

## **West Cork Carers Support Group    May 2008**

### **Submission on Green Paper on Pensions**

#### Introduction

The government published a Green Paper on pensions policy in October 2007. The Green Paper aims to stimulate debate on the challenges and options for the future development of pensions in Ireland. All interested individuals and organisations are invited to give their views during the consultation process, which is open until mid-2008.

Concern for the Pension system has risen with the increasing debate over the changing demographics of Ireland. While Ireland currently has a younger population than most European Countries, over the longer term the impact of population ageing in this country will be considerable.

According to new data, the number of people of working age for each person aged 65 and over will fall from 6 in 2006 to 2 in 2050.

#### Background

The West Cork Carers Support Group (WCCSG) has worked over the past 10 years to gain recognition for the work of family Carers, lobby for improved services and supports and to give a voice to Carers issues.

Many of the Carers we come into contact with provide care on a 24-hour a day, 365 day a year basis. While the quality of care is second to none and is unstintingly given the cost to the Carer can be unacceptably high. We find that Carers are showing signs of being overwhelmed by the physical, emotional and financial demands of caring and are feeling increasingly isolated and alone, left to cope by their families and the very services designed to support them.

Carers have a right to recognition for their invaluable role in our society, but also a right to lead full lives and provide care without a huge cost to the quality of their own lives. Many Carers do not have the capacity for making life savings and will be dependent on the State pension for subsistence in their older age.

The WCCSG welcomes the opportunity to submit the views of Carers regarding pension rights for inclusion in the Green Paper on Pensions 2008.

#### Recommendations

##### Increases to State Pension

Ireland has one of the highest rates of pensioner poverty in the EU and faces the challenge of an ageing population over the next two decades. Current State Pension

provision does not provide for 'adequate pension', which refers to a level of pension payment that corresponds to income. WCCSG would welcome and encourage increases to the current State Pension. If the objective of the State pension system is to eliminate poverty in retirement, pension rates should surely be increased to achieve this.

Review of State Pension (transition) and State Contributory pensions Qualification for State Pension (transition) and State Pension (contributory) is based on payment of PRSI contributions at an appropriate rate (usually Class A contributions). The qualifying conditions are;

- a.. Commence paying social insurance at least 10 years before pension age,
- b.. Pay a minimum of 260 contributions at an appropriate rate,
- c.. Achieve a yearly average of at least 10 contributions, paid or credited, on their social insurance record from when they first pay social insurance until they reach pension age. An average of 24 is required for State Pension (transition).
- d.. In addition, for State Pension (transition), a person must be retired.

There is provision under the Homemakers Scheme to disregard up to 20 years spent out of the workforce caring for children or sick/disabled adults when a person's social insurance record is being averaged for pension purposes. However, the scheme only covers periods from 6th April 1994. Many Carers who prior to 1994 remained at home to take care of family members are now at a great disadvantage in regard to their state pension rights.

WCCSG recommends that PRSI credits be allotted to these people for the years spent as Carers/Homemakers. Since 1994, the Homemakers Scheme provides pension credits for stay at home mothers until their last child is aged twelve years and Carers of incapacitated adults or children. Similar concessions should be implemented for persons who left work pre 1994.

#### Pensions vs. Cluster Bombs

WCCSG welcomes the Government's recent promise to immediately stop investing state pension funds in companies that make cluster bombs. The Government is also reportedly planning new legislation allowing for "ethical" concerns to be taken into account when the body invests state money. WCCSG welcomes the move and calls for this legislation to ensure that Irish people's money is not invested in "companies or products that create human rights violations".