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| Minutes |
| Retirement Age and the Labour Market |
| Meeting of 13th January 2021 |

Pensions Commission

Minutes

Meeting held on Webex – start time 10am.

In Attendance:

Commission Members: Josephine Feehily (Chair), Ita Mangan, Roma Burke, Seamus Coffey, Aedín Doris, Ian Power, Anne Vaughan, John McGrane (from 10:30), Ethel Buckley, Tony Donohue

Secretariat: Roshin Sen, Kasey Treadwell Shine, Louise Banable, Evelyn Harrington

Observers: Alan Flynn, DSP, Ivana McGarr, DPER, Felix O’Kane, DETE, Mairead Ross, DFIN

Speakers: For item 2: Dr Helen Russell (ESRI)

Apologies: Jack Keyes

1. Minutes and Matters Arising

Inputs: PC0301 Meeting Three Minutes

- Members agreed the Minutes from Meeting Three.
- A number of matters in relation to meeting logistics were discussed.

2. ESRI Report and Presentation on ‘The Ageing Workforce in Ireland’

Inputs: PC0431 ESRI Report: The Ageing Workforce in Ireland: Working Conditions, Health and Extending Working Live

PC0430 ESRI Presentation on Report

- Dr Helen Russell, Research Professor at the Economic and Social Research Institute, delivered a presentation on their report funded by the Health and Safety Authority “The Ageing Workforce in Ireland: Working Conditions, Health and Extending Working Lives.”

- The report finds older workers' working conditions, motivation to work and experiences are favourable relative to younger workers.
- The report finds that the 'reality' of older workers in many cases does not match common perceptions, which can be influenced by social constructions of age and ageing. Work experience and workplace adaptations can compensate for any physical effects of ageing.
- The report finds that older workers were most likely to say that work had a positive effect on their health (28%).
- Ireland has a higher retention rate for older workers than the OECD average although there are significant sectoral and occupational differences.
- International research finds that involuntary retirement is more common than involuntary work – data on this specifically for Ireland is currently not available.
- For workers of all ages, work-life balance, less physical demands, and absence of health and safety risk increases perceived job longevity. In order to support retention, these policies should be in place throughout working life.
- Members noted the importance and relevance of the data in the report and requested additional data in a number of areas.

3. Retirement Age

Inputs: PC0440 Secretariat Presentation on Retirement Age

PC0441 Retirement Age: Legislation and Case Law

- The Secretariat presented members with an overview of the legislation and guidelines governing retirement age issues. This included an analysis of recent relevant case law in the area and relevant Government policies on increasing labour market participation and extending working lives.
- There is no statutory retirement age in the private sector. Instead a retirement age is generally set out in the employee's contract of employment (or custom and practice).
- The *Public Service Superannuation (Age of Retirement) Amendment Act 2018* provided for an increase in the compulsory retirement age for the majority of public servants recruited prior to 1 April 2004 from 65 to 70 years.
- Irish legislation provides that it is not discriminatory on the ground on age for an employer to fix different ages for the retirement of employees provided that it can be objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.
- The case law demonstrates examples of where the objective justification of health and safety in safety critical occupations has been upheld by the WRC. Otherwise, the cases often show an interpretation of objective justification, which results in cases being found in the complainant's favour.
- Members noted the importance of freedom of choice. While workers may wish to choose to retire early, the Citizens Assembly in 2017 found 86% were in favour of the abolition of mandatory retirement ages in employment contracts.

- Members discussed that the path to retirement needs to be considered across the career, e.g. in terms of entry into the labour market, career length, dignity at work
- The members also discussed the gap between retirement age and State pension qualifying age and the role of social welfare schemes in supporting retirees before they qualify for the state pension.
- Members requested further information on the Total Contributions Approach, which will be discussed in more depth at future meetings.

