

March 2021

Submission to the Commission on Pensions

Introduction

Founded in 1973, the National Women's Council (NWC) is the leading national women's membership organisation in Ireland. We represent and derive our mandate from our membership, which includes over 190 groups and organisations from a diversity of backgrounds, sectors and locations across Ireland. We also have a growing number of individual members who support the campaign for women's equality in Ireland. Our mission is to lead and to be a catalyst for change in the achievement of equality for women. Our vision is of an Ireland and of a world where women can achieve their full potential and there is full equality for women.

Women experience deep inequalities in our pensions system. Gender inequalities in the labour market coupled with social norms and public policies that continue to place responsibility for care on women's shoulders are reinforced by a pensions system that is closely linked to labour market participation.

Latest data on the gender pensions gap indicates that women, on average, have 29% less pension income than men.¹ Though this is driven primarily by differences in occupational and private pensions, rather than compensating for this, the State Pension upholds a narrative that those who paid contributions throughout their lifetime should be rewarded in retirement, thus perpetuating inequalities experienced over a lifetime. The inevitable effect of this is that women have reduced access to the State Pension and are more likely to experience poverty in older age.

NWC has concerns about approaches that tie the pensions system as a whole more closely to employment and earnings, exacerbating rather than mitigating gender inequalities as well as intersecting inequalities and discriminations experienced by disabled women, carers, lone parents, Traveller women and other women who encounter barriers to the labour market.

Policy context

Though women comprise a majority of the older population and are more likely to live longer, there has traditionally been little attention to the needs of women in pensions reform in Ireland. The Sustainable Development Goals make a specific priority of achieving gender equality and the need to take deliberate actions to remove the barriers to women's equality across every sector in society. The Department has an obligation under the Public Sector Equality and Human Rights Duty in the Irish Human Rights and Equality Act 2014 to promote equality. As such, there is a broad policy basis for ensuring that women are not disadvantaged in the State Pension system.

The Roadmap for Pensions Reform commits that reforms will "ensure fair outcomes for men and women". The National Strategy for Women and Girls 2017 - 2020 provides that "future pension policy reforms will be gender proofed to assess their impact on women as well as men". Despite these commitments, there has been little evidence that such gender proofing has taken place.

In fact, reforms since 2012 have linked the Contributory Pension more closely to labour market participation, increasing the contributions required to qualify, increasing the number of bands and paying less to those with fewer contributions.² In this context, it is welcome that the programme for government, 'Our Shared Future', committed to developing a pension solution for those who provide long term care and that this is reflected in the Commission's terms of reference.

¹ Eurostat (2021). Gender pension gap data 2019. <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/ddn-20210203-1>

² Whitaker policy brief (2019). Policy brief no 49: Extended Working Life policies; gender and health implications in Ireland

The work of the Commission

The focus of the Commission's work, as set out in its consultation document, is on sustainability of the State Pension. Future costs of providing a State Pension have been identified as problematic in the context of an ageing population. However, there is no reference to the comparable cost to the State of continuing to fund private pensions through regressive tax expenditures. Debates about affordability now and into the future cannot take place without the examination of the tax expenditure directed to private pensions.

Decisions in relation to the State Pension must also take into account older women's heavy reliance on it for their main source of income and the continuing structural barriers that mean women have less opportunity to save for their retirement. While there is a need to address broader issues that limit women's access to pensions, including the need for a public model of childcare, better maternity and paternity benefits and closing the gender pay gap, the State Pension cannot operate on the assumption that these will be addressed in the future. The State Pension must be capable of providing an adequate income in and of itself; a floor under which living standards should not fall.

A woman friendly pension system

It is vital that first tier State Pensions recognise the wider social contributions made by women through their caring labour and not just participation in the labour market. NWC's core position on pension equality is that only direct personal access to pensions for all women, which takes into account the reality of women's lives including their role in providing unpaid care and predominating in low paid, precarious and part-time work will ensure economic independence for all women. This remainder of this submission sets out our proposals for a woman friendly pensions system, addressing the questions asked by the Commission:

- What do you expect from State Pensions?
- What's working with current State Pension arrangements?
- What concerns you with respect to current State Pension arrangements?
- How best to accommodate those who provided long-term care for most of their working lives?
- What specific policy, provision or other changes are needed to make State Pension arrangements sustainable into the future?
- Sustainable Reform Proposals

What do you expect from State Pensions?

NWC welcomes commitments in the Roadmap for Pensions Reform 2018-2023 and in the Commission's consultation document to maintaining the State Pension as the bed rock of the system. It is NWC's view that the State Pension should provide an adequate, comprehensive pension guarantee for all individual women and men.

