribution over the years. The living alone allowance as it stands was the reason why many of our elderly were unable to make a reasoned choice, as to where they want to spend their closing years and inevitably the present system did not help them.

## **Submission 47**

### **Extracts from Oireachtas pensions debates 2002 - 2007**

This submission is very large. It may be downloaded below in pdf format.

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## **Submission 54**

When I was 17 years of age in 1962, I started to work in the Civil Service. In 1970, I married and was compulsorily retired. My first child was born in 1971 and my last in 1981. I have never returned to the work force. I stayed at home, reared my children and, before I was finished rearing the last one, my elderly and ill mother came to live with us and I took care of her until her death in 2001. Since then, I have been seriously ill myself. I have never received any state benefit or support in my life apart from child benefit.

My husband is a permanent civil servant who will only have entitlement to a civil service pension in his own right when he retires. This pension will not include any increase for me and it will also debar me from receiving the state non-contributory pension. Consequently, despite my lifetime of service in rearing my children and caring for my late mother, I will not receive any state pension when I reach 66. I feel very aggrieved and discriminated against and worthless.

There are very many women like me who were compelled to retire on marriage and did not have the opportunity to enter the work force thereafter. I really think, at this time, some form of state recognition should be put in place in our old age to acknowledge our valuable service.

## **Submission 57**

(1) There is now a provision whereby a woman who stays at home to care for her children is credited with Social Welfare contributions while out of the workforce. I believe this amounts to twenty years' contributions. This provision acknowledges the valuable contribution such women make in sacrificing their careers and other benefits of a material kind, to care for their children in a way that benefits the entire family, and also helps her to make provision for her pension.

Why has this provision not been made available for all women who have left paid employment to raise their children at home? I worked for 13 years prior to my marriage in 1972, when I left work to raise 4 children. There must be many women in my situation who find that they do not qualify for the full contributory pension.

(2) Why are women not made aware in time of the need to have sufficient Social Welfare contributions to qualify for the full pension? I would like to suggest that every woman is

notified by letter at age 50, of the current state of her contributions, and the number necessary to qualify for the full pension. Most women find out, to their cost, that they have lost out when it is too late.

### **Submission 59**

SUBJECT: 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.

Women in this category do not qualify for a state pension, reduced or other, due to the modified rate of Social Insurance they paid.

Where their spouse was also a Public Servant, neither party is entitled to a Social Welfare pension.

In contract, women in a similar situation who worked in the private sector, may qualify for a pro-rata contributory pension, following a relaxation of the "average" rule, and the introduction of a special pension for those with pre-1953 contributions.

This category of ex Public Service women remain a minority group who suffer discrimination with regard to Social Welfare pension entitlements.

### **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 73**

### **Credits for homemaker pre-1995**

I worked in the Civil Service from 1965-1971 and was forced to resign because of the marriage bar. I reared three children from 1972 and got no homemakers credits.

I rejoined the Civil Service in 1999 and am due to retire in 2012. I will be due a very small pension from the Department. If I work until I am 65yrs I may qualify for 50% of the contributory old age pension. I do not qualify for a pension on my husband's stamps because he is a Civil Servant.

It is a great pity that I got no homemakers credits as otherwise I would qualify for full contributory old age pension. I am sure there are many other Civil Servants in the same position.

I hope that the pension situation of people like me might be looked into and something done to rectify it.

### **Submission 78**

I started to work in 1969. On marriage, I was obliged to resign in 1971 with no marriage gratuity. I returned to work two months later and continued as a temporary employee until July 1972. I returned again as a temporary official in 1983 and was made permanent in 1993 with entitlements going back to 1990.

With regard to my Pension, should I retire at age 63, i.e. July 2013, my job pension will be a mere €4958.05 per annum. In order to enhance it, I would like to buy back for years 1972 to 1990 as at this stage AVCs are not an option given.

### **Submission 79**

#### **Equalisation for partner/spouse by establishment of PRSI Entitlements and Pensions in their own right**

##### **Introduction**

I am grateful for this opportunity to address you by way of a written submission. It is my belief that the at home working women/partner are entitled to pension entitlements in their own right without affecting the Government budget going forward. In my submission I will show how such a policy should work going forward. The system that presently exists is totally discriminatory against the stay at home woman/partner and that this must change. This new system would need government support and would need protective legislation to be enacted. The real issue here is that the working stay at home women/partner are not been treated fairly and this needs to be addressed urgently by way of equalisation of entitlements. This could mean billions of euros lost to the national exchequer if allowed to continue because I believe the stay at home woman/partner would have a good case to bring forward to the European courts of human rights. Their work is not being recognised within our current system and they are not being treated as individuals with rights equal to that of their working partner/spouse.

This work must be recognised and that their working spouse should be allowed make contributions to their partner/spouse PRSI contributions for work done in the home. It is essential that these rights are established which would be very beneficial to a woman/partner in case of marriage break up by way of having their own pension rights established and to benefit as individual from contributions already made by her husband/partner within the system legally. It is grossly unfair when both parties contribute equally to the work done in the home and that only one benefits. The object of this exercise is that both parties are treated equally in eyes of the law and that the woman/spouse's rights are achieved by way of equalisation of entitlements.

I propose that equalisation is attained by:



1. The working spouse be given the right to contribute payments to their at home working spouse/partner PRSI contributions into two separate entitlements.
2. That the right to equalisation is fully recognised by Government legislation.
3. Such a right is also enacted at EU level ensuring all other EU citizens of these same rights.
4. These rights should be enshrined in our constitution as working spouse/partners as having their own individual rights.
5. The right of the working partner/spouse to contribute to that of their working in the home partner's PRSI contributions is established which would also give to the other party the right to contribute to a private pension plan therefore establishing entitlements in their own right therefore achieving equalisation for the stay at home spouse/partner.

## **Conclusion**

I believe talks should be entered into with women groups to see that this injustice is undone and the role that the stay at home spouse /partner is fully recognised within the EU in order to protect the EU budget going forward. Stay at home women/partners must have the right to establish their own PRSI payments as working individuals in our society and be treated as equals for their full day's work. If this right is not established at European level I see court proceeding being taken which could have significantly more financial implications by way of fines being brought against our Governments. In my conclusion, I believe the Government should act now and enact protective legislation at European level to protect the rights of the stay at home spouse/partner for work being done in the home. It should be no longer acceptable that a spouse/partner can work in the home for all of their adult life and at the end of that term, that person isn't entitled to the contributory pension and also not have the benefit of having taken out their own private pension plan.

## **Submission 89**

### **Green Paper submission**

I was compelled to leave my employment as a telephonist working in Post and Telegraphs in the year 1971 because of my marriage.

This "marriage bar" was removed in 1973 with little information to workers beforehand. I recommenced paid employment in 1981 and have been employed for various terms to date. My concern is that when I reach state pension age, I will have insufficient PRSI contributions to qualify me for a full pension.

In my view, those workers forced to retire prior to 1973 were discriminated against and should be compensated in some way. As a person that recommenced employment and may not benefit fully from PRSI contributions, I propose that PRSI contributions should be allowed especially for any unemployment periods to supplement entitlements to state pensions.

## **Submission 90**

I was forced to retire in 1973 due to the marriage bar and spent from 1975-2000 at home rearing my family. I was recruited back to the civil service in 2000. As it stands, I will be due to retire in 2015 aged 65. Now, through no fault of my own, I will only be due a minimum Civil Service pension and a portion of the State OAP. My category should be included in the post 2004 entry legislation which enables staff to remain in the work force after 65 in order to boost my pension contributions.

### **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 94**

Please take note of the following comments.

My wife was shunted out of her employment when she got married in the mid sixties.

The State stood by as she lost her employment in the private sector.

For the few years after she got married and had not at that time, had children, she was continuously turned down for employment, as she was a married woman.

After she reared her 3 children she again had difficulties in the 80's gaining employment for the same reason.

During all of his time the State stood by and allowed this discrimination.

My wife is now in her mid 60's and it is now a little late to shunt her off to work

Even if she did she would not have enough contributions presently.

She cares for her grandchildren. She is paid with love not cash. That's what families are about.

She also cares for her aged 90 year old mother who does not live with us. The lady has Alzheimer's but does not know it. No allowance is paid here either, but it is done out of love and commitment.

We will not benefit as others have done.

My wife is a none person she receives nothing from the State and will not get a pension.

If we are fortunate enough to qualify for a part contributory pension. (I am now working outside the Public sector and paying A contributions). She will get it as a dependant.

Nice term for a mother who has done so much.

The system is divisive and anti family.

### **Submission 96**

I joined the Civil Service in 1957, I married in 1966 and due to marriage regulations in force at that time I was compelled to resign from my employment.

I remained as a housewife for the following 25 years, and only re-entered the employment market in May 1991, working in a temporary/contractual basis until 28th June 2002.

It is my contention that the "Marriage bar" applicable in the Public Service was sexist and discriminatory in its origin and design. Sexist in that it applied to married women only, and discriminatory in that it applied to marriage and women. It also further demeaned the status of marriage. If your husband died you were permitted to rejoin the Civil Service. As if to further highlight the discriminatory and selective nature of the ban – it did not apply to women in the Professions and many other employments. Not for one moment do I suggest that it should, but it raises the very legitimate question, "why did it not"?

Later in my life as pensionable age beckoned I discovered to my dismay that not only had I been discriminated against by the "marriage bar" but that I was about to receive another shock, in so far as the years that I had been barred from employment, were now included in determining the amount of a contributory old age pension I was to receive. Consequently I am now at a substantial loss. I consider this unjust and unfair.

In my opinion all of this is contrary to the Fundamental Rights and Personal Rights of the individual as enshrined in the Constitution of Ireland. Article 40.1 "All citizens shall, as human persons, be held equal before the law".

Furthermore in Article 41.2.1 it 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.

Is this the States way of recognising a woman's worth? DISCRIMINATION

### **Submission 97**

Prior to the 1970's, women in the Public Service who married were sacked for so doing. This meant that they lost their pension rights and civil rights, through no fault of their own.

The following years were spent in homemaking and child rearing, whilst this work was of the utmost importance, it was still undervalued and unrecognized by the State. I am one of these women who feel that our work should be calculated as credits towards some form of compensation for the injustice done to us, by our loss of pension and civil rights.

### **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 100**

**Reforming and Backdating Homemakers Scheme** (Chapter 6, Reform C)

*"If you work or have already left work to care for any child or person we will ignore the resulting gap in your record when working out the yearly average of PRSI contributions for your State Pension (Contributory). **This arrangement only applies after 6th April 1994.**"* Social Welfare SW118.

*The Review of qualifying conditions for pensions in 2000 stated "There is no fundamental reason in principle why the Homemaker provisions should only apply from 1994"*

*"The question of extending the Homemaker's Scheme to older women, in particular those who were obliged to leave the labour force on marriage should now be addressed with a view to allowing as many as possible to qualify for pension entitlements in their own right."* The Equality Authority.

## Chapter 6, Reform C: **Reforming and Backdating the Homemaker's Scheme.**

A fundamental human right cannot be backdated, it stands on its own. Pensions previously denied because of failure to recognize this right can and should be backdated, but the right does not simply exist from the time it is decided to acknowledge it.

In 1994, it was rightly decided to award credits to persons (mainly women) who were no longer in receipt of an income as they had taken time out to care for children or sick or incapacitated people. These women had paid contributions out of their income when in the work force and would be entitled to a pension had they continued to do so. As they were no longer in receipt of an income they obviously were unable to pay contributions. The decision to discount these caring years was a right and just one. To deny this credit to women who fulfilled exactly the same criteria, but in earlier years, is to deny them the rights given to their younger sisters. This has already been recognized by the Equality Authority.

If this matter is not addressed by the Green Paper then it must be referred to the Human Rights Commission. The question of backdating will not be addressed until these credits are awarded to all women who left employment before 1994 to care for children or incapacitated people. Then and only then does backdating become relevant. 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.

The Green Paper seems to be saying that these rights cannot be granted to older women because

1. It would be costly.  
The question of cost is inappropriate where rights are denied.
2. The self employed and others excluded from the system would also claim backdating.  
The self employed and others are protected by special arrangements already in place. The Rights Commission is already seeking a review in the case of some people excluded from these special arrangements on the grounds of age.
3. It is administratively unworkable.  
Full records are in place for children's allowance and documentation of births and social welfare records are extremely comprehensive.

It is difficult not to believe that these rights have been awarded to younger women precisely because they will not be availing of these credits for many years to come and therefore recognition of their rights will cost nothing at present. The denial in the case of older women is because they have now reached, or soon will be reaching, pensionable age. We would strongly urge that action should be taken to implement the points raised in the green paper in order to bring justice and equality to this aged and ageing section of the community.

A copy of this submission is being sent to the Human Rights Commission and the Ombudsman.

### **Submission 110**

I was forced to retire in 1972 due to marriage bar and spent from 1973 to 2000 at home rearing my family. I was recruited back to the Civil Service in 2000 as a former Civil Servant. As it stands I will be due to retire in 2012 aged 65. Now through no fault of my own I will only be due a minimum Civil Service pension and a portion of the state OAP. My category should be included in the legislation which enables staff to remain in the work force after 65, in order to boost my pension entitlements.

### **Submission 111**

#### **RE STATE PENSIONS ( CONTRIBUTORY)**

I have contributed through PRSI for all my working life to date (1965 to 2008). My wife also has contributions for many years but due to marriage she had to give up work. She did return part time to insurable employment for a number of years but health problems obliged her to give that up.