4. Documents to be published

PC0301A *Minutes of Meeting Three 16th December 2020* approved

PC0430RALM *ESRI presentation on the Ageing Workforce in Ireland Report*

PC0431RALM *ESRI The Ageing Workforce in Ireland* report [link to external publication]

5. Specific Action Points

Colour Code:

Closed/Agreed ■

In progress ■

Ongoing/Repeated Action ■

Not Started ■

NB Actions not included: 1) closed by previous meeting; 2) ongoing but with no change since previous meeting. See action log for full details.

| ID | Action | Lead | Deadline | Status |
|---------|--|------------------------|--------------------|--|
| PCA0102 | Commission website to be published | Secretariat | Jan-21 | In progress |
| PCA0105 | Generate note of Media coverage, recent developments and items of interest | Secretariat | Ongoing | Ongoing |
| PCA0109 | Add 'checkpoints' at meeting 5 and periodically thereafter to sense-check if work and deliberations are interlinking issues systematically. Reframe meeting schedule as needed. | Chair with Secretariat | Meeting 5/then TBD | Not started |
| PCA0110 | Establish whether the Widow/er's and Surviving Civil Partner's Pension is within the remit of the Commission's work | Secretariat | Meeting 3 | See PQ circulated, Mtg 3. Decision still to be made |
| PCA0112 | Consider, as part of labour market input in Meeting 4, a summary note on the prevalence of private contracts specifying a retirement age <66; produce descriptive statistics etc. position of 65-year-olds | DETE/Secretariat | Meeting 4 | Closed see PCA0112Sec_LabourMarket_StatsNte |
| PCA0113 | Liaise with DETE colleagues to determine if there is a need for research around retirement age, the gap to pension age and issues arising | Secretariat | Meeting 4 | In progress |
| PCA0114 | Liaise with DFIN to determine the current position with respect to proposals to amalgamate USC and PRSI | DFIN | Meeting 9 | In progress |
| PCA0216 | Provide age-breakdowns of those with no pensions cover from CSO Pension Coverage Survey | Secretariat | | Closed see PCA0216Sec_AgeRangesPensCov_StatsNte |
| PCA0317 | Scope venues for a physical meeting dependent on Government advice | Secretariat | Early January 2021 | Closed [venues checked, but no face to face meetings while under Level 5 restrictions] |
| PCA0318 | Establish whether Government as employers pay PRSI | Secretariat | Meeting 4 | In progress |

APPROVED

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| PCA0319 | Generate broader note on the examples of Social Insurance Systems in other countries, and, in particular, the structure of their Social Insurance Fund equivalent where relevant. | Secretariat | Meeting 5 | Not started |
| PCA0320 | Gather further data on the gap between effective retirement age and pension age | Secretariat | Meeting 4 | Included in Meeting 4 Secretariat Labour Market note |
| PCA0321 | Generate a detailed proposal for the first stage of the consultation process | Secretariat | Meeting 5 | In progress |
| PCA0322 | Generate a high-level overview of the evolution of current schemes, rates and contributions | Secretariat | Meeting 5 | Closed see PCA0322Sec_KeyDevelopStatePensionsArrangements_policybrief |
| PCA0323 | Contact DETE in relation to consultation on mandatory sick pay | Secretariat | Meeting 4 | Contact established |
| PCA0424 | Draft note giving an overview of the Total Contributions Approach, implementation challenges | Secretariat | Meeting 5 | Not Started |
| PCA0425 | Provide overview and update of Automatic Enrolment | Secretariat | Meeting 5 | Started |
| PCA0426 | Follow up with ESRI on availability of data for Ireland on prevalence involuntary retirement versus involuntary work | Secretariat | | In progress |
| PCA0427 | Source labour force projections by age | Secretariat | | Not started |
| PCA0428 | Determine the extent to which WRC mediation services are used for mandatory retirement age cases, seek WRC data or professional inputs on these cases | Secretariat | | In progress |
| PCA0429 | Further information on duration of social welfare schemes by age and practices for 65 year olds | Secretariat | | Not started |
| PCA0430 | Note on tax arrangements by age in decumulation phase of occupational arrangements | Secretariat | | Not started |
| PC0431 | Provide report and summary of the November 2020 Interdepartmental Pensions Reform and Taxation Group | Secretariat | | Not started |