SIPTU

FOR FAIRER AND FLEXIBLE PENSIONS

SIPTU Submission to the Commission on Pensions

March 2021

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Introduction

The Services Industrial Professional and Technical Union (SIPTU) is Ireland's largest trade union. SIPTU represents 180,000 members who work in or have retired from a broad range of industries across the private and public sectors.

Our members range in age from teenagers to centenarians. No single issue has galvanised them like the plan to increase the state pension age. The human impact of changes to state pension arrangements is the issue most raised by delegates at SIPTU conferences in recent times. That's because the right to decent work and to a secure retirement are so core to who we are as a union.

SIPTU launched the Stop 67 Campaign and formed a civil society coalition to campaign to prevent the state pension age from rising to 67 and 68 years. The Stop 67 Coalition catapulted the state pension age to the centre of the last general election. It was in the top three issues, after health and housing, that influenced the choice of voters.

The depth of feeling in the country on the state pension age has not dissipated since. The Red C Poll for the Sunday Business Post conducted between 18th and 25th February 2021 – more than a year after the general election and in the middle of a global pandemic – found that 66% of all adults polled think that the pension age should remain at 66 years of age.

What is particularly noteworthy in the poll is the support among young people under the age of 35 for keeping the pension age at 66 – nearly 70%. This is a strong affirmation of inter-generational solidarity. This solidarity underpins social cohesion, a social contract which covers all generations from their twenties to forties to sixties and older and ensures mutual supports and benefits for each generation.

We thank the Pensions Commission for the opportunity to submit our views on the issues which the Commission had identified for public consultation. We trust you will find our analysis useful and our proposals constructive. We would welcome the opportunity to elaborate on our proposals at a meeting with the Commission.

Joe Cunningham
SIPTU General Secretary
March 2021

Executive Summary

There is no short to medium-term demographic or fiscal necessity to increase the pension age. There is, however, a need to introduce a fair and flexible pension system, address the challenge of rising pension expenditure and ensure the pension age and pension adequacy enhances life quality in the third phase of life.

A Fair and Flexible Pension System

Ireland is currently advantaged with a smaller proportion of older people relative to the EU average. We will hold this advantage well into the next decade. Even by 2050, Ireland will still have a significant lower proportion of older people. Most EU countries will still have a pension age of 66 or lower by 2030. **There is no short to medium demographic need to increase the pension age.**

There is a need to introduce pension age flexibility and fairness – a feature in many EU state pension systems. This would provide people with choice. To this end, SIPTU is proposing three elements:

The introduction of a statutory *right to remain in work* at least up to the state pension age and potentially for years afterwards (e.g. the public sector right to remain until the age of 70). This would give people the choice of remaining in work. This can be done by amending the Employment Equality Acts which will prevent an employer from setting a mandatory retirement age prior to the state pension becoming payable.

The introduction of early retirement options to Ireland. Ireland is among a minority of European countries that does not have provisions in some form for arduous and hazardous jobs. In other countries, there is further provision for early access to the state pension based on the length of the contribution record and a general, actuarially-neutral, access to an early pension. SIPTU proposes that the Commission adopt the principle of early access to pensions and explore three grounds:

- Arduous occupations
- A full contribution record
- General, actuarially-neutral, early access to pensions

The introduction of incentives to continue working later in life. This could involve offering an incentive for people to work beyond the standard retirement age, by way of a monthly or annual bonus or a percentage increase in their state pension benefit when draw-down is delayed or deferred.

The Commission should adopt these principles and explore the range of options that can be introduced in a fair, flexible and sustainable manner.

The Government's new Benefit Payments scheme has many limitations; in particular, the lower level of payment. The gap between Benefit payment rate and the Contributory Pension is €45 per week. This will create unnecessary hardship for people. This should be addressed by **linking the Benefit Payment to the Contributory Pension** as was done with the Transition Pension.

The Fiscal Challenges of an Ageing Society

Pension expenditure will rise in the decades ahead. It is necessary to identify these costs that are relevant to the Commission's remit (namely, social protection age-based pensions) and their final impact on public finances (e.g. net pension costs as opposed to gross costs). It is also necessary to recognise that projecting pension costs is subject to considerable revision; for example, the projected long-term cost of pensions has fallen considerably over the last decade.

The Commission should conduct a detailed fiscal analysis of increasing the pension age. There is strong evidence that such increases will have little fiscal benefit or significantly reduce rising pension costs. SIPTU concludes **there is no short to medium-term fiscal necessity to increase the pension age.**

The Commission should focus on the main drivers of pension sustainability. SIPTU highlights two areas:

Growing the economy: by the end of the decade Ireland will be entering a long-term period of ultra-low economic growth, bordering on stagnation, according to projections from the Irish Fiscal Advisory Council and the Department of Finance. Policies to address this long-term prospect would make a significant contribution to lowering pension costs (as a percentage of national income). For example, forecasters show that raising the Irish employment rate to the EU average by 2050 would do more to reduce pension costs than raising the pension age. The Commission should identify long-term growth as a key contributor to pension sustainability, focusing on issues such as investment, education, raising the labour share, reducing precariousness, and increasing family supports, especially childcare and family-friendly workplaces.

Social insurance: As Ireland's demographic structure converges to European levels there will be a need to increase revenue to the Social Insurance Fund to pay for increased pension expenditure. There are two main sources of increased revenue. First, employers' social insurance, or PRSI; Irish employers' social insurance is the lowest in the EU. It would have to double to each the EU average. Phasing in small increases over the long-term would significantly close the gap between revenue and expenditure with minimal economic impact. A second source would be self-employed social insurance; it is low compared to social insurance rates for employees and in comparison to other EU countries. Again, a long-term phasing in of self-employed social insurance contributions would minimise the impact on income while yielding benefits to public finances.

SIPTU supports the principle of the Total Contribution Approach (TCA). However, we are concerned that it will disadvantage certain groups of workers as identified by previous reports. Losses can be minimised by allowing those accessing the state pension over the medium term to choose between the TCA and the current calculation based on the Yearly Average. Losses can also be mitigated by ensuring the introduction of home caring credits, currently proposed under the 2020 Pension Framework (i.e. 20 years).

The Third Phase of Life

The State should address retirement - the third phase of life - as a feature of our economic and social model.

Irelands changing population structure will challenge our economic and social model. But the sustainability challenge should be reframed as protecting and sustaining something that is important to every citizen. The State pension will become increasingly more of an integral part of our economic and social model. It cannot be reduced to a mere cost to the exchequer.

SIPTU supports the linking of the Contributory Pension to average incomes. The Government has committed to linking the Contributory Pension to 34 percent of average wages. However, payments are still below this amount. The Government should increase payments to that level over the short-term.