NWC's research on a model of pensions that guarantees independence³ sets out the principles that should underpin the pensions system. These include adequacy, comprehensiveness, simplicity, redistribution from higher to lower income groups and the sharing of risk across the state, employers and workers. While these principles are broadly applicable, they are particularly important for women as women are more reliant on the State Pension than men so stand to lose more if, for example, the State Pension is inadequate.

In addition to the principles of adequacy, comprehensiveness, simplicity, redistribution and risk, there are particular gender-related principles that should inform State Pension policy:

³ NWC (2008). Pensions: What women want. https://www.nwci.ie/learn/publication/pensions_what_women_want

- **Economic autonomy** - Financial autonomy and individual entitlement are core characteristics of a feminist pension model. The State Pension should provide women with direct pension rights.
- **Facilitating atypical work** – Gender equality in pensions requires a pension model that recognises and rewards all labour market participation
- **Ethic of care** - Care work should be facilitated, respected and rewarded in a way that enables women or men to have pension cover and maintain pension contribution records during key stages of care. It is important to recognise that 'Care always costs' and that allowing that cost to be carried by individual women in reduced income and pensions is neither 'cost neutral' nor acceptable.
- **Pension equality or pension justice** - While working towards broader policy goals of greater gender equality in care and the labour market, the pensions system must not reinforce and must indeed be capable of compensating for the disproportionate time women spend in periods of care and the wider gender inequality women experience in the labour market
- **Retrospective pensions justice** - The pensions model must be able to compensate for the disproportionate time older Irish women have already spend in periods of care and the significant historical discriminatory practices, such as the marriage bar, which led to significant gender inequality in the labour market.

As gender proofing of policy on pensions is a government commitment, NWC expects that the Commission's proposals will be gender and equality proofed and that a gender and equality impact statement will be published.

What's working with current State Pension arrangements?

When working well, social transfers such as the State Pension play an important role in protecting older people from poverty. While the overall 'at risk of poverty' rate in the State was 14% in 2018, this would rise to 41% if social transfers were excluded.⁴ As older women are more likely to depend on social transfers as their main source of income, the State Pension is particularly important for them.

Significant increases in the State Pension between 2004-2008 saw poverty levels drop substantially among the over 65's living alone, from 37% in 2004 to 11% in 2008. However, with pensions stagnating between 2008 – 2016, poverty levels among this cohort have increased, with 20% currently at risk of poverty.⁵ This demonstrates the importance of the State Pension in protecting against poverty and the impact of failing to increase pensions in line in with wage increases.

What concerns you with respect to current State Pension arrangements?

Male breadwinner model

The State Pension system is built on a male breadwinner model, that is, a full-time work model where contributions are made across your working life with the expectation that you work for the majority of your working age. This model was designed for men and never accommodated women's lives of paid and unpaid work. Historically, the male breadwinner model manifested in the Marriage Bar, the effects of which are still felt today by many women. However, structural inequalities that deny women equal access to pensions are not just a legacy of the past.

⁴ CSO (2019) SILC 2018

⁵ CSO (2019). SILC 2018

As women are more likely to be in low paid, part time jobs on precarious contracts, this makes it difficult to collect sufficient PRSI contributions to be eligible for the full State contributory pension and so women are more likely to be reliant on the State Non-Contributory Pension than men. Women account for only 33% of those in receipt of a full State Contributory Pension⁶ even though women outnumber men among the over 65's.

The Department have noted research by the ESRI which found no consistent evidence of a gender pensions gap within the State pension.⁷ However, it would appear that this may be explained by a greater number of women than men who receive a Widows Pension, narrowing the gap in the average pension income from the State Pension system between men and women. NWC does not consider this to be an adequate way to address gender inequality and the 2012 reforms may in fact result in a widening of the gap.

Only 28% of women of pension age have an occupational or private pension compared to 55% of men⁸ Among women workers, 35% say they can't afford to pay into an occupational pension and 6/10 part-time workers report that their employer doesn't offer a pension scheme.⁹ Coverage in female dominated sectors such as hospitality and retail is particularly low, impacting on young and migrant women in particular.

Older rural women are even less likely to have an occupational or contributory pension.¹⁰ Ireland's social insurance system defines many women who work on the family farm and spouses of business owners (mainly women) as 'relatives assisting'. Although working in the family business, 'relatives assisting' cannot make PRSI contributions, which would entitle them to a contributory pension.

Many women do not have an independent pension of their own, rather they derive rights through their relationship with a partner under the 'qualified adults' system. Derived rights have no place in a feminist pensions system. NWC is aware from our work with older women, that many older women in Ireland who are only recognised through a 'Qualified Adult' increase in their husbands' payment do not feel they can apply for the State Non-Contributory because it will involve a test of household assets - assets which they may have no control over or access to - and there is also a fear that it could jeopardise their husbands income. Such women therefore remain economically dependent, something which can also impact on their autonomy or independence in other areas of life.