Having asked for a record of all contributions, it appears that her contributions are of no benefit. This is grossly unjust and should be rectified. She is 61 years old and I am 60.

As I have been self employed (own more than 15% of a small business) since 1992, my contributions have continued to date, but the imminent closure of our business will result in my having to make annual contributions to preserve a State pension for both. If I predecease her before age 66, will all this be also lost?.

#### **RE PRIVATE FUNDED PENSION.**

My own work history in the private sector shows the problems for long term security of pension provision.

1. I was employed in a large company from age 18 to 32. I was a member of a company pension scheme (non contributory) and no benefits were transferrable when I left in 1979.
2. The small company I joined did not have a fund and eventually in 1984 I started to make private contributions to a With Profits fund (on independent advice).

3. My employment was broken by three periods of unemployment and several changes of employer (none with a pension scheme).
4. In 1994, I and a colleague bought out the company we have operated since and have tried to play catch up with pension contributions (both from our company and AVCs).
5. At a time in our lives when mortgages were paid off and family demands diminishing, it is possible to live on a modest salary €48k pa, and direct as much of the available resources into a pension fund. But then we run slap bang into Revenue funding tests.
6. I listened to Minister Cowen in a post budget radio interview (2006) state that he was advised that a reasonable pension fund would now have €1m. I still have not reached this figure and in view of the company closure (forced by competition) I never will.
7. In the mean time, With Profit funds languished for years and a change to full market exposure has wiped tens of thousands from my pension in the last year. This is euphemistically called "negative growth".
8. Much of the media focus is on the extraordinary contributions made by public companies to their director's pensions, one might think we are rolling in clover. I have no doubt your statistics indicate a very different picture.
9. Our company is in the construction sector and all our employees are fully up to date in the CWPS but of course that fund only has circa 80000 out of an alleged 280000 construction workers. None of our competitors employ anybody, they are all treated as self-employed. Hence, the competitive advantage to them and ultimate problem for the State later.
10. The Revenue funding rules need to be amended to allow a minimum fund built up irrespective of salary and the benefits taken irrespective of final year's salary. The market turmoil over the last 5 years affecting pension funds make it almost impossible to predict anything and projected values are anyone's guess. It is "think of a number" stuff , and yet, if they swung the other way, Revenue restrictions could kick in. The only income we pay ourselves is that earned by the company and this has to be cut back at times to reflect ability to pay. A concept totally alien to those making the rules.
11. It is time that those who make up these rules ( all in the Civil Service) realised that their pension arrangements could not be purchased by a person like me (of whom there are thousands) if we worked another 25 years.

In conclusion, I suggest it is vital that all impediments to providing private pension provision by private sector workers should be removed and a base line minimum fund value linked to inflation be established below which no restriction on funding or salary computations would apply. That fund amount would surely need to be the €1m identified by the Minister.

**Submission 112**

I am due to retire next August from the public service and would like to make three points: Raising retirement age (I would like to work on)

Reasons for:

- I am healthy, as are most older people nowadays, and my experience and knowledge will be wasted on retirement.
- I need the money as three of my children are still in education (this will also be so in the future for young people who now have their children later).
- I would be one less burden on the state pensions.

My pension is only based on 19 years service and I don't qualify for the state pension as my PRSI contributions were at the D rate (If I had known this earlier I could have done something about it). Politicians/popes/judges etc don't have to retire at 65! Colleagues at work who came into the service after 2004 don't have to retire at 65 so there is discrimination. Older people tend to be more committed and available for the job as they don't have young children to consider.

Older women not getting any PRSI allowance for the years spent child rearing again discrimination against people who were out of the workforce pre-1994 to rear children whereas now contributions are credited during child rearing years.

State pensions being based on salary for last three years service: employees, for family reasons, may have to refuse a promotion or downshift and can lose out on pension amount.

I was on a higher scale for 10 years but downshifted to be working nearer my home while the children were young and as result my pension will be based on the lower scale which I have been on for the last 9 years.

### **Submission 115**

Undervalued & Forgotten.

In 1994, the government introduced legislation which granted homemakers PRSI credits for pension purposes. I feel that this law discriminates against thousands of women, who like me gave up careers to become fulltime homemakers prior to 1994. Many of these women had no choice in the matter and were forced to resign because of the marriage bar at that time.

Sadly, these women are forgotten by the State when it comes to qualifying for any pension. Invariably, they seem to fall between two stools when qualifying for either a contributory or non contributory pension. In the case of the latter, their financial means are deemed to be half that of their husbands, which usually disqualifies them from this means tested pension. Obviously they can't qualify for a contributory pension, as not having been in employment, they would not have had any PRSI contributions.

It is grossly unfair of the State to assume that the income of these women is half that of their spouses. In a recent Irish Times poll on women's issues, instances were highlighted



where one woman had to beg her husband for the price of a morning cup of coffee, another had to ask her husband for the price of a pair of tights. The same poll showed that the single most important issue for women was **Financial Independence**.

These homemakers have given just as valuable a service to the State as workers who worked outside the home in ordinary employment. But sadly this work in the home has gone unrecognised by the State. Surely it's high time to have this injustice addressed.

I would see the Dept of Social Welfare as having two options in this matter.

For means testing purposes, treat these women as **individuals in their own right** and assess in full their own means (not half their husband's) against them.

Credit them with full PRSI contributions for every year they spent as homemakers in this State.

### **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 120**

As a woman who left work for a number of years to care for children, who in turn now contribute to the Irish economy, I feel I am discriminated against as regards pension rights. I left work in late 1978, as was usual practice (there being no supports for employed mothers), and returned to work part-time in 1986 and full-time in 1993, when my youngest child was 12 years old. I have worked as a PAYE employee and as self-employed since then, until recent cut-backs in the HSE resulted in loss of work and an attempt to sign-on. Social Welfare informs me that even if I worked or signed for credits every week until I am 66 (I am

now 55) I will not be entitled to a full contributory pension because of the years of lost contributions when I was caring for children. They suggested I not bother to sign for credits now as it will do me no good. So even before I reach pension age I have been written off.

I believe that raising children is a contribution to the good of the nation and should be recognised by giving pension credit for those years. If it is recognised after 1994 why not before this date? That is discrimination on the grounds of age. At the very least the averaging process should not apply to years of child-rearing.

The combination of the lack of a state pension, falling value of my private pension savings (all mine, no employer contribution), and a dysfunctional health service (as my past employer) means I am back to the position I was in the 1970s - I need to leave the country to survive economically. So shortly I will leave my family and the expertise I have developed and the training paid for by the Irish taxpayers will be put to use in another country so I can earn the money to survive in my old age. And that country will also pay me a pension proportional to the number of months I work with no minimum requirement, that I can bring back home.

### **Submission 126**

I am a woman in my mid-fifties who returned to work nine years ago. I gave up work in my mid-twenties to look after my three children.

I recently became aware that I am not entitled to Homemakers credits for the years I stayed at home minding my children and that this will affect my right to a full pension.

Younger women are entitled to Homemakers credits. I feel this is a discrimination towards myself and women of my age group and must be addressed in the Green Paper on Pensions

### **Submission 127**

I enclose herein a copy of a document which I forwarded to Minister for Social Welfare, Mr Brennan, in February 2007 and subsequently forwarded a copy to Minister Cullen on his appointment to Social Welfare in August 2007. Also enclosed is a synopsis of this document which incorporates my comments on the Green Paper with particular reference to the retired stay-at-home spouse.

I fail to understand why the retired stay-at-home spouse should continue to be ignored by the State and compelled to remain totally dependant on her husband ad infinitum for good or bad and in many situations it is likely to be the latter. After all, if the State can ignore her existence, so can he!

The position of the retired stay-at-home spouse must be addressed in a very positive way regardless of the income of her husband. She must be given some small measure of financial independence. She is a real living person whose contribution to the State has always been greatly undervalued and it is now time for this situation to be rectified. Her work at home, caring for family, young and old, is equally as important – if not more so – as any other sector and should be acknowledged as such by establishing a category 2 pension and thereby giving her the recognition she deserves.

## **Submission on Green Paper**

Application for non-contributory pension in my own right refused on grounds of income.

Being a full-time mother since my marriage in 1963, I have no personal income and am fully dependent on my husband.

I am not entitled to claim allowances or tax credits as I have no income but when I apply for a pension, I suddenly acquire an income!

Prior to my marriage, my employment record is as follows [details supplied].

During this period, I paid the full Social Welfare stamp (as it was then) plus income tax on every penny over £6 (€7.62).

From 1977 to 1987, I worked part-time. I was not permitted to pay PRSI as my hours – 16 hours per week – were deemed to be “Employment of Inconsiderable Extent”. Income tax was, however, deducted.

### **Green Paper 5.1 – Means-tested payments funded by taxation**

If the above statement is correct, then surely I am entitled to some form of non-contributory pension on foot of the taxes I have paid over the years.

Splitting the husband’s pension to give to his wife is just robbing Peter to pay Paul and does not recognise the stay-at-home spouse as an individual and a PERSON IN HER OWN RIGHT.

### **GP 5.34 – Social Welfare (Amendment No.2) Bill**

Dependency redefined in economic terms rather than the gender/marital status, i.e. one spouse regarded as dependant on the other only if he/she is totally maintained by the spouse.

Social Welfare/Government has never actually acknowledged the existence of the stay-at-home spouse or the very valuable contribution made by her to the State.

The Homemakers Scheme came into force in 1994 but it ignores totally those people who left work prior to that date to take care of family, young and old.

The number of women returning to paid employment, whether by choice or necessity, continues to increase and will, in turn, mean an annual deduction in the cost of pensions for the full-time wife/mother. This is borne out by research by the National Pensions Review which indicates significant changes in contributory and non-contributory schemes from the level of 88% to 98% by 2056 with significant changes in proportion of the population on contributory and non-contributory pensions with the share of the latter dropping to just 2% - Full-time housewife in continuous decline.

### **GP 5.37 Quote**

Purpose of Social Insurance system is to provide income in the event of a person experiencing certain contingencies, i.e. the existence of a spouse wholly or partly maintained by an insured person part of that contingency.

### **GP 6.11 Maintaining the Status Quo**

An average of 47,000 outside the pension scheme but changes to the means-test would

reduce that figure. However, a significant number – mainly retired public servants and self-employed will still be excluded – i.e. stay-at-home spouse still totally ignored by the State and will remain absolutely dependent on her husband ad infinitum. WHY? HER CONTRIBUTION TO THIS STATE IS INCALCULABLE.

Pre 2007 election, there was great emphasis on removing the dependence of the woman on her husband. However, it appears that this aspiration does not apply to all women and those who, on marriage, left employment to care for their families and who have now reached retirement age are still ignored by Government.

I started my campaign in January 2006 in an attempt to gain some recognition for the very important contribution made by the stay-at-home spouse. When writing to Mr Cullen, following his appointment to Social Welfare, I proposed the establishment of a Category 2 (reduced rate) pension which would at least be an acknowledgement of the home-based retirement age spouse and at the same time give her some measure of independence and self-esteem. IT IS WELL WITHIN THE REMIT OF MR CULLEN TO DO THIS as all legislation relating to Social Welfare matters is his total responsibility.

### **Background**

I am not in receipt of any state pension even though I am of pension age. I am deemed a non-qualifier for the contributory state pension as I have not paid any PRSI contributions in my career. I have been excluded from a non-contributory old age pension on the grounds that I failed the means test even though I have no income in my own right.

I believe that I have been manipulated into this situation through ill-conceived government policies over the years. These policies have in effect discriminated against me as a married parent working in the home as a carer.

### **Reason for Action**

The Department of Social Welfare has refused to grant me a non-contributory state pension. I applied for this pension **as a person in my own right; I am treated as such under the income tax individualisation regime and see no reason why I am not classified in the same way when it comes to making determination regarding my entitlement to benefit.**

Having reached retirement age, I now seek recognition by the state of my existence and recognition that the years of caring for my family are every bit as important as that of any other sector.

We constantly hear nowadays how the work of the carer in the family is every bit as important as the work undertaken by those in the private or public sectors.

### **Basis for entitlement to a non-contributory pension**

- I strongly believe that all women who stayed at home after marriage to care for their family and who have no PRSI eligibility should be entitled to a minimum pension from the state.
- **The constitution does state that all of the children/citizens of the state should be treated equally.** This is definitely **not the case** when considering the housewife

working 24 hours a day, 7 days a week and the person works from 9-5, five days a week.