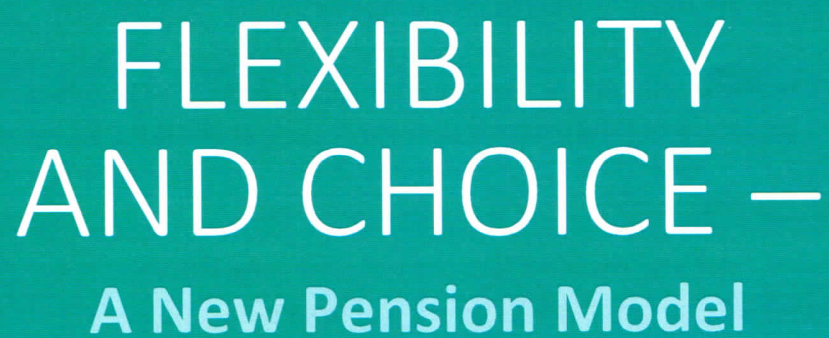
In framing the debate around pensions and the pension age, **the focus should be on Healthy Life Expectancy**, a measurement used by both the EU and the World Health Organisation. While there is much discussion about increasing life expectancy (and it should be noted that increases in life expectancy has been slowing), the healthy life years that older people should expect are over a third less than life expectancy.

Further, those in lower income areas (as defined by the level of deprivation) will experience a shorter life-span than those in higher income areas.

Given the lower level of healthy life years and further reductions for those experiencing low incomes, the raising of the pension age will be particularly inequitable and socially regressive.

There are a number of policy levers that can be used to mitigate the increasing old age dependency ratio: increasing the employment rate of older people (Ireland already has the highest employment rate among over 65s in the EU); pursuing immigration-friendly policies; and providing social and workplace supports for carers in order to maintain and possibly even increase the fertility rates.

The sustainability challenge should be reframed as ensuring and protecting quality of life, something that is important to every citizen. People in a third phase of life should be allowed their place as active and important members of their community.



FLEXIBILITY AND CHOICE –

A New Pension Model

Continuing Demographic Benefit

Regarding the proportion of older people in the population, Ireland will remain well behind the EU average as far out as 2050. This is a key factor which should be front-and-centre in deliberations on measures to address the financial sustainability of pensions. The pension age of most EU countries, generally with older populations compared to Ireland and a lower employment rate of 65s and over, will still be at 66 or below by 2030: Austria, Finland, Luxembourg, Belgium, Portugal, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Slovakia[1].

Some countries increasing their pension age beyond 66 will not be doing it for a long time; for instance, Croatia will be increasing the pension age to 67 but not until 2038. In countries with a dual-pension system, one pension will be increased but not the other (or at a slower rate), for example Sweden. In still others, they may be increasing their standard pension age while also operating early retirement/pension access schemes. And even countries that are raising the pension age beyond 66 in the medium-term because they have a relatively high proportion of older people in their population, are phasing it in very slowly. Italy, for instance, is increasing the pension age but only by one month per year. Ireland's proportion of older people is currently 30 percent below the EU average. By 2030 this will have only shifted marginally to 25 percent below the EU average. There is no short to medium term demographic necessity to increase the pension age in Ireland.

Elderly population (65 and over) as a proportion of total population

	2020	2030	2040	2050
EU	20.8	24.6	27.8	29.3
Ireland	14.6	18.4	22.4	25.6
Ireland % Below EU	*(-29.8)*	*(-25.0)*	*(-19.4)*	*(-12.6)*

Source: EU Ageing Report 2018[2]

Moreover, there is some uncertainty over plans that some countries have in place to raise their retirement ages. For example, pension reforms proposed by President Macron's government at the end of 2019, including a 'goal age' of 64 which would mean those retiring before this would receive a lower pension, sparked major strikes and protests across France, amid concern about the erosion of pension benefits[3]. Talks on the initiative were suspended in mid-2020, in the context of dealing with the Coronavirus pandemic[4]. The deferment, and the prospect of a Presidential election in 2022, raises considerable questions about the form that any changes to the pension system will take, given political and civil society resistance.

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[1] Mutual Information System on Social Protection (MISSOC) https://www.missoc.org/missoc-database/comparative-tables/results/ and Finish Centre for Pensions https://www.etk.fi/en/work-and-pensions-abroad/international-comparisons/retirement-ages/#:~:text=In%20the%20EU%20Member%20States,being%20linked%20to%20life%20expectancy.

[2] https://ec.europa.eu/info/publications/economy-finance/2018-ageing-report-economic-and-budgetary-projections-eu-member-states-2016-2070_en

[3] https://www.dw.com/en/france-unveils-controversial-pension-reforms/a-51617322

[4] https://www.france24.com/en/20200717-pension-reform-plans-which-sparked-france-s-yellow-vest-protests-shelved-until-2021

RECOMMENDATION: that the Commission oppose the increase in the pension age based on continued demographic benefit and overwhelming opposition among supporters of all political parties and, in particular, young people (the fiscal arguments are presented in the next section).

Features of a New State Pension Model

SIPTU proposes a new state pension model based on **Pension Age Flexibility and Fairness**. It comprises three elements.

(a) Right to Remain

A key component in moving to a flexible system involves the introduction of a statutory right to remain in work at least up to the state pension age and potentially for years afterwards (e.g. the public sector right to remain until the age of 70).

The increase in the state pension age has deepened the hardship felt by workers forced to retire from their employment at an age before which the state pension becomes payable. In SIPTU, we have seen a significant increase in the number of referrals to the Workplace Relations Commission (WRC) under the Employment Equality Acts concerning this issue. As the biggest single user of the WRC, SIPTU's Workers Rights Centre has encountered a marked increase in the numbers of age discrimination issues being referred to us by our members being forced retire. The rise in the volume of members being referred to us started in 2014 – the year the Pension Transition was abolished – and has been rising ever since in line with the number of age discrimination cases being referred to the WRC. This can be illustrated as follows:

Referrals Based on Age Discrimination: 2013 – 2019 *

	Workplace Relations Commission *(Referrals for discrimination on the grounds of age under the Employment Equality Acts only)*	**Referrals into SIPTU's Workers Rights Centre** *(from union members - discrimination on grounds of age)*
2013	52	8
2014	64	12
2015	No data	16
2016	127	35
2017	161	40
2018	714	48
2019	452	52

* Prior to 2015 age discrimination cases were referred to the Equality Tribunal Authority. The WRC was established in 2015 and the reports for that year don't give a breakdown of the equality cases under the different grounds

Many workers wish to remain in their employment until their state pension becomes payable due to their continued ability to do their job and the fact that they will see a significant drop in their income if forced to retire. The recently introduced Benefit Payment does not address this issue.

Addressing this issue requires legislative change. The Employment Equality Acts 1998 to 2015 state that an employer cannot discriminate against a worker on the grounds of age. The Act allows (but does not require) employers to set a mandatory retirement age for workers, provided it can be justified on objective grounds. It is the law which must be justified rather than the decisions of individual employers.

SIPTU proposes a legislative amendment to Section 34 (4) of the Employment Equality Acts. This will insert a new paragraph preventing an employer from setting a mandatory retirement age that is earlier than when the state pension becomes payable. The existing section and the proposed new paragraph (underlined) are as follows:

34 (4) Without prejudice to *subsection (3),* it shall not constitute discrimination on the age ground to fix different ages for the retirement (whether voluntarily or compulsorily) of employees or any class or description of employees if:

(a) it is objectively and reasonably justified by a legitimate aim, and
(b) the means of achieving that aim are appropriate and necessary.

