

REGION IRELAND

REGIONAL SECRETARY – JACKIE POLLOCK

Submission to the Consultation on Pensions from the Ireland Regional Womens’s Committee of Unite the Union

The Regional Women’s Committee fully supports the Submission made by the Irish Congress of Trade Unions. Below, we would like to highlight some issues as they specifically relates to Unite’s women members, and women more generally.

At present, many aspects of pension policy result in inequalities experienced by workers during their working live being carried forward into their retirement. The Regional Women’s Committee argues that, in addition to ensuring income adequacy in retirement, a key aim of pension policy reform must be to mitigate inequalities.

Expectations from State Pension

As well as lacking a pay-related State Pension, Ireland is the only OECD country without a mandatory occupational pension for workers.

Since women are disproportionately likely to be in low-paid or part-time work, and in precarious work, and may need to take time out to provide unpaid care, they often find it difficult to amass sufficient PRSI contributions to draw the full state contributory pension.

The National Women’s Council has pointed out that only 28% of women of pension age have an occupational or private pension compared to 55% of men. Among women workers, 35% say they can’t afford to pay into an occupational pension and six out of ten part-time workers report that their employer doesn’t offer a pension scheme. Occupational pension coverage in sectors such as hospitality and retail, dominated by young women and migrant workers, is particularly low. Women are therefore disproportionately dependent on the State Pension, both contributory and non-contributory.

In consequence, older women are more likely to experience poverty in old age, with 25% of women over 65 at risk of poverty compared to 15% of men.

Unite’s Regional Women’s Committee endorses the calls by Congress for the Government to:

- Ensure that contributions to the proposed auto-enrolment scheme are publicly managed and paid out as a top-up on the State Pension (Contributory).
- Deliver on the commitment to benchmark and index link the State Pension payment rate without further delay. Congress has noted that, were the commitment by the previous Government to benchmark the payment rate at 34% of annual earnings and index-link future increases implemented, the immediate effect would be to increase the standard rate to €263.

How best to accommodate those who provided long-term care for most of their working lives?

At present, insurance credits are granted to workers unable to pay contributions due to a range of circumstances including caring duties. Under the new ‘total contributions approach’, the Homemakers Scheme of credits introduced in 1996 will be replaced with a new Home Caring Credit which will also provide up to 20 years/ 1040 credited contributions to State Pension (Contributory) applicants providing full-time childcare or eldercare.

However, this depends on applicants having a minimum number of paid contributions in the first place, and in legislation which came into effect in 2012 this minimum was doubled from five years (or 260 paid contributions) to ten years (520 paid contributions) over their working life.

Unite's Regional Women's Committee believes that this requirement is unduly onerous and disproportionately impacts on women, effectively disqualifying many women from a contributory Pension. While applicants in this position may be able to qualify either for a non-contributory pension – in many cases at a reduced rate – or claim as a dependent of their spouse, we strongly endorse the point made by Congress that the disqualification of such women from a contributory pension fails to recognise caring as a contribution.

- In that regard the Regional Women's Committee fully supports the call by Congress for abolition of the paid contribution condition for the State Pension (Contributory) for applicants providing long-term care.

Concerns regarding current State Pension and changes needed to make State Pensions sustainable

Benefit Payment for 65 year olds

While the Regional Women's Committee welcomes the move, following union pressure, to introduce a Benefit Payment for 65 Year Olds which will effectively replace the pension transition payment and bridge the gap for those constrained to retire at 65 but who are not yet eligible for the state contributory pension, we share the concerns expressed by Congress is set at the same rate as Jobseeker's Benefit leaving a shortfall of €45.30 when measured against the state pension.

This will particularly impact on low-income retirees without a supplementary pension, and will disproportionately impact on women who have worked in sectors such as retail or hospitality.

- The Regional Women's Committee strongly endorses the call by Congress for the Benefit Payment for 65 Year Olds payment rate to be aligned with the State Pension (Contributory).

Retirement age

In some EU states, pension policy recognises the young age at which some workers may have entered the workforce, as well as the fact that workers in physically arduous occupations may not be physically able to continue working into their 60s.

In addition, studies both in Ireland and internationally indicate that socio-economic status is a predictor of premature death while also impacting on health of life expectancy: i.e., the number of years a person can enjoy good health during retirement. While women have a longer life expectancy overall, the socio-economic differentials remain. Unite's Regional Women's Committee strongly supports the calls by Congress for:

- The introduction a lower pension age for workers who entered employment at a young age and have a long contribution record.
- The Government to commit to undertaking a review to assess the merits of introducing a fast accrual provision in the State Pension (Contributory) for specified occupations; this would mean that

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workers in specified occupations would be able to retire at an earlier age (e.g. 61) if they have paid a set number of contributions.