- In relation to the years **I worked part-time, I was not permitted to pay full PRSI** – even if I had wanted to – **because I worked only 16 hours per week**. In a letter dated the 15th June from the social welfare, this work is dismissed as irrelevant. The six years I worked full time prior to my marriage in 1963 are of no value at all. **That was government policy at the time, a policy that was clearly flawed given it has since been removed**. The Government of the time in effect denied me my right to pay PRSI. In my view, this policy was clearly discriminatory. **The above rule was changed in April 1991 when anyone earning IR£25 per week or IR\$30 per week became liable for PRSI**.
- **Social Welfare/Government do not recognise the women who stayed at home to care for their children** and this was made abundantly clear on the introduction of “individualisation” within the tax system. Individualisation essentially makes no allowance for the work carried on by carers within the home through the allocation of allowances and credits. The income tax policy (individualisation) does, however, seek to identify all working individuals as individuals for the purpose of tax allowances and credits. **I am not entitled to claim allowances and tax credits on the basis that I have no income and yet these same rules do not apply in assessing my claim for a non-contributory state pension. On the one hand I get no allowances as I have no income but then when it comes to a claim for the non-contributory pension I am suddenly failing means test on the basis of my “income”. Again, this is discriminatory and clearly contradictory**.
- The introduction of the Homemakers Scheme is further evidence of the policies of previous governments. The Homemakers Scheme has been introduced by the government to cover the situation of a parent staying at home to care for children. This is recognition of the valuable work being done in the home by such people and recognises that they should not be penalised and denied their basic right of having some state support in the form of future pension entitlement. **The restriction of this benefit to those who gave up work since 1994 is discriminating against all those people who gave up work for the very same purpose prior to that date**. There is no logic for a cut-off of 1994 other than cost. Cost however does not justify discriminating against a category of Irish citizens.
- The proposal to split the husband’s pension to give to the wife is not a solution. This is just taking from Peter to pay Paul and defeats the whole purpose of the foregoing. Speaking personally, my husband and I have been doing this from the very start of our marriage.
- **Currently we are regarded as a unit by the Minister and therefore my husband’s pension is also mine, but should he pre-decease me, I will only receive half of the said pension, the Government keeping the other half. This creates a problem for me in that by law I am entitled to all of my husband’s estate; therefore, I should be entitled to his full pension. I might add that on the death of a spouse, the household bills will not be halved. Taking the other scenario, that I am the one to**

**die, then my husband's pension is left intact and this was confirmed to me by a member of the Senior Citizens Parliament.**

- With more and more women taking up employment, whether by choice or necessity, the number staying at home full-time will be minimal in the not too distant future. Therefore, the cost of a pension to the full-time housewife/mother will be reduced annually.
- In a report to the Irish times dated October 20th [cutting enclosed], Mr Brennan announced a number of welfare reforms stating one of the first measures would be to reduce the economic dependence of women on men. In a further statement on November 20th [cutting enclosed], Mr Brennan announced a package to support the elderly stating that 18% of the population is aged over 65 and he believes it is important to provide for this age group. No reference is made to the spouse of civil/public servants. In a pre-Budget speech, the Minister announced [cutting enclosed] changes to the non-contributory pension for those over age 66 as an important advance in the streamlining of the scheme. Yet again, the stay-at-home wife is excluded and regarded as non-existent.

### **Submission 131**

I wish to make a submission to the Green Paper on Pensions, in particular on Reform C, the Homemaker's Scheme.

I commenced employment in June 1962, and on marriage in 1969, I was compelled to resign, as my employer did not employ married women. I was re-employed on a temporary basis for a short period of three months, and then was let go at the end of the summer period. I obtained further employment immediately and worked for another ten months, until the birth of my first child in September 1970.

From 1970 to 1986 I was a full-time carer for my four children and subsequently for my parents and sister until their deaths in 1984, 1986, and 1987, respectively. During this period I was not in paid, insurable employment, and consequently did not qualify for SW contributions or credits.

I recommenced work in 1987 until 1995.

Based on this work history, I will not qualify for a Contributory Retirement Pension in 2012 when I reach 65 years, or for a Contributory Old Age Pension in 2013 when I reach 66 years of age.

I support the motion to change the period covered by the Homemaker's Scheme from 1994, and to backdate it, and to replace disregards with credits.

If the Homemaker's Scheme made the work that women do as homemakers valid in 1994, surely then it was also valid for women who lost employment because of the marriage bar at an earlier date?

I urge you to act on this submission as there are many women of my age in this position who will be dependent on others for the means of support in old age.

According to research, "Older women have a high risk of living in poverty, with 50.2% living on incomes that fall below 60% of median income, and 40.4% living in consistent poverty"

### **Submission 133**

#### **Chapter 6: The social Welfare Pension: Reform Options (Pages 68-98)**

Reference is made to the situation of women in the Civil Service who were obliged to retire on marriage (the marriage bar – which was abolished in the 1970's) (Para 6.5). Such women were awarded a marriage gratuity related to the number of years they had served in office. Pre-1970, the choice of a deferred pension was not an option. The argument that such women would qualify for a pension (if pensions on a universal basis were introduced) without contributing to the social insurance system is only valid if "contribution" is defined only as a monetary contribution (Para. 6.12). The introduction of such a pension need not be based solely on residency and/or citizenship. If some recognition were given to the contribution made by women (who were forced to leave the Civil Service on marriage) in home making and child rearing it could still be argued that any such pension was earned on the basis of contribution to the well being of the State (Para. 6.14).

Many references are made to the payment of pensions to persons based on age. Age in itself is not a stand-alone criterion. It can be, and currently is, combined with contributions. However the only contribution deemed by the State as worthy of consideration is a monetary contribution. No credit is given to non-monetary contributions to the State. The value of child rearing and home making is completely ignored in assessing contributions made by e.g. former female civil servants who were compelled to retire on marriage. (It should not be forgotten that such female civil servants and single male civil servants were penalised by the State by being paid only 80% of the salary of equivalent grade married male civil servants doing the same work and have never been compensated).

The State gives some recognition to the fact that child rearing is very important work (they assist it financially with childcare allowance payments). Why does the State stop short in allowing credit for this work towards the receipt of some State pension in old age? By foregoing paid employment outside the home, such married women failed to pay any PRSI and so are penalised on both fronts by the State. The disbarment of such married women from any "non-contributory" State pension (because the State only regards monetary contributions as contributing towards a pension) on the basis of the means of their spouses is unfair and inconsistent. For income tax purposes such married women (working solely in the home) are regarded by the State as having no income (they receive no tax allowance in their own right). The spouse working outside the home and the spouse working at home are penalised by receiving less income tax relief than a married couple both of whom work outside the home and whose combined incomes equal that of the couple where only one is working outside the home. The further injustice is that in the former case both parties of the couple, where both are working outside the home, can qualify for State pensions in their own right. It seems that the State regards any work outside the home as superior to that of home making and child rearing. The State even goes so far as to give assistance towards crèche facilities which the stay-at-home spouse contributes freely to the State.

For pension determination by the State, the spouse working in the home is regarded as having half the income of the spouse working outside the home. The State should be consistent in dealing with its citizens.

### **Submission 135**

I would like to make the following submission regarding Pension rights for inclusion in the Green Paper 2008 – Reform Options (Chapter 6), i.e. Reform C : Reforming and backdating Homemakers Scheme.

I was employed from 1962 to 1973 in a semi state body and had to leave employment on my marriage in 1973 (owing to the marriage bar) to care for my children and ill parent.

I returned to work in 1996 (paying PRSI Class A) and will have to retire in 2008 on reaching 65 years of age.

I will not qualify for full state contributory pension and the company pension scheme is an integrated one (pension less twice State contributory pension) so I ask that equality be given to homemakers not covered by the 1994 rule by allowing the child caring years to be disregarded or credits given.

### **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 141**

A large number of people, mostly women, have been left without pensions because of the operation of the marriage bar in the public service or because they worked as self employed in various occupations. Because they have little or no income, they cannot benefit from the tax individualisation provisions. Because individualisation does not apply to social welfare they are also precluded from benefit. They are, therefore, discriminated against on all fronts.

These people supported and educated the present working generation who are heirs to the benefits of their sacrifices. They are responsible people who kept the country going during difficult times. If the political class was as responsible the country would not have to endure these difficult times.

The long term issue of pension provision is a matter for the proposed green and white papers. The issue of the lack of pension for those who have been left out of current provision is urgent, however, and will not wait. It needs and demands immediate attention.

### **Submission 147**

I worked in the Civil Service from 1969 to 1975, in which year I got married and had my family. In those days I didn't have any choice but to retire and rear my children. I stayed in the home as a full time parent and wife. I am married to a Civil Servant who is now retired and in receipt of a Civil Servants pension. As the law now stands, I am not entitled to any pension in my own right, even when I reach the age of 66 years. I feel I am being discriminated against as are several of my contemporaries who did not return to the workforce, when their families were reared. I was never a burden on the State and never received benefits from the State other than children's allowance, which in those days was minimal. I feel very strongly that every citizen should be entitled to a pension in their own right.

### **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 158**

I would like the process to take into account people who left employment in the sixties – at the time people surrendered entitlement to pension full-time – not fully aware to what could happen long-term.

I have written to the Minister of Social & Family Affairs and he has informed me of the Green Paper being prepared under 'Towards 2016'. He said it should include people who,

for various reasons have no social welfare pension entitlements. I'm not sure how many people have a problem like this.

Hoping I can relax and look forward to a pension.

## **Submission 166**

### **A STATE "PRIVATE PENSION" FACILITY**

1. A major issue investing for anyone in a pension is having some degree of certainty, but providers (private or state) are naturally wary of taking on such commitment. But if more people who need to make pension provision privately are just offered the current system of private providers and current tax relief, things won't change. Private providers take large fees, typically with no guarantee, and many just track markets and do little to justify their commission and profit: the average fund manager can't do better than the average if they just put everything in a basket of investments as many do. Pooling a large investment in a public provider run by e.g. the NTMA would be much more efficient. I think such a low-cost transparent system would be attractive if it also had a guarantee EVEN IF THE GUARANTEE WAS QUITE LOW. Dept of Finance may be wary of offering a guarantee of even 2-3%, but the reality is that the State implicitly provides guarantees at the moment: if you have no or insufficient pension, you will inevitably end up getting a significant proportion of your income from the state in old age, and politically the State Pension tends to rise with inflation and often much higher than inflation. So if a modest State guarantee for an investment with the state were available, the State would not be taking on much greater risk than it is currently de facto exposed to. The system would lend itself to easily generated Annual Statements to help people see how much they have provided for at any point in time. On the latter point, we do need to get serious: many people have taken out Personal Pensions in recent years that are quite small: it's better than nothing, but it can lead them into a false sense of security ("I've now got a pension"), when in reality they haven't covered anything like enough.

### **TAX RELIEF: LIFE CAP, AND ALLOWED AT MAX RATE (NOT MARGINAL RATE)**

2. If tax relief is really based on the concept that it is desirable that individuals take more responsibility for their own income in old age, then it should be based on allowance up to a certain cap, based on achieving a comfortable income for a reasonable life expectancy. Specifically, it is ridiculous to continue giving tax relief to people on incomes of a million! The current cap on % of income that can get tax relief (at a given age) should be changed to an absolute amount. The social policy objective should be to help people be self-sufficient in old age, not to help the rich build huge pensions with state help. So maybe we should give everyone relief at the higher tax rate (even if they are not on it), but cap the total relief (possibly on a life-time basis, with some annual limits if necessary). Note that – if implemented - this might disadvantage me!

## **TAX RELIEF LIFE ACCOUNTS AS A FLEXIBLE WAY TO MANAGE RELIEF**

3. Consideration might also be given to "Tax Relief Accounts" for an individual for life i.e. that pension tax relief (and maybe other reliefs such as mortgage interest) might be available in more flexible ways, so that people can use them when they most need them at a particular stage in life, but be encouraged to "bank them" (in a State "Tax Relief Account") at times when it better suits them. It's very hard to get people <35 to take pensions seriously and they will procrastinate, so the scheme might include some incentives to put something away early, while not telling people "that's all irreversibly locked away until you're 65". The Life Cap concept at 2) above would still allow those you had left things very late to put in more in their 40s/50s/60s if their circumstances allowed.

## **GRASP THE NETTLE OF PARENTS AT HOME.**

4. All parents who spend a significant amount of time out of the workforce to raise children fulltime should get specific pension benefit for it. But this needs to be done in the context of other tax reliefs. (Again, my spouse and I work, so this is a disinterested observation).

### **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 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 182**

I had to retire from work as a qualified nurse due to the marriage bar – “why”? I was qualified to provide for my family. I was a home maker, caring for my children under your budget and providing the essentials.

I now have a very small pension after buying back years with compound interest. My husband has a state pension for €115.00 per week. “Is that justice”?

### **Submission 183**

I had to leave employment on marriage and, as I was only 22, I didn't have the chance to build up 'stamps'. My late husband was self-employed and there was an odd ruling about not being allowed weekly stamps either.

Some years later, I worked on a specific job from home. As I was not 'sitting at a desk' in their office, again I could not get a 'stamp'. Years later, it was mentioned to me that you could buy your own stamp.

I was very pleased to get the half-pension through Mr McCreevy's time and if ever there should be any increase there are many like myself who would be very grateful.

### **Submission 185**

I would like to say as regarding pensions that women who have cared for their children and then their elderly parent and other relatives should be entitled to a contributory social welfare pension on their limited A1 stamps.

I worked until I was eight months pregnant then stayed at home to care for my children. When I did go out to paid work eventually, I was only in the workplace a short time when my elderly mother (I am one of the youngest of a large family) contracted Alzheimers and I choose to look after her until she needed 24-hour care in a nursing home. I went out to work again but my older sister contracted terminal cancer and I am caring for her.

At this stage, I am now 55 years and I do not see myself being entitled to a contributory pension on my limited A1 PRSI. Instead, my husband will get an allowance for me. I would prefer in my older age to have a pension of my own.

### **Submission 206**

I worked as a trainee psychiatric nurse until I married, at which point I was forced to give up my job by the State. Thus, when I reached pension age I did not have enough contributions to qualify for a contributory pension through no fault of my own. Ironically my husband as a retired psychiatric nurse receives nothing for me within his pension ie if I died his pension would remain the same. If he died, however, I would only get half his pension.

I was also refused a non-contributory pension all of which combines to make me feel like a non- entity and surely very unjust.

### **Submission 208**

Do full time homemakers make a contribution to the State?? To deny them a pension in old age is to say "Your contribution has been of no value".

### **Submission 212**

There seems to be inequality in the pension system. A farmer can draw full pension after ten years paying PRSI and I will not have the same pension after working for ten years because I started work after school and stayed home to care for my children before returning to work again.