Provided that discrimination on the age ground shall be taken to occur where an employee is required to retire from his or her employment at an age which is earlier than the pensionable age, without his or her agreement, or unless otherwise required in a particular case by any enactment.

"pensionable age" means the pensionable age as defined in the Social Welfare Consolidation Act 2005"

This proposal is in line with Governments statement in *A Roadmap on Pensions Reform 2018 – 2023:*[5]

> *'We are determined that the provisions detailed in this reform plan will combine to result in greater employee flexibility to work beyond what may be considered the traditional retirement age of 65. To ensure this is the case, employment practices in this area will be kept under close review in the near term. Should it appear that these provisions are not resulting in improved flexibility for workers, by the end of 2018 the Government will consider the merits of restricting the capacity to use mandatory retirement provisions relative to the prevailing State pension age.'*

RECOMMENDATION: the Commission should propose a statutory right to remain.

[5] A Roadmap for Pensions Reform 2018 – 2023: gov.ie - A Roadmap for Pensions Reform 2018 - 2023 (www.gov.ie)

(b) Early Access to the State Pension for Arduous and Hazardous Jobs

Another key component of a flexible state pension model is the introduction of early retirement options to Ireland.

Ireland is among a minority of seven out of thirty-five European countries that does not have legal/enforceable provisions in some form for considering arduous and hazardous jobs. Some countries recognise a broad classification of workers exposed to risky environments (e.g. Spain and Italy) whereas others operate narrower categories (e.g. Czech Republic, Norway)[6]. Ireland is clearly out of line with many of our peer group in the EU which have specific rules on arduous work, for example, Austria, Finland, France, Italy and Spain[7].

The ESRI ranked Ireland as '. . . *towards the middle to lower part of the distribution' of European countries in relation to physical and chemical/biological risks at the workplace and physically demanding work'*. The report's findings are nuanced:

> *'Across all countries, levels of exposure to physical, chemical/biological and physical demand risk were higher in agriculture, forestry and fishing and in construction. Exposure to both physical and chemical/biological risk tended to be higher in manufacturing and in mining and quarrying. Exposure to chemical/biological risk was also higher in the health sector. There were also differences by occupation, with lower-skilled and manual occupations having a higher level of exposure to physical, chemical/biological risk and physically demanding work. Technicians and associate professionals also had a higher level of exposure to chemical/biological risk'*[8].

More recent ESRI research published in 2018 showed that stress doubled among employees in Ireland between 2010 and 2015, up from 8 to 17 percent. Of note is also that '. . . *workers in the UK and Ireland who experienced the highest physical demands were almost twice as likely to report job* stress as people with no such demands'. Looking at differences by sector, it was found that:

> *'Workers in the Health sector, public administration and the Manufacturing sector experience the highest levels of job stress. Workers in the Health sector experience high emotional and physical demands.....Workers in the Manufacturing sector are more exposed to time pressure and long working hours than in other sectors, and this contributes to the higher level of job stress observed'*[9].

Ireland needs to move in step with other prosperous European countries and acknowledge the impact of risky or physically- and psychologically- difficult labour by directly facilitating early retirement for workers in these situations, following the example of other countries.

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[6] 'Retirement regimes for workers in arduous or hazardous jobs in Europe', Natali, Slavina and Vanhercke, 2016, European Commission
[7] MISSOC, Mutual Information System on Social Protection, EU Commission: [Comparative tables | MISSOC]
[8] 'Workplace Risks and Worker Outcomes in Ireland from Comparative Perspective', Economic and Social Research Institute, ESRI, 2015, Watson, Maitre and Russell
[9] Job Stress and Working Conditions – Ireland in Comparative Perspective', ESRI, 2018, Russell, Maitre, Watson and Fahey.

Another recent ESRI study found that work-related illness, sometimes linked to poor health and safety at the workplace, was more common among older workers. While rare, fatality at work is also higher among older workers across all sectors[10].

The same report states that older workers are more likely to be engaged in temporary employment and to work for either very long or very short hours, which raises questions about precarious work. Previous studies from Ireland and Europe find evidence that older workers with poorer health have the lowest rates of employment, while international literature reveals ill health is a much more common reason for exiting employment among the most disadvantaged. According to the report there was

> *". . . strong occupational differences in the perceived longevity of employment. Service workers, craft workers, and elementary workers are most pessimistic about their ability to work longer". The research identified that: 'Among early leavers (respondents aged 55 to 59), those aged 55 or 56 have a greater chance of experiencing job loss, illness or disability, or leave tied to care than of experiencing early retirement[11]."*

The tendency for women to exit the workforce due to caring responsibilities is highlighted. Data from the last European Working Conditions Survey in 2015 showed results relating to those aged over 50 who were working in Ireland. For at least one quarter of the time the work involved repetitive hand or arm movements (44 percent of respondents); carrying or moving heavy objects (29 percent) or exposure to loud noise (23 percent), chemical products/substances (18 percent), high temperatures (17 percent), materials which can be infectious (14 percent) or breathing in unhealthy vapours (9 percent)[12].

There are diverse and complex reasons, ranging from the impact of working conditions to family responsibilities, as to why it may not be appropriate or possible to stay in employment until the pension age. This should be better recognised in the Irish state pension provision system to ensure income adequacy and a threshold of decency for people who are affected.

(c) Early Access to the State Pension based on social insurance contribution requirements

Early retirement is possible under a variety of circumstances from age 60 and younger in many advanced European countries such as Austria, Belgium, France, Luxembourg and Spain. Aside from arduous work, another possibility is to have accrued a full contribution record and sometimes this is linked to the draw-down of pension entitlements on an actuarially-neutral basis, i.e., the total pension payments over the expected lifetime of the pensioner remains the same.

In Luxembourg and Italy, early retirement is allowed based on social contribution conditions without any benefit deduction. Germany and France have 'long-service' pensions for people who have sufficient social insurance contributions prior to the standard retirement age, though a percentage reduction is applied. Austria and Spain also include deductions to offset costs associated with reaching

[10] The Ageing Workforce in Ireland – Working Conditions, Health and extending Working Lives, ESRI 2019, Privalko, Russell and Maitre.
[11] Ibid
[12] https://www.eurofound.europa.eu/data/european-working-conditions-survey?locale=EN&dataSource=EWCS2016&media=png&width=740&question=y15_Q88&plot=euBars&countryGroup=linear&subset=agecat_3&subsetValue=All

contribution requirements early. Italy has a record of operating a 'Quota system', combining a defined number of insurance contribution years with a set age. For example, 'Quota 100' was in place from April 2019 to December 2021 which meant reaching 62 years and having 38 contributions (35 paid).

Ireland should take the best examples of solidarity and effectiveness from among our affluent neighbours to implement a differentiated regime to facilitate early retirement on the following grounds:

a) Those employed in arduous / hazardous occupations;
b) Based on a full contribution record; and

General access on an actuarially-neutral basis

RECOMMENDATION: the Commission should adopt the principle of early access to the state's age based pensions and consider the equity and sustainability of options based on arduous occupation, full contribution record and general access on an actuarially-neutral basis.

