

Regional Seminars

Green Paper on Pensions

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We are here today because:

- You have a view
- We want to hear it
- There is no one right answer
 - A lot of issues
 - Broad key questions
- Today is not the end!



What we would like to achieve:

- Give you good information
- Focus on key questions
- Have a debate
- End on time



1815-1898



Green Paper is the 'kitchen sink'

- Philosophy
- Demography
- Sustainability
- Adequacy
- Social Welfare pensions



'Kitchen sink' (contd.)

- Occupational and private pensions
- Public service pensions
- Retirement age / work flexibility
- Approaches to pensions development
- 'Consultation questions' conclude most chapters



There are tensions

- Sustainability vs. Adequacy
- Consistent vs. Relative Poverty
- Costs vs. Competitiveness
- Voluntary vs. Mandatory
- Private vs. Public Sector
- 'Legacy' issues vs. Future Plans



Adequate income

- Reality

- Income of €327 vs. €776 for all households
- 70-80% dependent on social welfare pension as **main** source of income

- Expectations

- 50% of people at work expect supplementary pensions to be source of main income
- But SW pensions are likely to be main source based on current contribution levels



Adequate income

- State pensions – poverty or income replacement
- Immaturity of occupational and private pensions
- Below average coverage rates for certain workers
- Defined contribution schemes increasing but people not saving enough

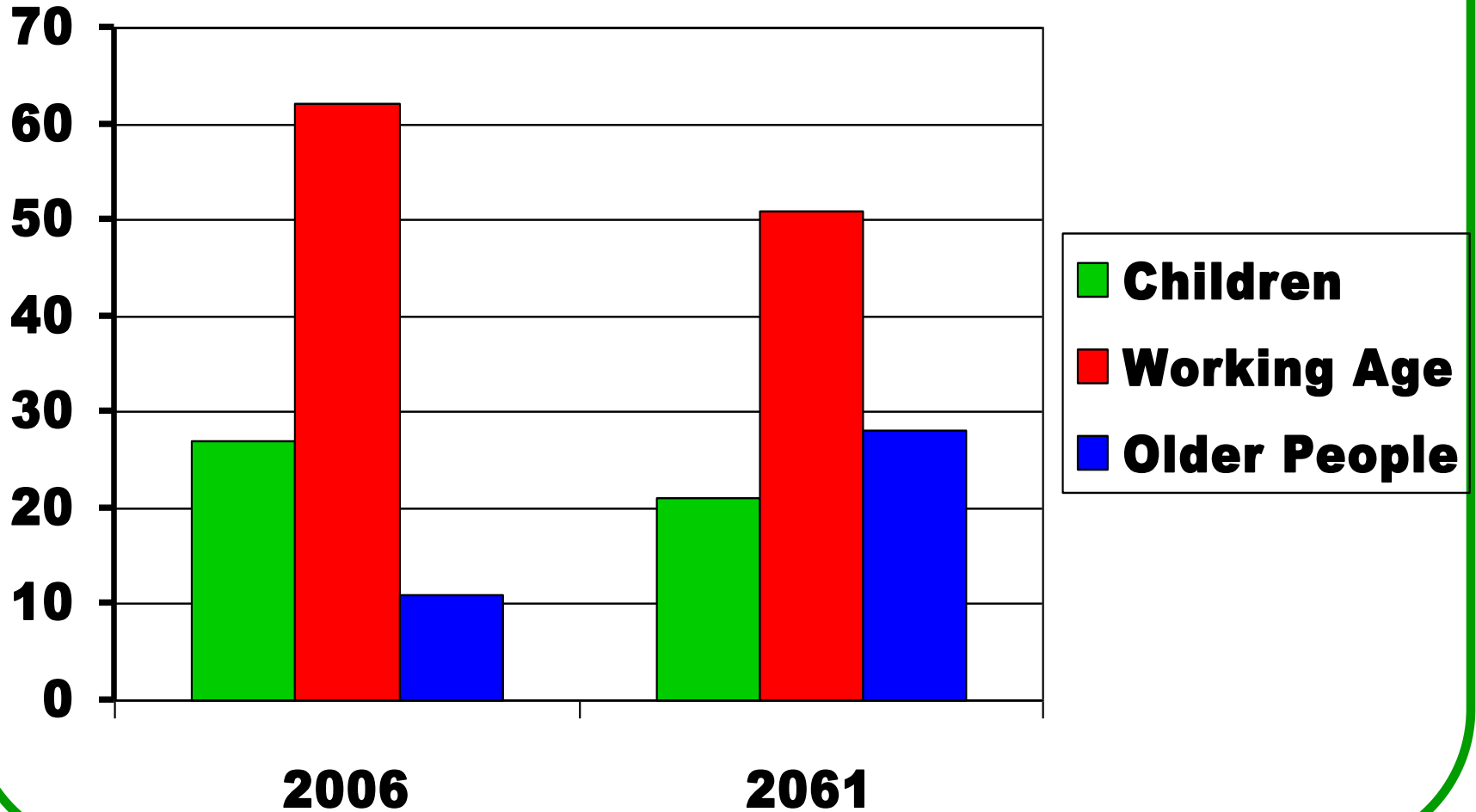


We are living longer

Life expectancy at age 65			
	2006	2036	2061
Female	84 (19 years)	89 (24 years)	91 (26 years)
Male	81 (16 years)	86 (21 years)	87 (22 years)



Population is changing



Costs will increase

- Age-related public expenditure - 12% of GDP will increase to 26% by 2050
- Pension costs - 5% of GDP will increase to 13% by 2050 - €12 billion extra

“The existing system is not sustainable on the basis of current projections, without adjustments to the overall policy mix”



Future ways of work

“we are losing sight of the fact that the workplace is changing too, so that, through technology and more flexible employment relationships, we will be able to tap into the abilities of our working population in different ways, and for longer periods of time” – Taoiseach B. Ahern

- Various individual / employer perspectives
- Barriers to older persons working longer



We have policy choices

- Increase taxes / private savings
- Ease upward spending pressures
- Increase retirement age
- Increase number of people at work
- Improve competitiveness



There are various options

- Do nothing
- Enhance social welfare
- Enhance voluntary provision
- Introduce soft-mandatory
- Introduce mandatory