### **Submission 213**

Spouses who were not in a position to make pension contributions are often not legally entitled, in their old age, to a pension. Those were people, mainly mothers of families, who when they married, were expected to give up paid employment and devote themselves to home making and rearing of their children. They gave up their employment in the 1940's, 50's, 60's and 70's, making way for others to find jobs. By the time they had finished their child rearing activities, they were either too old to return to paid employment, had lost confidence in their skill (there was then little retraining facilities), or found a job market that was then quite poor because of high unemployment figures.

Such people had made a huge contribution to Irish society and must take much credit for the consequent economic success sometimes described as the Celtic Tiger. Likewise they provided society with law-abiding, tax paying members. Many of those parents have not in their own right any enforceable claim to a pension, and are dependant on and treated as the responsibility of their spouse. They may well be considered as chattels of their spouse. In their old age they lack the dignity of an income of their own.

No doubt, they are a decreasing body of people. Most younger parents, even those who opt to stay at home minding their children maintain their pension entitlements by signing for pension credits and, when they have finished child rearing, find a ready labour market for their earlier skills. It is a mean country that so treats some of its most selfless contributors.

### **Submission 222**

I worked as a qualified nurse in Ireland from 1963-1965 and due to the "Marriage Bar" at that time I was compelled to resign from my employment on my marriage. I remained a

home maker, helped run the farm, reared five children and cared for two elderly people in my home for fifteen years without any state recognition.

I consider the “Marriage Bar” sexist and discriminatory in its origin and design – sexist in that it applies to married women only and discriminatory in that it applied to marriage and women.

Later in life as pension age beckoned I discovered to my dismay that not only had I been discriminated against by the “Marriage Bar” but I was to receive another shock in so far as the years that I had been barred from employment were now included in determining the amount of contributory old age pension I was to receive. I consider this unjust and grossly unfair to take forty two years as a figure to calculate a pension and dismiss eleven years unbroken service from 1995 – 2006, consequently I am now at a substantial loss with a pension of €167.50 instead of €223.30. I am not seeking a concession I am just looking for what I believe to be my entitlement.

### **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 228**

I have been a full time mother since my marriage in 1969. I have no personal income and am fully dependent on my husband.

I reared 7 sons and cared for them full time in the home and have never made any claims on the state other than Children's Allowance, so therefore neither my children or myself have ever been a burden on the state and I believe that by my full time contribution to the state by providing 6 hard-working, law abiding, tax payers (one child is still in school) who are contributing in no small measure to the state coffers, that I am fully deserving of a full state pension.

I am now 61yrs old and face my remaining years as a dependent.

The Homemakers Scheme should include those caring in the home before 1994. My youngest son was born in 1992 but the homemakers scheme will still not apply to me as there were not enough contributions before this time.

Is there never to be any state recognition or value of my lifetime of work?

### **Submission 229**

I had to leave my work with owing to the marriage bar. I raised my four children - got them through college. Time moved on. I was lost with the new technology, etc. and continued to work in the home. I did B/B during the summer months for 30 years. I find myself at 67 years of age without any pension. I am relying on my husband's pension. Is there anything being done for women like me? We had no choice but to resign our jobs on marriage. In my case it was in 1966. I am short of about 1 and a half years' stamps.

### **Submission 235**

We were victims of the marriage ban having had to leave our jobs in local government. As a result we will not receive any pension, which we consider totally discriminatory and against our constitutional rights.

### **Submission 237**

I would like to make my feelings known as regards old age pensions and thank you for giving me the opportunity to do so.

I worked until the age of 25 years. I then got married and reared my family. I didn't get the chance or the opportunity to work after marriage as women were barred from working. From the age of 25, I had no independence, no money of my own and still don't – and always a tool for the state.

Women of my age group are discriminated against. I applied for a pension when I reached the age. Of course, I was turned down. Later, I did get a small portion in my husband's pension (O.A.P.) but not in my own right so I may as well not be alive at all – I don't count – I'm nothing in the eyes of the state.

Now my demand is a full pension as I was never a burden on the state – I never had social welfare or insurance as my husband only paid widows and orphans. We paid for health, maternity, dentist, you name it, until I reached the age of 70 when I acquired a medical card. I and women like me must be treated better and give us back our dignity which we had well earned.

### **Submission 240**

I will be 72 years on next birthday. What do I have to do to get equality?

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"

or stamps for a pension. I am now short changed with my pension and every year 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 in 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. The shortfall, 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: 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.

REFERENCE FROM CONSTITUTION OF IRELAND, ARTICLE 41. FAMILY FUNDAMENTAL RIGHTS: 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.

### **Submission 242**

I began my working life in 1957/58 for which I accrued 220 ordinary rate stamps, verified by Gandon House, Records B.

In 1962, I joined the [State body] in a permanent and pensionable capacity and was paying into a superannuation scheme. I had to resign in 1969 because of the marriage bar. I unfortunately had no choice. I have not worked outside the home since then.

I feel that there aren't that many of us affected by the now unjust marriage bar so I am sure you will give us favourable consideration.

### **Submission 243**

I would like to make a submission to the Pensions Green Paper concerning the effects of the marriage bar on my life.

I was an employed by [State body] from October 1954 until August 1961 when I had to resign at the time of my marriage.

This was such an unfair rule, all women employed in state or semi-state bodies had no other option but to give up their positions on marriage, regardless of their qualifications and ability to make a meaningful contribution to the company they worked for. I myself worked on the family farm helping my husband. We had six children whom we looked after, educated to take their place in life. All my children went on to play a worthwhile role in their chosen careers.



On reaching 66 years of age, I applied for the contributory old age pension only to find that I was only entitled to non-contributory pension. My years of work before I married were regarded as nothing. I feel sadly that I am still being discriminated against all these years later, having had to give up my career because of the marriage bar and having subsequently done my part in rearing the children who became part of Celtic Tiger Ireland.

This is a grossly unfair way to treat the women of my time and I earnestly submit that you in government today of this better Ireland put right the wrong that has been done to women like me by putting us into the contributory old age pension bracket, as we the employees of state and semi-state companies had no choice whatsoever only to resign our posts on marriage.

### **Submission 244**

I wish to make a submission for consideration in relation to the Green Paper consultation on Pension Policy. I am aged 68 years and I am not eligible for a pension under the Social Welfare Pensions System in my own right. I was employed as a Civil Servant from 1957 to 1963. I was compelled to resign from my State employment on marriage in 1963. Between 1963 and 1992, I was occupied as a homemaker while rearing my family and from 1991 to 2001 I was self employed as a farmer. I retired from farming in 2001. While self employed as a farmer I made enquiries from the Department of Social & Family Affairs office with a view to becoming a voluntary subscriber to the Social Welfare System but I was informed that as I was not operating in a profit making situation I could not become a voluntary subscriber.

In September 2005, I applied to the Pension Services Office for the Old Age Contributory Pension and for the Old Age Non-Contributory Pension. I was informed that I was not eligible for the Old Age Contributory Pension as I had a total of nil full rate Social Insurance Contributions paid. I was also informed that I was not eligible for the Old Age Non Contributory Pension as my means were assessed at more than the statutory limit of €170 a week.

I believe that the existing Social Welfare Pensions System is both inequitable and discriminatory. I cannot understand why the option of becoming a voluntary subscriber is restricted to those in profit making situations. I believe that all citizens who are not in receipt of an Occupational Pension should be entitled to a basic Social Welfare Pension.

### **Submission 245**

#### **Gender**

I gave up my job in 1974 to bring up my family of three children. At that time Ireland had not got the economic prosperity it has today, 35 years later. A ban in law prevented women in certain job categories continuing with their careers up to 1973 or thereabouts. Even if a woman did not fit into those categories we were actively discouraged from working in order to look after our families. This was the law, policy and the normal practice in the 1950s, 1960s and 1970s. Ireland did not develop economic prosperity until 1994.

Because Universities were fee paying my generation did not get the opportunity to go to 3rd level as a rule (there were a few exceptions, who for the most part gained entry to Arts Courses, as science was not taught to girls in the decades of 1950s). Therefore the

opportunities to compete on an equal footing with males for various courses was denied us with the added deterrent at the time of fees for entrance to Universities. We were therefore for the most part educated to work until we married.

Women today have been given equal opportunities to pursue education and careers of substance for life, if they wish.

### **Marital Status**

I divorced in 1999 being legally advised to do so and as a result I lost my right to an almost full Contributory Pension.

Before having children, my ex husband and I worked in England and as such I benefit from a token Contributory Pension which takes into account my ex husband's stamps gained during his worktime there. I receive this pension regardless of being divorced.

I hope that an overall view will be taken on these issues to equalise long outstanding issues by backdating Homemakers Credits in full to 1973 and also to take into account an ex husband's contributions as in the case of Divorce, thus addressing in full deprivation and lack of access, to a full contributory pension for persons such as myself and others in a similar position.

### **Submission 248**

I wish to make the following submission on the Pension Green Paper

I was employed as a permanent Nurse/Midwife for over five years up to December 1972, when I was required to resign on marriage. I worked as a full-time housewife and mother caring for my family and was not otherwise employed. I now find that I will not qualify for any Social Welfare Pension as my husbands income is taken into account in accessing my eligibility for a non-contributory old age pension.

I consider that this is grossly unfair to me and I feel that I have been done an injustice by the Government which required me under legislation to resign from my post on marriage and still would not allow me to be eligible for a Non-Contributory Retirement Pension. I consider and I sincerely request that any new Pension Legislation should rectify this situation for me and a number of others in similar situations. I understand that there are a number of situations where ex-gratia pensions have been allowed under the Local Government Superannuation Legislation and Regulations in the past. I therefore request that this be considered in any proposed Pension legislation in order to rectify the injustice that has been done to me and other persons in a similar situation.

### **Submission 253**

I wish to make a submission to the Green Paper on Pensions, in particular on Reform C, the Homemaker's Scheme.

I commenced employment in 1963 and resigned on marriage in 1972 as the marriage bar was in operation and I was employed by a semi-state organisation.

I was a fulltime carer for my children from 1973, the last of whom left the family home to go to college in 1996. At that stage, I myself, went to college with the intention of gaining employment afterwards, and I spent five years at NUI Maynooth. I commenced employment when I completed my studies in 2001 and have been employed on a part-time basis since then. Based on this work history, I will only qualify for a reduced contributory retirement pension when I retire.

I support the motion to change the period covered by the Homemaker's Scheme from 1994, and to replace disregards with credits. If the Homemaker's Scheme made the work that women do as homemakers valid in 1994, surely it was also valid for women who lost their jobs at an earlier date because of the marriage bar? I had children less than 12 years of age from December 1973 to May 1990 whom I cared for on a fulltime basis. The recognition for this fulltime caring of young children should be backdated further back than 1994.

I ask you to act on this submission as there are many women of my age in this position who will be dependent on others for their means of support in old age. Research has shown that older women have a high risk of living in poverty – 50.2% of them are living on incomes that fall below 60% of median income and 40.4% are living in consistent poverty.

### **Submission 258**

#### **Chapter 6: “The Social Welfare Pension Reform Options”, Reform C: Reform and Backdating the Homemaker's Scheme.**

The treatment of men and women mostly women who left employment before 1994 when the Homemakers Scheme was introduced to care for children and sick or incapacitated dependents. The Scheme should cover the following:

1. Recognise homemakers' work indefinitely and not from April 1994.
2. Change the Period covered by the scheme. In the U.K. under the (HRP) Home Responsibilities Protection Programme, Carers of children up to 16 years may be entitled to recognition for Pension purposes.
3. Change the Homemaker's Disregards to Homemaker's Credits, because credits positively recognize a persons unpaid care work.
4. Backdate the Homemakers Scheme.

These Credits could assist a Person who is short of years when their average is being Calculated for Entitlement to Pension. Example: X commenced working at 17years and paid stamps for 1 year approx. Next period of employment was approximately 16 years established service in the Civil Service on modified social welfare. Spent the next years looking after her children. Having worked at various part time jobs from 1998 to 1999 paying full PRSI, she returned to the Civil Service full time paying full PRSI and worked until 2007.

## Pension Calculation

<u>Dates /Years</u>	<u>No of contributions</u>
1959 17 yrs. old =	52
1998 –1999 =	52
2000 (end)– 2007 ( 6 ¼ yrs.)	<u>325</u>
Total Contributions	<u>429</u>

Average 1959 (commenced insurable employment) to 2007

429/49 = 8.25 yearly average

**Yearly average required for Retirement pension at 65 =24**

**Not qualified**

**Yearly average required for 50% Contributory pension at 66 =10 –14**

**Not qualified**

If her Homemaking years were included her average would increase and therefore increase her average. The number of people affected is small, and continues to dwindle. Is the Government waiting until we all die off?

A number of women affected by the marriage bar returned to work, but now find themselves in a situation where they cannot build up enough credits in order to qualify for a full or even partial Old Age Contributory Pension. They are now in their 60's and have run out of time. Surely the Government should allow some leeway to women affected by the marriage bar, and who later returned to the workplace for say, 5 or 10 years, but who simply cannot build up enough pension credits in order to qualify for a pension in their own right?

### **Submission 261**

I am 61 years of age. I have paid insurance stamp (PRSI) from 1962 to 1976. I was made redundant in 1976. I signed for credits until 1979, after which time I was not allowed to continue signing. I have been a homemaker since then. I have reared four children, all of whom are working professionals, contributing to the state. I believe that I should be entitled to a contributory pension for the contribution that I have made to the state.