(d) *Incentives to continue working later in life: Pension Deferment*

While for some early retirement is a vital entitlement to protect well-being given their life circumstances, others wish to continue working beyond standard retirement age. To ensure real choice and fairness, Ireland should introduce a *'Right to Remain'*, as outlined above, as well as reviewing the potential of a deferred state pension. The Programme for Government has committed to the introduction of a deferred state pension.

Most of our comparator countries in Europe offer an incentive for people to work beyond the standard retirement age, by way of a monthly or annual bonus or percentage increase in their state pension benefit when draw-down is delayed or deferred (e.g. Austria, Denmark, Finland, France, Germany and Spain). An examination of the benefits of such arrangements and the potential form such incentives would take on an actuarially-neutral basis should be undertaken.

Detailed analysis of schemes to allow early retirement from work, alongside continuation beyond standard pension age, should be undertaken by an inter-departmental committee, and agreement on implementation should be reached in consultation with trade unions, employers and other stakeholders, guided by the objective to provide fair and flexible pension options for all.

RECOMMENDATION: the Commission should adopt the principle of incentivising continued working past the standard pension age and assess what options are the most attractive, equitable and sustainable.

Addressing Financial Hardship

The State Pension (Transition) was available to those who retired at 65 until they reached age 66 before it was abolished in 2014. It was previously known as the Retirement Pension up to 2006. The top rate of the transition pension was equal to the full-rate State Contributory pension.

A new regime for retired workers aged 65 was introduced in 2014, which reduced them to accessing Jobseeker's Benefit until state pension age at 66. This essentially meant having to sign on annually for the dole – while seeking and being available for work – though without the requirement to engage in activation measures. 5,802 people, aged 60 and over, accessed Jobseekers Benefit in 2019 which is a considerable reduction on the 12,630 recipients of the transition pension in its final year[13].

(a) Benefit Payment for 65s

In February 2021, the Government introduced a new Benefit Payment for 65-year-olds which removed the requirement for retirees to sign-on and be genuinely looking for work. However, a key failing persists: the substantial loss of income that people suffer upon retirement at 65. The difference between the transition pension and the Benefit Payment for over 65s is €45.30 per week or €2,362 annually.

Furthermore, only those who retire at age 65 and have 13 weeks of paid contributions in a relevant recent tax year qualify for the new Benefit Payment. This means someone who was made redundant at age 60 and signed on for credits or, for instance, women who stepped back from work around that age to care for dependents may not meet the qualifying conditions. Those reaching age 65 who perhaps lost their jobs during the last financial crash may have to apply for Jobseeker's Allowance instead, which is means-tested and requires claimants to sign on and to actively seek work and to participate in job activation measures. While it may be possible to receive a welfare payment as a Qualified Adult this does not adequately recognise the contribution that individuals in such circumstances have made.

Older people have a legitimate expectation that their income should not be curtailed in this way when retiring before age 66 if they are subject to a contractual obligation to leave; if they are physically unable to continue; or if they have a long record of insurance contributions or have demanding caring obligations. Until the successful introduction of a system enabling pension age flexibility as outlined in the previous section, the Benefit Payment for 65s should be linked to the Contributory Pensions just as the Pension Transition was.

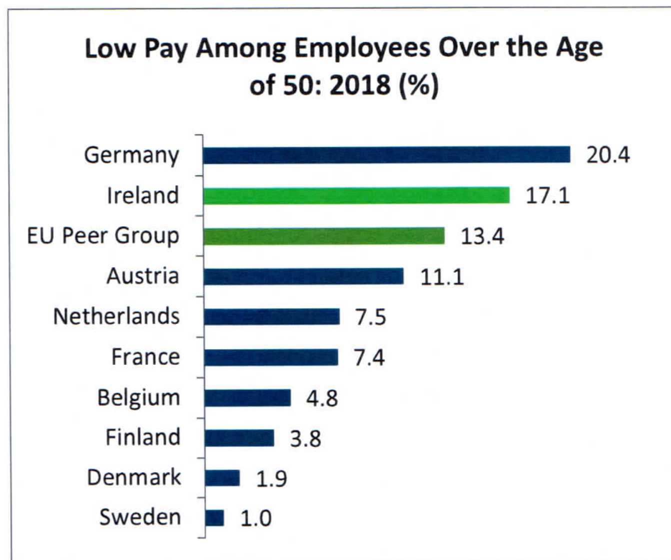
Recent findings from the Central Statistics Office indicate that 64.7 percent of all persons in employment aged 20 to 69 years had supplementary pension coverage in 2020. However, for 35.3 percent of employees with none, a significant barrier was affordability. The State Pension was the expected source of income on retirement for 57.6 percent of workers with no occupational and/or personal pension coverage[14]. With many solely reliant on the State pension for their income in

[13] Statistical Information on Social Welfare Services Annual Report 2019, Department of Social Protection
[14] Pension Coverage 2020, https://www.cso.ie/en/releasesandpublications/ep/p-pens/pensioncoverage2020/introductionandkeyfindings/

retirement it is unacceptable for the rate to fall under the poverty line, as is currently the case with the Benefit Payment for over 65 year olds which is at the level of Jobseeker's Benefit.

(b) Low pay and precarious work among older people

Ireland must avoid creating the conditions for precarious work among older people. Data from Eurostat already shows that Ireland has a higher rate of low pay among employees over the age of 50 than other European countries in our peer group[15]. Without pension age flexibility and fairness as outlined in this paper, older people may be forced into low pay and precarious jobs to maintain an adequate income. ESRI evidence from 2019, mentioned earlier, points to a tendency in Ireland for older people to work either very long or very short hours[16]. It is not acceptable for older people, who may be in declining health and who may have already worked for many years, to be left struggling to make ends meet in this manner as they age.



Public Sector Pensions

State pension payments are a factor in the calculation of public sector pensions. Many public servants accrue poor to modest pension entitlements notwithstanding a lifetime of social contributions. Reforms that were introduced in 2013, under the 'Single Public Sector Pension Scheme', such as linking pension entitlements to price inflation rather than wages, pose challenges for maintaining adequate pensions. The debate around state pension sustainability should not lose sight of the need for the state to act consistently to ensure retirees have a decent standard of life, commensurate with their contribution at work.

[15] Eurostat 2018 https://ec.europa.eu/eurostat/databrowser/view/EARN_SES_PUB1A__custom_631240/default/table?lang=en
[16] The Ageing Workforce in Ireland – Working Conditions, Health and extending Working Lives, ESRI 2019, Privalko, Russell and Maitre.

THE FISCAL CHALLENGE –

Addressing the Real Drivers of Pension Sustainability

The Fiscal Challenge

The Irish Fiscal Advisory Council (IFAC)[17], the Department of Finance (DoF)[18] and the Ageing Report[19] have estimated total pension expenditure out to 2050.

