

Green Paper Submission

May 08

Submission on behalf of the Irish Postmasters' Union in response to the Green Paper

Our Executive Committee has recently considered the Green Paper and the Pension issue was also the subject of an important Motion at our recent Annual Conference in Mullingar.

Our Union shares the view that Pensions are very important to all of us, even more so today with the increased longevity. For far too long both the Government and many of us Citizens while being conscious of the importance of making provision for retirement have either put it on the long finger or made totally inadequate provision.

Ideally a State sponsored Pension arrangement with both the contribution and the ultimate Pension being income related is what is required. The current arrangement of a flat rate State Pension and in some cases supplemented by an Occupational Pension is still far from what is needed to give people the financial security and a modicum of comfort in retirement. The whole situation of what is affordable is complicated by the ratio of those working as against those in retirement and further compounded by the incidents of a multiplicity of employers being involved during the working life of the individual. There is also a large section of society, mostly women, who currently have in many cases less options to accumulate Pensions entitlements either in the State Scheme or less still in Occupational Schemes. The importance of the fulltime role of homemaker should not be ignored where Pension entitlements are concerned.

It is our view that Pensions should be made compulsory - young people in particular will never face the need to provide for retirement soon enough to ensure an adequate Pension for themselves. It is also important to embrace not only the employees but the ever increasing section of the workforce that falls within the self employed/sub contractor category. Some of these would also be contributing to the State Old Age Pension. The State Pension should continue as is with as much provision as can be afforded (by the individual contributor and the State) to increase the Pension provision to bring it much closer to a more realistic figure.

Parallel to that State provision and independent of it all those in employment, including self employed, should be "compulsorily insured" for an Occupational Pension with a minimum ratio of 2 to 1 by way of contribution being paid by the employer and the employee. The current system whereby the State Pension is offset against the Occupation Scheme only contributes to an ever decreasing contribution by the employer and minimised the benefit of any increase in State Pension for the individual employee/self employed person. The current system of tax relief on contributions up to a certain level for both employer and employee should be continued as it makes it much more attractive for those who are paying tax. Some

other solution needs be addressed for those who may be in the income bracket where they don't incur tax - some credit system is needed.

Trusting the above will assist in the formulation of a policy which is long overdue to ensure that all Citizens of the State are adequately provided for on the Pension front i.e. a combination of State and Occupational Pension.