### **Submission 262**

I would like to make a comment. I am in receipt of a pension - but a reduced one as I do not have enough contributions. I began work in the private sector in 1960, went to work in Paris in 1968-9; left work to go full-time to university [paid by myself], and worked to raise my fees during the holiday periods. On graduation in 1974 with a BA and H.Dip in Education, I worked as a secondary teacher for a year, but resigned when pregnant with my

first child. I had to do this for health reasons, but probably would have resigned anyway as I was the product of a single parent family [my mother died when I was very young].

I spent 16 years at home, raising 4 children, supporting them with their education, taking them to music lessons, gymnastics, swimming, attending all school functions. It was a hard time, living on one salary, but I have no regrets. I returned to part-time secretarial work in 1990 and obtained a permanent job-sharing post in 1992 in a university. Here I was given the choice of paying a full or part stamp. The only thing I ever got from my stamps was my first baby, I was never entitled to have my eyes tested or my teeth seen to [and am still not entitled though I am 67], so I chose the part stamp.

I have four children educated to third level. My pension is miserly - in the region of €169/week, and I get in the region of €50/week from my few years in the university. It is degrading to treat mothers with such disdain. In the past few years, I returned to study and obtained an MA and PhD - both valuable contributions to the area of historical knowledge.

I am very interested in continuing to do research in a rather obscure area, but find that my paltry income precludes me from travelling to Dublin to do research in original documentation. I am glad that stay-at-home mothers/fathers nowadays receive some recognition, but how about thinking about those of us who did so in the past and now suffer?

### **Submission 264**

I would like to make a submission in relation to the Pensions Green Paper, specifically concerning the effects of the Marriage Bar, which was finally abolished in 1973.

Prior to this date, the women of Ireland employed in the civil and public service as well as semi-state companies, were forced to resign once they married. This effectively prevented many of these women from continuing to make social contributions which, of course, has now resulted in these women being unable to obtain a Contributory Pension.

In 2008, this group of women continue to be treated inequitably through the effects of the antiquated law that took their careers, and the least that can be done is to recognise this continued discrimination and make a special provision to deal with this relatively small number of women, without delay.

Also associated with this situation is the fact that these women are classed as 'qualified adults' and as such are treated as dependants. There are almost 120,000 qualified adults in Ireland today, 95% of whom are women receiving a pension in this way.

This payment is issued to the husband who receives his own personal payment at 100% as well as that for his wife at approximately 70% of the personal payment. This is grossly unfair since the woman cannot apply to receive her portion of the payment independently.

Instead, both parties must agree to the 'qualified adult' receiving their own personal payment and as a consequence, many women with difficult home situations are further disadvantaged.

This whole issue is highly emotive for women and their families; these women who reared the children of the Celtic Tiger are entitled to fair treatment and their independence.

It is essential that the Government realise this and I respectfully propose the introduction of specific provisions in the Pensions Bill to ensure that this is the case.

**Senator Phil Prendergast**

### **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 267**

I would like to make a submission to the Pensions Green Paper concerning the effect of the Marriage Bar on my life.

I was an employee of the [state body] from October 1954 until August 1961, when I had to resign from my position as personal secretary to [name] at the time of my marriage.

This was such an unfair rule. All women employed in State or Semi-State bodies had no other option but give up their positions on marriage, regardless of their qualifications and ability to make a meaningful contribution to the company they worked for.

I, myself, subsequently worked on the family farm helping my husband. We had six children whom we looked after and educated to take their place in life and all my children went on to play a worthwhile role in their chosen careers.

On reaching 66 years of age, I applied for the Contributory Old Age Pension only to find that I was just entitled to a Non-Contributory Pension.

My years of work, before I married, were regarded as nothing and I feel, sadly, that I am still being discriminated against all these years later, having had to give up my career because of the Marriage Bar and having subsequently done my part rearing the children who became part of Celtic Tiger Ireland.

This is a grossly unfair way to treat the women of my time and I earnestly submit that you in government today, of this better Ireland, put right the wrong that has been done to women like me by putting us into the Contributory Old Age Pension bracket. We, the employees of State and Semi-State companies, had no choice whatsoever other than to resign our posts on marriage at that time.

## **Submission 269**

I wish to make a submission to the Green Paper on Pensions, in particular on Reform C, the Homemakers Scheme.

I commenced work in late 1960 and was compelled to resign in 1967 when I was pregnant with my first child. I returned to work in 1994 and in the period in between I was a full time carer for my four children. During this period I was not in paid insurable employment, and consequently did not qualify for SW contributions or credits.

I recommenced work in 1994 and hope to continue until my retirement date if my health permits. Unfortunately, when I recently checked with the Dept. of Social Welfare, I was informed that I am only entitled to less than half of the State pension.

I support the motion to change the period covered by the Homemaker's Scheme from 1994. It is discrimination of the worst kind as it is against the older person who did without and worked hard to help our nation become the success it is today. I urge you to act on this submission as I, and I am sure many others like myself, do not wish to be dependent on others for support in our old age.

Our work in the home has always been greatly undervalued and needs to be rectified in the Green Paper as I cannot believe a modern Government would continue to practice open discrimination against its own people.

### **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 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 281**

Applicants for state non-contributory pension are currently allowed an earnings disregard of €200 per week from employment, when accessing their means. This disregard should be extended to include income from farming and self employment.

The homemakers disregard scheme should be back dated twenty years prior to 1994 and allowed as credited contributions for pension purposes.

People should be informed by the DSFA regarding their situation regarding a state pension and what remedial action is needed where appropriate.

## **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 290**

In March 1971, I was required by regulation to resign my position in the Civil Service to get married. Ever since then I have felt that this was inequitable but I was powerless to do anything about it. Perhaps this proposed revision of pensions legislation will provide an opportunity for an enlightened Minister to do something to correct this even at this late stage.

### **Submission 292**

#### **Developing a Better Pension System**

##### **1. INTRODUCTION**

In responding to the Green Paper, I am seeking to avoid repetition of, or unnecessary reference to, the wealth of data already provided; focussing instead on the broad policy principles on which I hope to see agreement and action in the near future.

In my view, early action of the kind suggested below is now urgent and should be seen as a national priority. I strongly believe – and the data confirms – that Ireland's 'demographic dividend' is rapidly waning in value; we no longer have the luxury of endless debate; and no further delays are acceptable if we are to develop a better pensions system - one that is truly inclusive and protective of all the 'children of the nation' irrespective of age. Thus I would argue that the various proposals put forward below, for changes in the tax, social insurance and occupational/other supplementary pension systems, be made in tandem - concurrently rather than consecutively - as we have no time to waste.

## 2. BACKGROUND AND OBJECTIVES

Trade unions such as SIPTU have striven for decades to negotiate the introduction and/or improvement of many hundreds of Occupational Pension Schemes (and, more recently, some PRSAs) in the private sector. They have also secured improvements in public sector pension arrangements, particularly for lower-paid public servants. They have lobbied consistently, with some successes, for improvements in the social welfare pension system; and have been the main advocates for the maintenance and further development of the social insurance system.

However, some of these gains are now being eroded. Many workers for whom good pension arrangements have been secured (and paid for) are now finding their benefits are being reduced; and, almost as worrying, that they are becoming objects of anger, aggression and envy, or victims of attempted 'levelling-down' to the poor position of those without adequate pension arrangements.

The agreed objective, in a civilised, wealthy and socially responsible society, must surely be the opposite: **to 'level-up' everyone to good standards of pension provision.** The fact of increasing longevity makes this increasingly important, albeit increasingly costly. But the longer the cost issue is avoided, the greater the bill becomes, as the period over which it must be paid also decreases. So it stands to reason that the sooner we start investing more in pensions, the better.

A further concern is that even people who believe themselves to be in 'good' or even 'adequate' pension arrangements may find this belief to be mistaken when they reach pension age. And at that stage, they may find themselves unable to do much about it. The **adequacy** of many existing arrangements is therefore a serious concern.

The other major concern is that nearly half the workforce has no supplementary pensions cover at all – whether good, bad or indifferent. Nothing whatsoever to supplement the social welfare pension, which does at least cover most workers, nowadays.

If this situation is allowed to continue, and half of today's workforce of about two million people retire on an income equivalent to about one-third of AIE, this will mean a lot of people retiring on far less than half their pre-retirement income. Anyone earning more than two-thirds of AIE will be in this unenviable situation.

Therefore, in my view, our **'priority objectives'** in relation to pensions, should address three main issues: **Protection, Adequacy and Coverage.** Protection of good existing pension arrangements, in both the public and private sectors. Adequacy of pension provision in both the public and private sectors, especially for lower-paid workers in both. And resolution of the coverage issue in a manner compatible with achieving the other two, equally important, objectives. This latter point raises a further important point of principle, because of course any one of the above objectives could be realised at the expense of one, or both, of the others. As could other desirable objectives, like equality and equity – both achievable by extending coverage of a very poor standard to the entire population!

I believe that Ireland can and should build on what I would see as 'the bones' of a good pension system in order to achieve adequate pensions for the high proportion of the population who will not otherwise have post-retirement incomes sufficient to maintain a



standard of living that is both minimally adequate and also bears a reasonable relationship to their former earnings.

This can be done if we first accept the absolute necessity of doing so; if we then face up to the real financial cost of adequate pension provision of this kind (and indeed the social and human cost of **not** doing so); if we assess, fairly and squarely, the most efficient way of meeting this substantial financial cost; and then agree to a 'fair sharing' of the costs involved.

### 3. OVERVIEW OF SUBMISSION

These three key objectives – extending **coverage**, ensuring **adequacy** and **protecting** good existing arrangements – could be achieved by a combination of reforms carefully designed to build upon and develop the positive features of the present system and remove the negative features.

Specifically, I would argue that

1. The **social welfare pension system** requires reforms to further extend its coverage and make it more **fully inclusive** – see **section 4** below.
2. The **level of the social welfare pension** should be raised to at least 40% of AIE1 over the next 6 years; and then to 50% over the subsequent 6 years – see **section 4** below.
3. The **tax incentive** for people to save for retirement should be 'equalised upwards', i.e. those on lower-incomes, paying tax at the standard rate (or less) should receive the equivalent level of relief or subsidy as those paying at the higher rate. This particular reform should be seen as part of a more comprehensive approach, for the reasons explained in **section 5** below; because as a 'stand-alone' reform, it may not be sufficiently effective in relation to the main 'target population', i.e. people on low and low-to-middle incomes.
4. Planning should commence immediately for the introduction, in 2009, of a system of **mandatory pension contributions** in respect of incomes which fall within a specified band and which are not already adequately 'pensioned' – see **section 6** below.
5. The commencement of '**Child Pension Accounts**', first suggested by SIPTU in 2003, should be the subject of an early Feasibility Study tasked with examining the possibility of introducing such Accounts in 2010 – see **section 7** below.
6. **Other reforms** designed to safeguard occupational pensions in both the public and private sector, are suggested in **section 8** below.
7. The issue of **costs**, and how these might be met and shared, is discussed in **section 9**.

### 4. THE SOCIAL WELFARE PENSION SYSTEM

The further development of the social welfare pension system is vitally important for both current and future pensioners; and in my view, both parts of the system (i.e. the social assistance and the social insurance pensions) should be improved so as to deliver better pensions to a higher proportion of the population.

## (i) Inclusion

At this stage, after several decades of improvements and reforms, the social insurance system is fairly inclusive, but not fully so. This process must be completed by including, on a fair and equal basis, those groups who have traditionally been excluded because their 'employment status' or work patterns did not conform to the perceived 'norms' of the time.

Over the years, the system has adjusted to social realities and the exclusion of particular groups has been addressed. Thus categories such as non-manual workers, married women, public servants, self-employed people, part-time workers, and certain carers and homemakers, have been brought into the social insurance system for some or all of its benefits.

However, difficulties and anomalies remain, e.g. for 'assisting relatives', carers with spouses earning over specified amounts, homemakers who had children and left their employment before 1994, people who entered social insurance before a certain time, women who were victims of the 'marriage bar' and so on.

Surely the time has come to tackle the remaining anomalies, promptly and fairly; and for the Exchequer to pay the requisite amounts into the Social Insurance Fund so as to ensure that at the very least, people of pension age are not excluded from basic entitlements?

I see considerable merit in a system of **social insurance**, as distinct from a universal system paying basic pensions to all citizens or residents. However, the social insurance system **must be fully inclusive**; it must cater for the vast majority of the working population, so that only a small minority need depend on the non-contributory, social assistance pension financed wholly by the taxpayer.

This social welfare pension system should also allow for **greater flexibility** than at present e.g. in relation to retirement ages. Greater **transparency** would also be helpful, because despite the Department's range of booklets and fairly user-friendly website, it can be difficult for people (irrespective of their age!) to access information about their entitlements, their insurance record and so on. The system for checking people's PRSI records and likely entitlements, in advance of retirement, should also be improved.

## (ii) Level of Social Welfare Pensions

At €223.20 per week, the current Contributory State Pension is barely 30% of estimated current AIE, which is about €750 per week. (I do not accept the Department's convention of expressing the **current** pension as a percentage of the **previous** year's AIE – even though the latter is generally the most recent figure to be published by the CSO. If the latest published figure is updated by reference to the known increase in average earnings in the interim, this gives a more realistic picture and usually proves quite accurate.)

Trade unions such as SIPTU have consistently argued for the contributory social welfare pension to be raised first to the target level agreed in 1998, which was 34% of AIE; and for progress to then be made towards 40% and ultimately, 50% of AIE. It is disappointing that so little progress towards this target has been made to date and I now believe that strenuous efforts should be made to achieve a national consensus in favour of (a) reaching 34% over the next 2 years, i.e. by 2010; (b) reaching 40% over the following 4 years; and (c) reaching 50% over the following 6 years, i.e. by 2020.