TABLE 1: Total Pension Expenditure: 2020 – 2050 (% of GNI*)

	2019 / 2020	2050	Increase *(percentage points)*
IFAC*	7.7	11.9	4.2
DoF *	8.0	11.7	3.7
Ageing Report	8.5	12.3	3.8

* Presents data in GNI*. All data expressed in GDP is converted to GNI* by the authors at a ratio of 0.6

These projections include three categories of pensions:

- *Public sector pensions*
- *Condition-based Social Protection pensions*: these include invalidity pensions, survivors' pensions, carers' allowance, illness benefit and deserted wives. These are not impacted to any significant extent by increasing the pension age. For instance, Invalidity Pensioners are paid regardless of age, based on their contribution record or the pension status of their spouse/partner, and the recipient's health status. Increasing the pension age would affect only a small percentage and, in any event, they would continue receiving their social protection payment until such time as they are moved on to the old age pension.
- *Age-based Social Protection pensions*: contributory and non-contributory pensions. These are the primary concern of the Commission. This is in keeping with the Commission's Terms of Reference: '*Review the current State Pension arrangements in terms of scheme types (the State contributory and the State non-contributory pensions) . . . '*.

IFAC and the DoF combine all these pensions in their projections. The Ageing Report provides a breakdown.

[17] Long-term Sustainability Report, Irish Fiscal Advisory Council, July 2020: Long-term Sustainability Report | Irish Fiscal Advisory Council (fiscalcouncil.ie)
[18] Population Ageing and the Public Finances, Department of Finance, September 2018: gov.ie - Population Ageing and the Public Finances (www.gov.ie)
[19] 2018 Ageing Report: Ireland Country Fiche, Department of Finance: SPU 2016 (europa.eu)

Ageing Report Pensions Expenditure Projections by Category: 2020 and 2050 (% of GNI*)

	2020		2050		Increase *(% points)*	
Public Sector Pensions	2.2		2.3		0.1	
Conditions-Based Pensions	2.8		3.3		0.5	
Age-Based Pensions	3.5		6.7		3.2	
Contributory		*3.0*		*6.2*		*3.2*
Non-Contributory		*0.5*		*0.5*		-
TOTAL	**8.5**		**12.3**		**3.8**	

In terms of percentage of national income (GNI*):

- There is no effective increase in public sector pension expenditure
- Conditions-based pensions show a small increase of 0.5 percent
- The main driver in increased pension expenditure is the social protection contributory pensions – increasing by 3.2 percent point (non-contributory pensions are static)

While the three main reports show that pension expenditure will increase from approximately 8 percent of GNI* in 2020 to 12 percent in 2050, the old age contributory pension makes up 3 percent and 6.2 percent respectively. This is half the headline rates used by the three main reports.

RECOMMENDATION: Develop sustainability strategies based on pension expenditure projections relevant to the first pillar; that is, age-based social protection pensions.

(a) Revising Projections

Pension expenditure will rise in the future (as a percentage of GNI*). However, these are projections which are dependent on a range of assumptions that may or may not be realised. Therefore, they are tentative and subject to considerable revision within a short period.

This can be seen in the changing forecasts contained in the Ageing Reports.

2012, 2015 and 2018 Ageing Report Projections: Public Pensions as a % of GNI*

	2020	2050
Ageing Report 2012[20]	12.5	15.8
Ageing Report 2015[21]	12.9	16.1
Ageing Report 2018	8.5	12.3
Note: this includes all pensions – public sector, condition-based and age-based pensions		

The latest 2018 pension expenditure projections show a considerable reduction over 2012 and 2015 projections. The latter two projections were made during periods of recession and stagnation. As economic growth picked up, a new baseline was established.

This is not to dismiss the importance of projections. We need a framework within which we can plan for the future. However, we should treat all projections cautiously and allow for periodic revisions.

RECOMMENDATION: Employ a range of forecasts and their fiscal impacts when developing pension sustainability strategies.

(b) Gross and Net Pensions

The above projections do not represent the final impact of pension expenditure on public finances. They are *gross expenditure.* Contributory pensions are subject to taxation. Therefore, the key metric is *net pension expenditure;* that is, after-tax pension expenditure. This is an important measurement as we are assessing the impact of pension expenditure on total public finances, not just the Social Insurance Fund or Social Protection vote. The 2018 Ageing Report states:

> *'For the set of EU 18 countries for which both gross and net projections are available, the average level of taxes on public pensions amounts to 1.3% of GDP in 2016, corresponding to an implicit average tax rate of 12% on gross benefits.'*

Ageing Report Gross and Net Pensions as a % of GDP: 2020 Projections

	Belgium	Denmark	Germany	France	Netherlands	Finland	Sweden
Gross	12.6	9.3	10.3	15.0	7.0	13.8	7.6
Net	11.0	6.6	8.5	13.4	5.9	10.8	5.8

[20] The 2012 Ageing Report: The 2012 Ageing Report Economic and budgetary projections for the 27 EU Member States 2010 2060 (europa.eu)
[21] The 2015 Ageing Report: The 2015 Ageing Report: Economic and budgetary projections for the 28 EU Member States (2013-2060) - European Commission (europa.eu)

Net as a % of Gross	0.87	0.71	0.83	0.89	0.84	0.78	0.76
Note: these include all pensions							

In Denmark, Finland and Sweden net pension expenditure is approximately three-quarters of gross expenditure, thus reducing the overall cost of pensions to their public finances.

It can be argued that the average tax rate on Irish pensions would not be as high as other EU countries since we have a flat-rate payment system compared to pay-related payments in other jurisdictions. However, Ireland has a very high employment rate among older people, meaning that a higher proportion of older people continue to work and are potentially income taxpayers.[22]

Employment Rates for over 65s: 2019 (%)

	Ireland	EU
65 years or over	12.0	5.7
From 65 to 69 years	23.7	13.1
From 70 to 74 years	10.8	5.5
* Employment rate equals the number of people in work as a % of all people in that age bracket		

The rate of Irish people over 65 in work is more than twice the EU average with nearly a quarter of 65 to 69 year olds still in work. Over the next few decades a higher proportion of pensioners will be drawing taxable contributory pensions. This makes it all the more important that the Commission obtain data on both gross and net pension expenditure.

RECOMMENDATION: Focus analysis on net, rather than gross, expenditure among 1st pillar pensions.

Savings Attributed to Raising the Pension Age

The IFAC and DoF reports contain estimates of the savings due to increasing the pension age to 67 in 2021 and 68 to 2028. They project annual savings by 2050 to be:

- 0.7 percent of GNI* (IFAC)
- 0.8 percent of GNI* (DoE)

These savings come to less than 1 percent of GNI*. These projections are based on total pensions. The savings on specifically age-based social protection pensions could be less. Further, as we show below, these projected savings are over-estimates. The actual savings from increasing the pension age is considerably less.

[22] Eurostat Employment Rates: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_ergan&lang=en

(a) Off-setting Costs
In their projections IFAC and the DoF do not factor in off-setting costs. For instance, IFAC estimates the savings of increasing the pension age to 67 to be €575 million in the first full year, or 0.3 percent of GNI*:

> *'The additional cost of leaving the pension age constant at 66 is initially estimated at close to €575 million in 2021, which is about 0.3 per cent of GNI*. For the change in 2028, the additional cost is €1.5 billion, or close to 0.6 per cent in GNI* terms (see Figure 4.2). This is because the pension age is assumed to be two years higher than in 2020. Over the period of 2030-2039, there could be annual savings in the baseline of 0.6 per cent of GNI*. This is projected to rise to 0.7 per cent by 2040-2050 as cohorts aged 66-67 grow, and pensions are indexed with wage growth.'*

However, the Department of Employment Affairs and Social Protection projected that, while the gross savings from raising the pension to 67 to be €570 million, the net cost, after factoring in off-setting costs, would €453 million – or 21 percent less. [23]

Costs of Not Increasing the Pension Age to 67 (Full year 2022)		
Pensions		*570,190*
Household Benefits, Fuel Allowance and Telephone Support Allowance to 66-67 year olds; PRSI receipts forgone from 66 to 67 year olds		*83,260*
Total Gross Cost	**653,450**	
Off-Setting Costs (Less)		
Qualified Adult Payments		*-11,410*
Working Age Income Supports		*-71,750*
Working Age Employment Supports		*-3,130*
Illness, Disability and Carers		*-113,790*
Total Off-Setting Costs	**-200,080**	
NET COST	**453,370**	

The reduced net savings is primarily due to recipients of Invalidity Pension, Jobseekers' Payment, survivors' pension, etc. still retaining their social protection payment at age 66. The net cost is approximately 0.2 percent of GNI*.

(b) Benefit Payment for 65 year olds
On foot of a commitment in the Programme for Government, a new Benefit Payment has been

[23] Written Answers, Department of Employment Affairs and Social Protection, November 24th 2020: Pensions Data: 24 Nov 2020: Written answers (KildareStreet.com)

introduced for those aged 65. This new benefit, which forecasters could not anticipate, will reduce savings even further, especially as it is reasonable to conclude that were the pension age to be increased to 67, the Benefit Payment would be extended to 66 year olds. The Department of Employment Affairs and Social Protection anticipated a revived Pension Transition payment. [24] The Pension Transition was available to retired 65 year olds before it was abolished in 2014.

Projected State Pension Expenditure in 2025: (€ million)

Pension Age at 66	Pension Age at 67	Pension Age at 67 *including a Pension Transition for 65 and 66 year olds*
11,900	11,400	11,700

In 2025, increasing the pension age to 67 would reduce social protection pension expenditure by €500 million. However, were a Pension Transition introduced, the savings would fall to €200 million, a substantial reduction in savings.

Unlike the Pension Transition, the new Benefit Payment will not be paid at the same rates as the Contributory Pension. It will be paid at the Jobseekers' Benefit, which is 18 percent below the contributory pension rate. This will slightly increase the savings over what is indicated above.

We can now review how the original savings estimate put forward by IFAC is reduced when both off-setting costs and the introduction of the Benefit Payment are factored in.

Full Year's Savings from Increasing the Pension Age (€ million)

IFAC	DEASP *Factoring in off-setting costs*	DEASP and Benefit Payment
575	435	200

We emphasise that our projections for the impact of the Benefit Payment should be treated cautiously. Not only is there the lower payment referred to above, there could be different impacts owing to the rules and conditions of accessing the new benefit and any off-setting costs. Nonetheless, IFAC's projected savings of 0.7 percent of GNI* in 2050 could fall significantly. The savings from increasing the pension age would appear to be minimal and have little impact on pension sustainability.

RECOMMENDATION: Determine the savings arising from increasing the pension age factoring in off-setting costs and the Benefit Payment.

[24] D/EASP Collated Briefing submitted to DoT for PfG Talks

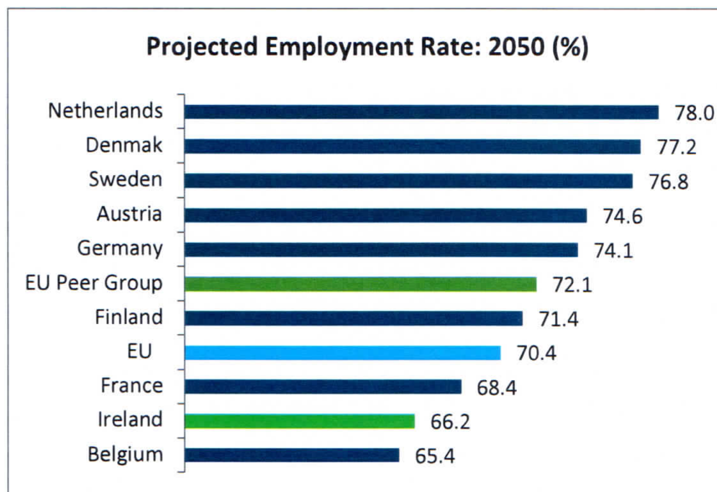
Pathways to Sustainability

There has been an almost exclusive focus on raising the pension age to ensure fiscal sustainability. However, were the pension age to increase it would have only a minimal fiscal impact. We are still confronted with the question: what are the most effective strategies to ensure we can meet the rising costs of pensions? Below, we outline two broad policy options that would be far more effective than increasing the pension age.

(a) Growing the Economy

As noted above, projections for pension expenditure (as a percentage of GNI*) are based on modelled assumptions. IFAC and DoF both assume a long-term period of ultra-low economic growth. Between 2031 and 2050, IFAC projects real annual GNI* growth of one percent each year. On a per capita basis it would be even less. This amounts to a long-term period of economic stagnation.

This is not an outlier projection. The DoF and Ageing Report make similar assumptions. If these projections are realised, Ireland could be one of the slowest growing economies by 2050 according to the Ageing Report estimates. However, this can be addressed through the right policy choices to promote long-term sustainable growth. Even a fractional improvement in long-term growth rates can have a substantial impact on pension expenditure (as a percentage of the higher GNI*), and additional tax and PRSI revenue.



Since the Ageing Report projects the impact of employment rates on pension expenditure, we will use these as a proxy for economic growth. There is a strong correlation between these two indicators.[25] Employment rates rise with economic growth and fall in times of recessions or slumps.

The Ageing Report shows that higher employment rates have a fiscally positive impact on pension expenditure. Every two percentage point increase in the employment rate reduces pension expenditure by 0.16 percentage points of GNI*. The Ageing Report also projects a relatively low Irish employment rate in 2050 consistent with low growth – below all other countries in our peer group and well below the EU average.

Increases in the employment rate – as a proxy for GNI* growth – would considerably reduce pension expenditure as a percentage of GNI*.

[25] Between 1995 and 2007, the employment rate increased from 54 percent to 72 percent. It declined to 62 percent by 2013 but has increased to 69 percent in 2019.

Reduction of Pension Expenditure as a % of GNI* under Different Scenarios: 2050 (% points)		
Increase to EU average	**Increase to EU peer group average**	**Increase to top performer *(Netherlands)***
(-0.5)	(-0.7)	(-1.3)

Increasing employment rates to the average of the EU or our peer group would have a significant impact fiscally – arguably more than the estimated savings from increasing the pension age.