As for the non-contributory pension, I would favour the retention of a small differential (no more than 10%) between it and the contributory pension, so as to underline the principle of social insurance and deliver some financial reward to PRSI contributors. I welcome the present government's commitment to raise the non-contributory pension to €300 per week by 2012 and would like to see a parallel commitment to ensuring that the contributory pension rises to €330 per week by the same date. However, instead of these numerical targets, it would be preferable to **index both pensions to AIE** and to avoid adjustments in the percentage differential between them, as present practice enables unacceptable anomalies to arise (e.g. in one recent Budget, a smaller increase was given to contributory pensioners than to non-contributory pensioners, presumably so that the lower rate could be seen to be reaching the government's promised target, without incurring the cost of proportionate increases in the higher rate).

## 5. THE TAX INCENTIVE

There has been near-unanimity in recent years, among the 'key players' on the pensions pitch, that improving and equalising the value of the tax incentive (which encourages people to make or increase pension contributions) would be helpful in increasing pension coverage. Whether it would be sufficient, on its own, to bring enough of the 'target population' into good pension arrangements, is another matter. But there was general agreement that it was worth trying. The trade union representatives added a rider to the effect that it would be worth trying, **for a limited period** (as with the SSIA offer, for example), as long as it did not preclude or slow down planning for more radical measures if it proved insufficient on its own.

Unfortunately, however, successive governments have balked at this idea – or, more likely, the cost of implementing it and the absence of any tangible short-term or even medium-term political gain from doing so. The immediate fiscal cost of extending to lower-paid workers a tax incentive which has proved highly effective for middle and upper-income earners, would obviously be high if the measure proved successful in increasing pensions take-up; but so would the long-term social benefit (and indeed, the returns to the Exchequer, arising from more people having higher taxable incomes in retirement).

If the power and potential of the tax incentive in relation to pensions is to be fully explored and exploited, the government should introduce a radical new scheme in Budget 2009, giving all taxpayers an opportunity to have their pension contributions tax-relieved at the same rate as higher-rate taxpayers. As this rate comes close to 50% (when the PRSI and Health Levy are added to 41% tax), this relief should be given in the form of **'one for one' matching contributions** – not only for simplicity and transparency, but because this 'SSIA-style' mechanism has so recently proved popular, comprehensible and effective in encouraging savings.

However, as with the SSIA's, any such measure should be strictly time-limited (e.g. people should be given no longer than 12-15 months to enrol in new pension or PRSA arrangements); and take-up should be carefully monitored so as to assess its effectiveness in relation to the main target population (i.e. women, young people and lower-paid workers in the 'least-pensioned' sectors). And, at the same time, work should also be intensified on the issue of whether and how a system of mandatory pension contributions can be introduced if the improved tax incentive proves insufficient.

Unfortunately, it is quite possible that even a greatly improved SSIA-style tax incentive will prove inadequate to the task of persuading low-paid workers, with heavy day-to-day demands on their disposable incomes, to make provision for their retirement. Nor would such a scheme act as any additional incentive to employers who currently will not, or maintain that they cannot, make a worthwhile contribution to their employees' pension fund, even though such contributions are fully tax-relieved. For this reason, it is important to stress that work on an appropriate system of mandatory pensions must be immediately resumed and intensified – see next section.

## 6. MANDATORY PENSIONS

In my view, serious planning must begin for the introduction of a system of mandatory pension contributions which is appropriate for Ireland's particular stage of pensions development, so that no more time is wasted if the improved tax incentive fails to deliver the required results within the agreed timeframe. The purpose of this new tier of pensions provision should be **to close the gaps** in pensions coverage which currently exist - and may still exist, even after the tax and other improvements described above have been implemented - and **not to replace or weaken existing good provision**. Indeed, it is crucially important that extending good pensions **coverage**, to those currently without it, is not done at the expense of the other two main objectives – ensuring **adequacy** and **protecting** good existing pension arrangements. The experience of other countries is instructive in this regard.

The 2006 Report on Mandatory Pensions, prepared by a sub-committee of the Pensions Board within a very short time-frame, at the request of the then Minister for Social and Family Affairs, Seamus Brennan, made an excellent start in devising a system that would be appropriate to Ireland's needs. After studying the experience of other countries, commissioning some relevant research and deciding on various parameters and sets of assumptions, the sub-committee concluded that the type of system which would best suit our needs would be one that built on the present system by (a) further improving the social welfare pension and (b) introducing a supplementary scheme that would be mandatory for those without cover that was at least equivalent. Specifically, what this Report recommended was

1. An increase in the **social welfare pension** to **40% of AIE**, over a 10-year period; in 2006, in round figures, this would have meant increasing it from €10,000 per annum to €12,000 per annum. This would benefit both present and future pensioners.
2. Introduce **Mandatory Supplementary Pensions** – which it called '*Special Savings for Retirement*', or SSRs – for all those at work who did not already have adequate provision and whose incomes were within specified bands. Thus all workers, both employed and self-employed, would be covered, if they earned between 50% and 200% of AIE (the suggested 'eligible income' band). In 2006 terms, using a round figure of about €30,000 per annum for AIE at that time, this would have implied compulsory contributions for anyone earning between €15,000 and €60,000 per annum who was not already in an adequate pension arrangement.

The Pensions Board based its costings for such a system on a required total contribution rate of 15% of 'eligible income' – so for someone on exactly AIE, for example, the total annual contribution would be €2,250 and for someone on twice AIE they would be €6,740.

The Board accepted that contributions totalling 15% of 'eligible income' were the least that would be needed in order to produce an eventual pension of about 50% of that income.

How exactly this 15% contribution should be shared was, in the view of the Pensions Board, a matter for the government of the day to decide. (In Chile, for example, employees pay the entire contribution; in Australia, employers pay it all and it's up to workers to decide whether to add anything. Neither approach has yet resulted in what could be seen as 'adequacy' because the total has not been high enough; although in Australia, the employer contribution has now reached 9% and some workers choose to add to this.)

It seems to me that the fair and obvious way of sharing the cost would be an equal, 3-way split between employers, employees and government, i.e. 5% each. And even if, in some cases, this had to be phased in (e.g. over 5 years), the important issue is the necessity to achieve, as soon as possible, a total contribution rate which will produce adequate pensions. There is no reason to believe that the 15% figure, accepted by the Pensions Board in 2006 as minimally adequate, is too high; if anything, unfortunately, it may now be too low.

Other features of the scheme devised by the Pensions Board were: **collection** of the contributions via the existing PRSI system (which would clearly be the most cost-effective, since the mechanism already exists) and **investment** of the contributions by the state – either directly (e.g. through the NTMA) or by letting individuals decide between various state-approved investment vehicles (as in New Zealand, for example).

The **investment issue** was one of the potential problem-areas identified by the Pensions Board as requiring much further attention than it was able to give it in the early part of 2006. If the state collects the contributions, and arranges their investment (directly or indirectly) must it also provide a state guarantee of the outcome? The experience of other countries appears to have been mixed: in Australia, they started with a single investment option only, but recently introduced a 'choice of funds'; in Chile, the state has no involvement in investment, but nevertheless guarantees the outcome.

Other potential problems identified by the Pensions Board were the **compliance issue** (who to exempt, how to decide who already had 'adequate' cover, how exactly to define 'adequacy' and what resources would be needed to ensure compliance) and, of course, the **danger of downward pressures** on existing standards.

These are crucially important issues to resolve before introducing any system of mandatory pensions in Ireland, but I believe that they can and should be resolved, through careful planning and consultation with all the key interests involved. There is no virtue in doing further damage to system already under pressure from a combination of forces, some of them almost entirely outside of our collective national control. Conversely, we cannot, as a society, tolerate further inaction which leaves both the current and future generations of pensioners at the mercy of these forces.

## 7. CHILD PENSION ACCOUNTS

At this stage, our national pension policy should aim to be fully comprehensive in the short, medium and **long term**. Thus, early improvements in the **social welfare** pensions are needed, in order to benefit today's pensioners and those workers who are coming up to retirement age shortly. For those who still have time to plan and save for better incomes in

retirement, the social welfare changes plus improvements in the tax incentive, combined with the introduction of a new system of mandatory pension contributions for those who still do not have adequate cover, should between them deliver better pensions. And for those at an even earlier stage of life, we need measures which then could perhaps defuse the so-called 'pensions time-bomb' entirely for future generations.

The commencement of **Child Pension Accounts (CPAs)**, suggested by SIPTU a number of years ago and elaborated on in some detail in 2003 and subsequent years should, in my view, be the subject of a Feasibility Study to be started in mid-2008 and completed by Easter 2009. If the scheme is considered to be both feasible and desirable, it should be introduced in respect of everyone born after January 1st, **2010**.

As part of SIPTU's pension proposals for Budget **2005**, the following measures were suggested as a possible way of addressing the long-term pensions challenges, with proposals to phase-in the measures over 16-18 years so as to minimise the start-up costs:-

"Set up a Pension Account for everyone born after 1st January 2005;

"Raise the Child Benefit rates to €150 / €185 per month and add 10% for pensions. For every child born after January 1st, 2005, add 10% of the basic Child Benefit rate (i.e. an additional €15 per month in 2005) and put this into their Child Pension Account (CPA).

"Facilitate additional contributions to CPAs – encourage parents, grandparents and other 'sponsors' to add (limited) amounts, tax free, to these CPAs (e.g. a maximum of 3-4 times the state contribution).

"For pre-2005 children, set up the Pension Accounts as they come off Child Benefit (usually between the ages of 16 and 18) – the state to put in a lump sum 'start-up bonus' (e.g. 6 months CB). This would mean a €900 'pension start-up bonus' for 16-18-year-olds in 2005, again with a facility for extra amounts to be added.

"This would mean that after 16-18 years, every young person below the age of 32-36 would have an established pension fund to supplement their Old Age Pension and to which further contributions can be made, by employers and by themselves.

"

(SIPTU, September 2004)

Clearly, these 2004 figures would need to be updated: Child Benefit is now €166 per month for each of the first two children and €203 for the third and subsequent child(ren). An extra 10% for CPAs would therefore mean an additional €16.60 or €20.30 per month, in 2008 terms. (These amounts would have to be standardised to ensure that all children born in the same year started with the same amount, e.g. €20 per month per child.) The amounts which parents, grandparents, etc. could contribute, tax-free, to these 'piggy-bank pensions' would also require careful consideration; as would the phasing-in arrangements and the mechanism for subsequently transforming these funds into occupational or personal pension schemes, or PRSAs, to which employers would also contribute at a later stage.

However, the virtues of starting 'the savings habit' at such an early stage should not be under-estimated; and there are also a number of other possible attractions associated with the idea of CPAs. For example: **partial encashment** of the fund could be allowed (say 25% at age 25 and a further 25% at age 50) without doing major damage to the eventual pension; and **greater flexibility around retirement ages** would also be possible, in the future, if a

pension fund had been accumulating for 55 or 65 years - or more - rather than 40, 35 or even fewer years as at present.

As regards the issue raised in Ch. 14 of the Green Paper, of **raising retirement ages** and/or enabling people to postpone retirement and remain in employment, I would see the introduction of CPAs as an important mechanism for easing the pressure on future generations of older workers to continue working for longer than they actually wish or are capable of doing. People should not be pressurised into postponing retirement for purely financial reasons, i.e. because their pensions are inadequate or it will 'cost too much' to provide pensions for them when needed. Such a system is likely to increase inequality in retirement and to impact most adversely on those who are already disadvantaged.

However, I am fully in favour of providing **real choices**: of encouraging employers to retain older workers – if the workers wish to be retained; of encouraging workers to work beyond Normal Retirement Age – if they wish to do so; and perhaps redefining NRA and 'retirement' itself. But these must be provided as real choices, **real ways of improving peoples' quality of life**, rather than as ways of cutting pension costs at the expense of older peoples' dignity and liberty.

## 8. OTHER ISSUES

A few other issues require brief mention:

### (i) Later Retirement

This has been referred to at the end of section 7 above. If seen as a way of providing workers with free and real choices, I would favour greater flexibility and the ability to remain in employment, as long as this is **on a voluntary basis**. If seen merely as a way of reducing pension costs – by increasing pressure on older workers to remain in employment – then I have major reservations. In my view, a better way of reducing pension costs later in life, is to start making pension contributions at a much earlier stage in life (i.e. through CPAs) and to ensure that the contributions are adequate throughout one's life, especially one's working life (e.g. through supplementary pensions, whether voluntary or mandatory). This cannot be done for the current generation of pensioners, or for people due to retire soon, but it can and should be done for future generations.

### (ii) Annuities

The main reforms needed in relation to annuities would seem to be as follows:

1. DC holders should have **greater flexibility** in relation to the timing of their annuity purchases. They should not be compelled to buy at their exact moment of retirement.
2. Individuals approaching retirement (and, indeed, before that time) should receive **better information** about their entitlements, the comparative costs of annuities, the choices they have (and haven't), etc.
3. The **state should become a provider** of annuities, in certain circumstances. E.g. where a company with a pension fund collapses, or transfers its engagements, the

state should take over the assets of the fund and ensure that the appropriate pension payments, or annuities, are made thereafter.

### **(iii) The Funding Standard**

I would urge considerable caution in relation to further amendments or relaxation of the Minimum Funding Standard, despite current market volatility and the consequent pressures on DB schemes. To date, there has been heavy reliance on the Pensions Board to assess serious under-funding situations and to read warning signs correctly, on a case-by-case basis. This approach has been successful to date, but if it is to continue, it may be necessary to increase the resources of the Board, in order to minimise the danger of delays with such assessments (e.g. to appoint temporary staff, and/or create a panel of experts to be drawn upon at short notice).

### **(iv) Growth of DC**

Trade unions have been working for many years to try to ensure that the growth of DC schemes has not been accompanied by the growth of insecurity, inequity and inadequacy of pensions provision. The worst fears of pensions practitioners have been confirmed by recent surveys indicating serious 'under-pensioning' of members of DC schemes and PRSAs. More effective publicisation of this problem and more widespread emphasis on the need for higher contribution levels (e.g. the 15% taken as being minimally adequate in the 2006 Pensions Board Report on Mandatory Pensions) would be helpful; but probably, the only fully effective solution is to **require** a minimum contribution level (15%, updated to take account of 2008 realities?) so as to **ensure** better outcomes.

### **(v) Integration**

While consistently seeking increases in the social welfare pension, trade unions have long been faced with the dilemma that many lower-paid workers who are in DB schemes, both in the public and private sector, view this as counter-productive. This is because it can have the effect of decreasing their 'pensionable pay' and thus the portion of their total pension which derives from their occupational scheme, as distinct from their social welfare pension. (And the consequent savings in contributions, by both employers and employees, are not always seen as being available to improve the benefits deriving from the scheme.)

One possible approach to resolving this problem, at least in the private sector, may be via better trustee training and greater clarity when preparing and explaining pension fund accounts. Better explanation of the 'savings' accruing to the contributors to integrated schemes whenever the social welfare pension increases; better identification of the beneficiaries of such savings; and better-informed discussion (between actuaries, trustees, pension fund advisors and administrators, employers and employees) of possible alternative uses of such 'savings', could all contribute to progress in this area.

However, in the public sector, where unfunded schemes predominate, and governance and accounting procedures are very different, alternative mechanisms for discussion and progression of the integration dilemma would have to be devised; and in my view, work on this issue should commence as soon as possible.

### **(vi) Discrimination against same-sex/unmarried couples**



Trade unions such as SIPTU have for many years sought the removal of all forms of discrimination against unmarried couples (whether same-sex or opposite sex) based on their marital status and/or sexual orientation. This includes discrimination in several areas of tax, social welfare, inheritance and pensions law and practice.

Many private and occupational pensions schemes have already remedied such discrimination in their rules and it is time for the state to do likewise, both in relation to the social welfare pension system and the civil and public service pension schemes. If civil partnership legislation is introduced, this may improve the position for some unmarried couples (i.e. those same-sex couples who then choose to enter formal contracts) but it will not ensure equal treatment for the remainder of unmarried couples, whether same-sex or opposite sex.

## 9. COSTS

There is no point in avoiding 'the elephant in the room' – the issue of greatly-increased costs, if adequate pensions are to be provided for all who need them now and in the future. However, it is difficult for the lay person to calculate these precisely. Nor, for that matter, is it easy to calculate the precise social and human costs of **not** ensuring that older people have adequate incomes in retirement - and can also, with encouragement and support from the state, maintain their pre-retirement living standards, at least to a certain, socially-acceptable level. But, clearly, these costs are also very high, due to such factors as higher health and social services expenditure; lower output by older workers and hence lower GNP; less voluntary and social work by older people; lower purchasing power by older people, resulting in less tax revenue from a growing portion of the population. (The 'silver economy' will be of increasing significance, to the economy as a whole, in future years.) If it were possible to compute all these 'future costs' and weigh them against the more measurable current costs, the picture would look very different and more complex than simplistic snapshots of current-year tax and welfare expenditures would indicate. Each of the reforms proposed will involve additional expenditure in the immediate short-term and the primary question now is whether this can be faced, fairly and squarely, and accepted as being **both socially and economically necessary**. If it can, then the second issue of exactly what the costs are, and how these should be shared, must be confronted.

I can only give a broad view on the likely costs arising from each of the above proposals and how they could/should be met:

### (i) Social Welfare Pensions

1. The cost of removing all the various '**coverage**' anomalies and making the system fully inclusive, should, in my view, be calculated and met from the **Social Insurance Fund (SIF)** and, if necessary, in the context of Budget 2009 (i.e. as a once-off Exchequer contribution), bearing in mind that recent Exchequer contributions to the SIF have been very low and that large amounts, regarded as 'surplus', were removed from the SIF some years ago; therefore the question of raising employer or employee PRSI should not arise in this context.
2. The additional cost of ensuring **adequacy**, i.e. raising the level of the social welfare pension to the recommended amounts in the coming years, should be estimated and then allocated to the Social Insurance Fund (in the case of the contributory pension),

to general Exchequer funds (the non-contributory pension) and to the National Pensions Reserve Fund (NPRF - see also section (iii) below).

If necessary, the Exchequer contribution to the NPRF should be raised from its current level of 1% of GNP to a more appropriate level; as should the Exchequer contribution to the SIF. Increases in both employers' and employees' PRSI may also be necessary at some stage; and/or further increases in the income ceiling for employees' PRSI. The actuarial assessments of the SIF, started in the 1990s, should be carried out on a more frequent and regular basis than heretofore, so as to ensure that ongoing contributions are adequate and that drawdowns from the NPRF, after 2025, will also be sufficient.

## **(ii) Public Service Pensions**

These are an essential element of public service remuneration. It is vital that the integrity of the public service pension system be maintained and if possible improved, particularly for lower-paid public servants. Actuarial assessments of the cost of public service pensions must be carried out regularly and there must also be regular checks to ensure that the portion of the NPRF allocated to public service pensions is clarified and is likely to be adequate to the task for which it was intended.

## **(iii) The National Pensions Reserve Fund**

This Fund was set up in April 2000 following separate recommendations from two separate bodies - the NPPI and the PSPC. Strictly speaking, there should have been two separate funds as they were intended for quite different purposes, but initially they were rolled into one fund and it was said that roughly one-third of it was for public service pensions and two-thirds for social welfare pensions. Over the years, this distinction has become blurred; many people now believe it's entirely for social welfare pensions, others believe it is all for public service pensions; and this is most unhelpful in relation to costing both social insurance and public service pensions.

Apart from this confusion, which is not of course the fault of the NPRF or its staff, or the Commissioners who oversee its operation, the Fund has performed well in the face of global uncertainty and is the only Irish fund to have signed up to the UN's Principles and Guidelines on Socially Responsible Investment. It would seem to be the best available vehicle for increased state involvement in pensions in the future, e.g. in relation to annuities and the investment of mandatory pension contributions.

## **(iv) Equalising the Tax Incentive**

Giving lower-paid workers (who pay tax at 20% or less) a higher level of tax relief or SSIA-style subsidy towards pension contributions, would of course be 'costly' if take-up were high. If successful in incentivising a further 20% of the workforce to start or increase pension contributions, this could raise the present cost of tax relief on workers' contributions by up to one-third, i.e. from €540m. to about €720m.

However, if **unsuccessful**, and if only an extra 10% of workers responded to such an incentive, the experiment would only cost an additional one-sixth (€90m. per annum) or €630 per annum in all. There would also, of course, be additional 'costs', i.e. tax foregone, in relation to investment income and any increases in employers' pension contributions.

(The Green Paper contains somewhat different figures to these, but the basis of those calculations is not explained and is not clear to me.)

#### **(v) Mandatory Pensions**

The Pensions Board estimated in 2006 that the cost of introducing a mandatory pensions system of the kind it recommended would, as a percentage of GNP, raise the current Exchequer cost of pensions from 2.4% (in 2006) to 7% in 2026 and to 7.8% in 2056. It found it difficult to model the exact costs because the effect of the new system on existing schemes was hard to predict. (And it would be even harder to predict if existing schemes had first been boosted by an improved tax incentive.) Again, there would be various ways of meeting the cost: it could be through extra injections to the NPRF, additions to PRSI, or existing taxes, or new taxes/levies/charges; or combinations of these; and it could be done on a funded and/or PAYG basis.

#### **(vi) Child Pension Accounts (CPAs)**

The cost of introducing CPAs in the manner suggested – i.e. phasing them in over 16-18 years – would be easier to calculate. The state contribution would be an extra 10% of about 2/17 of the annual cost of Child Benefit (assuming roughly the same number of children in each age-group: 0-1 and 16-18), but these figures could be done more precisely by the relevant government Departments, by reference to the actual, known numbers. There would also be a certain amount of tax foregone if parents, etc. were allowed to add to the CPAs on a tax-free basis, depending on the limits imposed. The question of whether to allow the investment income to build up tax-free (as in existing funded schemes), would also have to be addressed.

### **10. SUMMARY AND CONCLUSIONS**

In putting forward the above proposals for the development of a better pension system for present and future generations in Ireland, I am aware of the substantial costs involved and the potential difficulties of not only meeting those costs and sharing them fairly, but also of ensuring the effectiveness and proper targeting of such high expenditures.

Nevertheless, I believe it is vital to seize the present opportunity for debate, consultation and clarification of ideas, if this vision for the future is to be realised in the not-too-distant future. Early action to ensure greater investment in pensions for all - for existing pensioners, people who will be retiring soon, and people who are still many years from retirement - must be seen as a major national priority.

#### **Submission 296**

I am in my sixties. I work full-time now as I am separated from my husband. This is my story.

I began working in July 1964. When I got married, because I wasn't in paid employment, my husband took over my tax credits and I surrendered my PPS number. At the time this made sense as it would benefit both of us with the household budget,

Between then and 2003, I worked in three different businesses, one on my own and two with my husband. Throughout this time I thought I had been paying a 'stamp' (contributions), I wanted to ensure I had enough contributions to cover me for a pension. It

turned out that all the businesses were in my husband's name and all my contributions went into my PPS account. This was based on advice from an accountant. For the final ten years of our marriage I worked with my husband building up a new business. This involved working long hours and sometimes seven days a week. I was never paid for this work.

When my marriage was breaking up, before our separation, I wrote to the Department of Social & Family Affairs to ask if I could have contributions paid in retrospect (10 years) for the time I worked with my husband building his business and after long arguments they came back to me with the letter attached – A spouse may not employ a spouse – Para 1, Part 2 of the First Schedule of the Social Welfare (Consolidation) Act. However they agreed to register me as a homemaker under the Homemaker's Scheme to take into account the period 6 April 1995 to January 1997, being my daughter's twelfth birthday. The Homemaker's Scheme only takes account of children up to the age of twelve.

I came back to full-time work upon the break up of my marriage and because I have to work to survive. I came back just in time to be able to work the 11 years needed to be entitled to a full contributory pension when I turn 66.

I now feel frustrated and angry at the Social Welfare System which ignores the years of hard work I put into my husband's business. It is appalling that for many women like myself all those working years are not taken into account. This leaves women vulnerable and for many living in poverty. **This system needs to change NOW!**

### **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 303**

I am a woman in my early sixties. I have spent most of my life caring for others until ill health prevented me from returning to work. This is my story.

I worked from the mid 60s to late 1975. I was employed privately and paid the full stamp contributions. From the end of 1975 I was off work on health grounds. I had medical certificates for a period and after this my doctor advised me that I would not be in a position to go back to work because of problems with pregnancy.

From 1977 I was caring for my husband's father and mother as well as my own family. I did not qualify for the Carers Allowance. I then went on to care for my husband's aunt and my own mother and father. I did not receive a Carer's Allowance as my husband was drawing a Social Welfare payment and the allowance would have been deducted from this. I was not aware of the homemaker scheme until years later, this is information we should have in order to have every opportunity to ensure we qualify for pensions in later life.

Due to being diagnosed with cancer I've had no opportunity to go back to work. I have been told that I will be entitled to 50% of the contributory pension when I am 66. This is based on my contributions between the mid sixties to 1975. As the law stands at the moment, a woman of my age is entitled to 70% of my husband's pension. This is claimed by him and paid to him, this is known as a qualified adult payment.

I believe this is wrong as many women are left depending on their spouse for financial support. In cases where a spouse is not forthcoming with money it leaves many women living in poverty. My experience of being a qualified adult is very positive and it works very well for me. When I am sixty six I will get my pension in my own right. ***The wording of the social welfare system needs to change to call women qualified adults or dependent adults is derogatory to women.***

### **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 306**

I am forty seven years of age. I have spent a huge part of life as a homemaker. I am very proud of these years and I place a lot of value on this work. This is my story.

I left school in 1977, got married in 1983 and in 1984 my husband's job was relocated to Co. Clare and I had to give up work. This was during a time of economic recession when unemployment was very high in Ireland. At this time I tried to sign on the live register but was refused. I appealed this decision and won. I signed for fifteen months, when this ran out no one in the Department of Social Welfare informed me of the importance of continuing to sign for credits.

In 1986 I had my first child and became a stay at home mom, I then had a second child in 1989.

I feel let down for all the years I spent at home caring for my family with no recognition from the state. The role of caring and nurturing that I have taken on is not valued or seen as contributing to society.

When my second child was well established in school, I went to sign on explaining I was available for work but was told I couldn't. I then applied to go on a FÁS course but again I couldn't because I wasn't on the live register. I get so angry because within our constitution the family is recognised as central to society yet these years caring are disregarded and women are classified as adult dependents in many cases financially dependent on their spouses.

I felt totally isolated from the world outside of my family. I couldn't get back into employment because I needed to be re-skilled. I decided to take on some summer work thinking this would get me back in credits but unfortunately I wasn't aware of the break from employment rule which meant you must work for a continuous twelve months but as we live in a seaside resort this is seasonal.