Another beneficial effect of higher growth and employment rates is to increase inward migration which has a positive impact on pension expenditure. The Ageing Report reports that a 33 percent higher inward migration level will reduce pension expenditure by 0.15 percentage point of GNI*. We are likely to achieve this as the Ageing Report underestimates the current level of inward migration by nearly two-thirds.[26]

As we have seen, promoting economic growth and, within that, employment rates, could have a significant positive impact on fiscal sustainability. While there isn't space to go into the policies that could promote long-term growth, we will just mention:

- Increased investment in infrastructure and education (human capital including upskilling), reduced child poverty, a shift towards higher value-added production, investment in the green and digital economy, promotion of innovation and widespread knowledge capital
- Labour supports: increased labour share (e.g. through economy-wide collective bargaining), reduced living costs (e.g. rents and house prices), reduction in precarious working
- Family supports: family-friendly workplaces (e.g. leave, flexibility, remote working), increased female labour participation, affordable childcare

It is important that the Commission identifies long-term economic growth as a key contributor to pension sustainability. This is in keeping with IFAC's observations that *'Measures to boost growth could also raise revenues.'*

RECOMMENDATION: the Commission to identify a future low-growth scenario as the biggest threat to pension sustainability and call for a new and urgent dialogue on how to promote long-term economic growth.

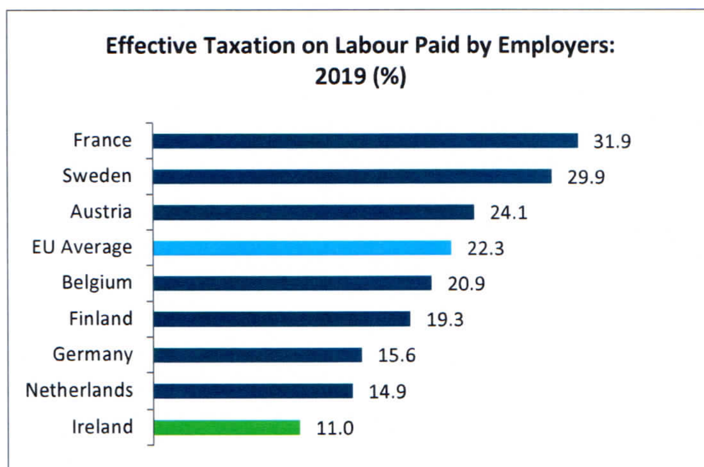
The Commission does not have to propose specific measures to increase long-term growth but it would be doing the policy debate a great service by declaring that an ultra-low-growth future is the biggest threat, not only to pension sustainability, but to employment and living standards.

[26] CSO, Population and Migration Estimates, April 2020: [Population and Migration Estimates April 2020 - CSO - Central Statistics Office]

(b) Social Insurance

Another modelled assumption in IFAC's and the DoF's projections is the maintenance of low government revenue (as a % of GNI*) out to 2050. As Ireland's demographic structure converges to European levels there will be a need to increase revenue to the Social Insurance Fund to pay for increased pension expenditure.

(i) Employers' Social Insurance



Irish employers' social insurance contributions – or PRSI – combined with other payroll taxes is the lowest in the EU (bar Denmark which doesn't have a social insurance system).[27] Irish employers' social insurance would have to double to reach the EU average – equivalent to 11 percentage points (the current employers' PRSI rate is 11.05 percent including the National Training Levy).

Employers' PRSI will have to rise over the long-term to help meet the costs of future pension expenditure. Given that employers' social insurance is actually part of employees' compensation, increases can be integrated into collective bargaining to limit economic and firm impact. The argument that higher employer' social insurance contributions would impact negatively on competitiveness is not sustainable given that all countries in our peer group have significantly higher contributions while still ranking much higher in the World Economic Forum's Global Competitiveness Index.[28]

(ii) Self-Employed Social Insurance

The KPMG Social Insurance Fund Review 2015[29] found that self-employed contributions fell well below the benefit received from the Contributory Pension. This has been exacerbated by the recent extension of many social insurance benefits to the self-employed without compensating increases in the contribution rate (e.g. Jobseekers' Benefit, Invalidity Pension, etc.). This is largely driven by the very low rate of self-employed PRSI: four percent whereas the rate of social insurance contributions for an employee is 15.05 percent.

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[27] EU, Trends in Taxation 2019, Data on Taxation: Data on Taxation | Taxation and Customs Union (europa.eu). Income from labour paid by employers is used as social contributions can exclude employer payments which are recognised by the member-state as employee compensation or social benefit. There is only a minor difference between the two

[28] The Global Competitiveness Report 2019, World Economic Forum: WEF_TheGlobalCompetitivenessReport2019.pdf (weforum.org)

[29] Actuarial Review of The Social Insurance Fund 31 December 2015, KPMG: 99a896910d574b7daa0b65fbb00900e5.pdf (assets.gov.ie)

In other EU countries, the self-employed pay significantly higher social insurance contributions. However, direct comparisons are difficult. In many countries, social insurance contributions are deducted from income tax. Nonetheless, self-employed contribution rates are significantly above employee contribution rates. Ireland should follow suit and significantly increase self-employed PRSI over the long-term.

(iii) Employee Social Insurance Contributions

Employees' social insurance contributions are low by EU standards. Unfortunately, we don't have comparative data by employment status but total household social insurance contributions in Ireland make up 2.5 percent of GNI* while in our EU peer group they make up 6.3 percent of GDP. From this we can reasonably assume that employees' social insurance is low.

However, Irish employees' personal taxation (i.e. combined income taxes and social insurance contributions) is average by EU standards. This implies that income taxation is high.

Irish employees pay 29 percent of their total wages in personal taxation, above the EU average. On this basis there is no argument in the short to medium-term to increase personal taxation on employees for the purposes of contributing to rising pension costs.

While there should be increases in social insurance contribution rates for employers and self-employed, the rate and pace of increase should be determined by the Commission. Alternatively, the Commission could recommend such increases without reference to rates and pace of introduction.

RECOMMENDATION: Employers' and self-employed social insurance contribution rates should be increased over the long-tem.

Total Contributions Approach

The current Yearly Average approach to the calculation of social insurance contributions for pension benefits has produced anomalies and inequalities. SIPTU supports the move to a Total Contribution Approach (TCA) which would be fairer. However, we are concerned that it will disadvantage certain groups of contributors. The KPMG Review states:

> *'. . . we found that the move to a TCA approach as proposed in the National Pensions Framework involved more individuals losing than winning under the proposed 2020 Framework.'*

It is imperative the Commission uncover the extent of losses to future pensioners, especially those who will have limited opportunity to accumulate more contributions. To minimise losses under the new system (relative to the Yearly Average system), there should be a long-term phasing in process. This would allow those accessing the state pension to choose between the TCA and the Yearly Average.

Losses can also be mitigated by ensuring the introduction of home caring credits, currently proposed under the 2020 Pension Framework (i.e. 20 years).