By this time my father had got sick and I decided not to take work in the summer of 2000 so I could be available to visit him at a moment's notice. I continued to sign on and by the time my father passed away I was unemployed for one full year. I couldn't believe I had finally qualified for a community employment scheme.

I was delighted to be involved in a way where I could meet other people and be re-trained in new skills. I decided to go to college and began working in full time employment in 2005.

By the time I am due to retire it will be 2025, I still don't know if I will qualify for a contributory pension. I tried to find out in 2004 and I was told to come back when I was older. It makes me so angry that information is so hard to get, I wasn't aware of homemaker's credits until 2007. This information needs to be disseminated to all women in the country. It isn't good enough to say we will disregard years spend caring. Why should these years be disregarded when women are contributing to society in most important and meaningful way?

I would like to see the language used within the social welfare code changed, words such as 'Disregards' and 'Adult Dependents' 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 308**

I have many life experiences including being discriminated against due to the marriage bar. This is my story.

I worked as a Civil Servant from 1965 until 1970 when I was compelled to leave my job due to the Marriage Bar. It is strange looking back now how as woman, we just accepted this injustice without question. Of course there were rumblings all the time that this law would have to end, but when you're young and in love who wants to wait for something that may not happen at some time in the distant future. A husband than was very definitely considered "the breadwinner". What women didn't realise was this oppression was setting us to fall future victims of a whole situation of economic, social and **political domination**. I was no exception to this.

I reared my family but unfortunately in 1991 my marriage broke up. So here i was with a very small income, and realistically what I was facing was a life of poverty. So along with the overwhelming sense of loss that accompanies the break-up of marriage I now had to get through the many struggles of alienation, internalisation and exploitation in jobs. I tried to get my job back in the Civil Service as I understood I would be entitled to it. However this was not to be.

Fortunately for me my break came when I moved back to my birth place in 1995 and was lucky enough to get a place on a FÁS scheme. I then went on to full time employment as a Community Development Coordinator. I have been supported through my employment to further education. Even though this won't yield a large pension but it will certainly go some way towards giving me a little extra when I retire. I will now have to work until I am 66 to qualify for a full state pension.



I hope my story goes some way towards raising awareness amongst women of the importance of reflecting on their own personal situation. Its time we as women developed a social awareness on the issue of pension rights for all women, whom I hope, will ultimately lead to political change for women, who like me at some time in their lives must face the reality of living in poverty in their old age.

### **Submission 309**

I am 60 years of age. I have 7 children ranging in age from 19 to 40, this is my story.

I married at a young age and I have spent my life rearing my children, working on the farm and caring for different relatives at various stages since 1967. In 1985 my mother's Alzheimer's worsened and I brought her to live with me. I cared for her full time until she died in 2000. During my time caring I was not aware of the carer's allowance. I received this only in the last year of caring for my mother.

When my mother died I went on a Community Employment Scheme for 2 years. I then worked on a voluntary basis with a Community Development organisation and in 2005 I was employed on a part-time basis with that company.

I had always intended returning to work when my last child entered school. My Caring Role prevented me from doing this. The short term effect of my Caring Role was that I was forced into a position of dependency, was tied to the house and missed out on opportunities for training, further education and employment.

For me the long-term effect is much more serious. I have no social insurance credits and am only entitled to a non-contributory pension when that time comes. The contributions paid on the farm only benefit my husband.

My work on the farm, my work as a homemaker, my role as a mother and Carer are not recognised or valued by the State. When you are young you don't think about pensions as this is in the distant future. I would like to see young women preparing for those years.

Statistics tell us that Carers save the State over €2 billion per year. Yet the years I spent caring for mother goes unrecognised. Effectively the Government is telling me that I have contributed nothing to society or to the State and therefore do not deserve nor am I entitled to anything back.

**THIS IS A HARD PILL TO SWALLOW.**

### **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 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" 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 319**

**May 08**

#### **Green Paper Submission**

Introduction: I am a qualified Accountant and a qualified Company Secretary and I have worked for companies, where part of my work dealt with pensions. In addition, I have worked as a general insurance broker for over 40 years.

When considering the Green Paper on Pensions, it is necessary to define the real meaning of the word 'PENSION'. When citizens reach age 66 years of age, they do not want money, but

they want adequate amounts of food, fuel, services and all that is necessary to live a comfortable life each year until they die. This requirement results in only one conclusion as to what the word 'PENSION' really means. 'PENSION' can only mean an inflation proof sum of money to purchase, each year, what is necessary for a comfortable life. Consequently, it is impossible for the overwhelming majority of citizens to provide for the future cost of living and, therefore, citizens are unable to provide a pension for themselves. For example, when I was working as Company Secretary in the late 1960' s, an employee with a fairly good job retired with a fixed pension of two thirds of his final salary, which pension was equivalent to the salary that a qualified tradesman was earning at that time. However, within 20 years, this pension was much less than the State Pension. Inflation had eaten it away. Therefore, 'PENSION' in terms of the Green Paper on Pensions, can only mean the State Pension, which must be paid out of the State Income, in the year in which it is paid out, as this is the only inflation proof pension that can be provided to the overwhelming majority of citizens.

The only option that meets the requirement of providing a comfortable retirement for all citizens is **Reform B: Universal Pensions**.

It will be realised, that the current policy of the Government in saving in a fund for future pensions is pointless, as nobody knows how much will be required to provide a comfortable pension in 20 or 30 years time. It would be better for the Government to pay off National Debts, and then save in a General Fund during good times, and use some of these Savings during times of recession to carry out worthwhile projects to give employment.

The main thrust of the Green Paper on Pensions was '**HOW TO FINANCE A COMFORTABLE RETIREMENT FOR ALL CITIZENS IN FUTURE YEARS**'. This is not as difficult as it appears, but it requires a radical approach by all citizens of the State. Every citizen will have to forget their own sectional interest in favour of the interest of society as a whole.

If the State is to act in a fair and equitable manner, certain injustices must be dealt with in the near future. The main injustice, is the injustice suffered by those women who had to give up their jobs, in past times, because they were forced to retire or pressure was put on many others to retire on the grounds that they were bad mothers if they did not retire and devote their full time to looking after their husband and children. In fact, the aim should be to give every citizen, who has lived their life in the Republic of Ireland, even if they have been unemployed, due to bad luck or mental or physical disability, an adequate pension at 66 years of age.

**FUNDING:** General remarks. Most citizens have not the means to save for old age when they commence work, as their income is too small and they certainly will not be thinking of old age when they are young and old age is a long way off. Most citizens will want to buy a car and many other items so as to meet members of the opposite sex. Many will form relationships or get married and the means to save substantial amounts of money will not occur until late in life for most citizens. The State has commenced a PRSA pension system and the low take-up shows the lack of means of many citizens. Even this PRSA pension system has turned out to be an act of deception by the State, as charges by the financial service providers eats up a large part of money paid in and inappropriate investments by financial service providers means that the holders of PRSA pension funds will be lucky if the

value of the money they save and invest will still buy the same amounts of goods and services in their old age as it did when they invested it.

However, it certainly will not assist in their old age. It appears that the purpose of the PRSA scheme was to enrich financial service providers. In fact in the Budget 2006, the Minister for Finance attacked these funds, by decreeing that he was going to raid these funds on an annual basis, mostly small funds, so there is no chance of most citizens of these funds having a comfortable retirement from them. In the same Budget 2006 the Minister for Finance increased the tax avoidance for the benefit of rich citizens by allowing a further 10% tax relief on up to €254,000 at the top rate of 41 %, allowing such rich persons to save an additional of over €1 0,000 in tax each year. The Budget also allowed the Minister to increase this tax avoidance scheme for the rich in future years by Ministerial Order. 40 years ago, the main saving by the majority of citizens was in deposit accounts. About 30 years ago, the financial institutions introduced funds as an alternative to deposit accounts. These funds were managed for the benefit of the citizens investing in them. The financial institutions made an annual charge of half of one percent for managing the fund and the funds were managed in a prudent manner. However, during the past 30 years, the attitude of most financial institutions has changed. Nowadays, most financial institutions act to transfer as much of the money invested in the funds into their own pockets and the money is invested in the most imprudent manner possible, in most cases. The Financial Regulator adds to the woes of the small investor by issuing propaganda, to the effect that it is regulating financial institutions and that citizens will obtain competent advice from financial institutions and also that the Financial Regulator imposes marvellous training standards on financial institutions. These claims by the Financial Regulator are rubbish. Proper investment advice is a matter of common-sense and prudence. What has been happening is that financial institutions think up more and more schemes to transfer investors money to themselves. For example, I constantly get literature from financial institutions, usually selling the latest financial flavour of the month. Most of these investments are in geared funds. This means that if a citizen gives a financial institution €10,000 to invest, the financial institution will borrow many times the €10,000 to invest. This means that the financial institutions obtains inflated management fees on many times the amount actually invested. But when the financial flavour of the month investment bubble bursts, the investor of the €10,000, suffers, not only the loss on the €10,000 invested, but also the loss on the borrowed money and the loss of the interest payment on the borrowed money. I write this hard hitting paragraph, as I am disgusted with the greed of financial institutions and I want some proper regulation, in the interests of the public good.

The main point I am making, with some force, is that PRSA pension schemes are of no value for pension provision and any mandatory pension scheme imposed on the Public would also have no value, as they are and will be used to exploit the public, as is happening at present. The present world-wide crisis in financial affairs shows that most financial institutions are incompetent in running their own affairs, and therefore are not competent to advise citizens on investment. At present most financial institutions are making strenuous efforts to repair their balance sheets. Ireland suffered the huge ISTC collapse and a great number of citizens lost their pensions and life savings in this.

**FUNDING:** Self-employed sector. At present, self-employed citizens are allowed tax relief, at the highest rate they pay on up to 40% of €254,000 of earned income, depending on their

age, a maximum yearly saving to such citizens of over €40,000. If this tax avoidance allowance was abolished, the State would receive billions of euros more each year in tax, which would finance higher and adequate State Pensions for all. Furthermore, If the State wanted to encourage citizens to save money, which citizens could use to further improve retirement, it could introduce a more equitable incentive, such as allowing every citizen tax relief on €50,000 savings or other reasonable amount, during that citizen's lifetime. Even if this encouragement to save was brought in, additional tax of billions of euros would be paid to the State each year. I realise that the saving of billions of euros will be obtained mainly from the top 30% of self-employed, as they are the main beneficiaries of this tax avoidance allowance. However it is a scandal that millionaires and in some cases billionaires should have this tax avoidance allowance, when the State is debating whether it can pay adequate State pensions in the future.

Most self-employed persons have small to medium incomes. I would also point out, in the interest of equity, that lower earning self-employed are discriminated against in tax. Under the PAYE system a person with an income of €20,000 would have deduction of just over €1,000, whereas a self-employed with the same taxable income would have €2,800 in deductions. This should be remedied.

**FUNDING:** Company directors and company sector. Company directors are also allowed to claim tax relief on large sums of money each year, which can amount to more than 100% of their salaries. After the 2006 Budget, a prominent businessman announced that he was making a contribution of €6,000,000 to his pension fund. Companies obtain tax allowance on amounts they pay into pensions for employees regardless of the amount of pensions purchased. If these tax avoidance schemes were abolished, then many billions of euros would be paid in tax to the State. Of course, as stated before, citizens could be allowed tax relief on reasonable amount of saving during their lifetime. An advantage to all employees of companies would be that they would receive inflation proof pensions and much larger inflation proof pensions when they retired. It must not be forgotten that many directors of companies and employees of such companies, even though they will be entitled to the State Pension, do not need such pension as they will retire multimillionaires or, in a very small number of cases, billionaires. If the tax avoidance allowances were abolished, the State would receive billions of euros more each year in tax, which would finance higher and adequate State pensions. In the 2006 Budget, a restriction of five million euros was placed on individual pensions, but the Minister can increase this amount by Ministerial order from time to time.

As a result some company have increased the salaries of directors to compensate for the restriction. However, tax has to be paid on this increase.

**FUNDING:** Civil service sector. Civil servants, including TD's have inflation proofed pensions, whereas most citizens do not. This leads to civil servants wishing to retain such an advantage, inadvertently, at the expense of the general public, and the Green Paper on Pensions is now putting forward the idea that the present inadequate State pensions might not even be payable in the future. If such pension rights were abolished for newly engaged civil servants, and replaced by higher general State pensions, lower paid civil servants might not be worse off, but there would be screams from higher civil servants, some of which receive a number of pensions amounting to hundreds of euros a year. However, many of these higher civil servants will retire multimillionaires as they can save, even after tax,

sufficient to become multimillionaires, from salaries and bonuses of €300,000 and much more.

**CONCLUSION:** As I have shown the only equitable answer to the Pensions problem is to abolish all the tax avoidance measures which has resulted in inflation proof pensions for a minority of citizens and inequitable inflation proof pensions at that, and replacing these with adequate inflation proof pensions for all citizens, so that all citizens can have a comfortable retirement until the day they die. In addition, limited incentives could be put in place to encourage savings, as in the SSAI accounts. Implement Reform B: Universal Pensions in the Green Paper on Pensions in an equitable manner.

In carrying out reform, the State could also reform the tax system to reduce the burden of tax on medium income earners. For example, there could be more than two tax rates. They could be 20%, 30%, 40% and 50%, these rates to include all the add-ons, such as the health levy and PRSI. At present self-employed taxpayers pay a top rate of 41 %, plus 2% health Levy, plus, pension levy/PRSI of 3%, making a real top rate of 46%.