RECOMMENDATION: Analyse the impact of introducing the TCA on particular groups; allow those accessing the social protection pension to choose between the TCA and the Yearly Average; and maintain home caring credits for 20 years.

THE THIRD PHASE OF LIFE –

Life Quality for Older People

The Third Phase of Life

Irelands changing population structure will challenge our economic and social model. But the sustainability challenge should be reframed as protecting and sustaining something that is important to every citizen. The State pension will become increasingly more of an integral part of our economic and social model. It is beyond mere costs to the exchequer. The State pension and associated government supports are the best basis for ensuring quality of life for older people.

(a) Income Adequacy

The well-being of those in a third phase of life will be increasingly important to our economic and social model. An important aspect of this will be income. The Government has committed to developing proposals to set a formal benchmark target of 34 percent of average earnings for State pension contributory payments.[30] However, it has failed to reach that target over the last decade.[31]

State Contributory Pensions as a % of Average Total Earnings: 2010 – 2019

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
33.1	33.5	33.3	33.4	33.3	32.9	32.9	33.1	32.6	32.1

Were the Contributory Pension set at 34 percent of earnings in 2019, the payment would have been €262.70 per week as opposed to the payment of €248.30 – an increase of 6 percent. Annually, this would have meant a rise of almost €750.

RECOMMENDATION: The State Contributory Pension should be increased to 34 percent of average annual earnings in the short-term.

There is a further need in addition to income adequacy to invest in community and health supports to ensure a healthy third phase of life. Ireland would have to more than double its level of in-kind benefits to older people to reach our EU peer group average.[32] There needs to be a new narrative for how we approach retirement. There can be a new social contract that accommodates the change in our population structure.

Those workers that provide essential work over their working lives should have adequate income if they are dependent on the State pension. Many are struggling today. The Irish economic and social model needs to adapt now to ensure quality of life for these older people. There is no escape from the fact that the State will have to account for everyone in old age. But this can be a positive feature of our economic and social model.

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[30] A Roadmap for Pensions Reform 2018 – 2023: Pensions Roadmap 2018 - 2023 (assets.gov.ie)
[31] CSO Average Annual Earnings: https://data.cso.ie/table/EHA05
[32] Eurostat Tables by Benefit Old Age Function: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=spr_exp_fol&lang=en. This is calculated on the basis of PPS expenditure per person 65 years and over

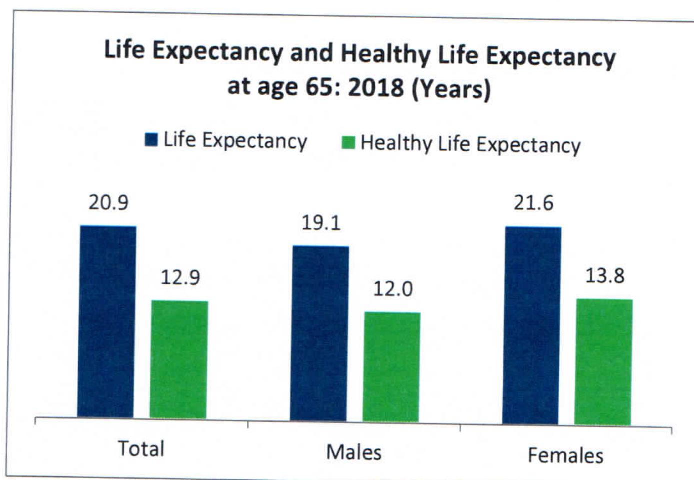
The State should address the third phase of life as a feature of our economic and social model.

(b) Healthy Life Expectancy

The public debate has been focused on life expectancy. It should be noted that increases in life expectancy are slowing down. In the 7-year period between 2004 and 2011, life expectancy increased by 1.6 years. In the following 7-year period up to 2018, the life expectancy increase declined to 0.9 years.

There is, however, a more pertinent measurement in which government policy should be rooted: healthy life expectancy. This is a measurement used by both the EU and the World Health Organisation. According to the WHO healthy life expectancy is based on:

> *'Average number of years that a person can expect to live in "full health" by taking into account years lived in less than full health due to disease and/or injury.'*[33]



The pension age should be framed around this measurement. Healthy life years are only 62 percent of life expectancy. It is clear that increasing the pension age would remove a considerable segment of healthy years away from older people's retirement.

There are diverse and complex reasons, ranging from the impact of working conditions to family responsibilities, including heath status, as to why it may not be appropriate or possible to stay in employment until the standard retirement age. This should be better recognised to ensure income adequacy and a threshold of decency for people who are affected; namely a flexible pension system.

This imbalance between life expectancy is also exacerbated by income and social imbalances. For instance, women living in the highest 20 percent of areas (as measured by deprivation) live 3.2 years longer than those living in the poorest areas. For men this figure is three years. There is a need to further investigate both life expectancy and healthy life expectancy by income groups, social class and occupation.

RECOMMENDATION: Base policies concerning the pension age and flexible access to pensions on healthy life expectancy. The Commission should investigate life expectancy and healthy life expectancy by income groups, social class and occupation.

[33] THE GLOBAL HEALTH OBSERVATORY The Global Health Observatory, World Health Organisation: Healthy life expectancy (HALE) at birth (who.int)

(c) Policy and Population Structure

The current Department of Finance modelling indicates that there will be a significant change in the relative number of older people that peaks around the year 2050. But we can dampen the effects of this relative change and ensure that our economic and social model can provide for older persons and the wider Irish society. There are policy levers that can be used as we approach a new population structure.

These policy levers together can produce significant effects:[34]

- An improvement in the employment rate of those aged 55 to 75 can lessen the fiscal challenge through several channels discussed earlier. There are good reasons why this rate will likely increase.
- The projected figures for net migration during this period until 2050 are modest. The Ageing Report estimate of 13,700 is very low compared to what we have experienced in the past during times of economic well-being. There are policy levers which can attract needed workers and needed skills.
- The projected figure for an Irish fertility rate at 1.96 over the medium term would be the lowest recorded. There are changes happening in the broader society that can reverse this decline. Policy can use the changing structure of the world of work and broader society to encourage more flexibility in our careers and allow more child rearing. Flexible working and extended maternity and paternity time would help change the projected figure.

The forecasts are that the Old Age Dependency Ratio will peak in 2053 at 45.7 or at just over two older persons for every working person. That year will be a low point of economic growth. But the Department of Finance projects an improvement, "picking up slightly thereafter," without any action. It is also forecast that even without the use of policy levers, the absolute number of people working at the peak will be greater than it is today.

The third phase of life will be a significant area of economic activity. The tools available now and in the future should be used in a positive direction towards preparing our economic and social model for a changing population structure. These policy levers can together produce significant effects. The working age population can be made able to support the changing population structure. The sustainability challenge should be reframed as ensuring and protecting quality of life, something that is important to every citizen. People in a third phase of life should be allowed their place as active and important members of their community.

[34] Population Ageing and the Public Finances, Department of Finance, September 2018: gov.ie - Population Ageing and the Public Finances (www.gov.ie)

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