NWC believes that the State has a particular responsibility to remedy the inequality experienced by women affected by the marriage bar and by a system built on a patriarchal single breadwinner model. There is limited data available on how many women remain affected by the marriage bar, however, it is estimated that in 2011, around 57,000 women were not qualifying for a (full) State Pension because of the Marriage Bar.¹¹ This is likely to be an underestimate since the sample it is based on does not include women living in nursing homes and women with cognitive impairments.

Absence of a care ethic

Despite increases in labour market participation over the last number of decades, women continue to bear primary responsibility for care. In 2019, 94% of those whose principal economic status is 'looking after home and family' were women.¹² Women's care patterns are not linear and do not end when

⁶ Data from DSP, November 2020. 83,847 women out of 255,001 recipients of full state contributory pension as at 31 October 2020

⁷ Nolan, A. et al (2019). Gender, pensions and income in retirement. Dublin: ESRI.

⁸ Nolan, A. et al (2019). Gender, pensions and income in retirement. Dublin: ESRI.

⁹ CSO (2020). Pensions statistics. <https://www.cso.ie/en/releasesandpublications/ep/p-pens/pensioncoverage2019/>

¹⁰ Ní Léime, A. et al. Gender and Rural Ageing in Ireland: Profile and Key Issues. Irish Centre for Social Gerontology National University of Ireland, Galway

¹¹ In 2011, there were a total of 292,079 women aged 65 and older in Ireland (CSO, 2012). A total of 19.5% of all women aged 65 and above interviewed in the third wave of TILDA reported they had to leave a job because of the Marriage Bar. Mosca, I.& Wright, R.E. (2019). The Long-Term Consequences of the Irish Marriage Bar, IZA Discussion Papers, No. 12301, Institute of Labor Economics (IZA), Bonn

¹² CSO (2020). Women and men in Ireland 2018

children are raised. Older women are five times more likely than men to leave work to care for a family member.¹³ Gaps in employment have knock on effects as women typically return to low paid, part time or insecure work and miss out on promotional opportunities.¹⁴

When the Interim Total Contributions Approach was introduced in 2018, it included provision for a HomeCaring Periods Scheme. This scheme builds on the provisions of the previous Homemakers Scheme which excluded women who left the workforce before 1994. Though the principle of formally recognising care in the pension system was welcome, the reforms do not adequately address the inequalities and discrimination experienced by older women who were expected by Irish society to shoulder the full burden of caring responsibilities but who were equally expected to do this work for nothing.

The provisions of the HomeCaring Periods Scheme are only available to those born after 1st Sept 1946 so only some women's unpaid care has been recognised. Qualifying conditions for a full contributory pension under the TCA still require women to have 20 years paid contributions, which may not be possible given all of the barriers to work that women experience. HomeCaring Periods are capped at 20 years which poses a particular barrier to women who may have provided support for a disabled adult or older person as well as children. Following a review by the Department of Social Protection, only 40% of cases resulted in an increased pension payment.¹⁵ It is unclear how many, if any, resulted in the awarding of a full State Pension.

Piecemeal reforms like the TCA and HomeCaring Periods Scheme continue to reinforce a system that prioritises labour market participation and holds it in higher value than unpaid care.

Adequacy

Notwithstanding the important role that the State Pension system plays in the prevention of poverty, it remains inadequate to fully protect against poverty, particularly for women. While the consultation document notes that older people have among the lowest risk of poverty rates, it fails to take into account gender differences in poverty among older people. Older women are more likely experience poverty with 25% of women over 65 at risk of poverty compared to 15% of men.¹⁶

While the State Pension aims to protect against poverty, it should rather support people to have an adequate standard of living which enables them to live with dignity and participate in the life of their community. Older people have expressed concern that the State Pension is insufficient to support them to engage in activities that constitute a 'normal' life in retirement, such as going on a holiday, spending time with grandchildren or friends or the cost of paying for transport, particularly in rural areas.¹⁷

Extending working life

A narrative has been presented of a demographic 'time bomb' and an increasing threat to public finances from a growing number of older people. However, Ireland's current expenditure on pensions is the lowest in the EU, at 5.3% of GDP compared to an EU average of 12.7% in 2018.¹⁸ In 50 years' time, with projected increases, Ireland will still be spending less than the amount Eurozone countries spend today.¹⁹

¹³ ESRI & HAS (2019). The ageing workforce in Ireland: Working conditions, health and extending working lives

¹⁴ Duvvury, N., Ní Léime, A, Callan, A, Price, L., Simpson, M. (2012) Older women workers' access to pensions: vulnerabilities, perspectives and strategies. Irish Centre for Social Gerontology, National University Ireland Galway

¹⁵ Minister Heather Humphreys (2020). Response to PQ [32445/20]. <https://www.kildarestreet.com/wrans/?id=2020-11-03a.2285>

¹⁶ CSO (2020). Women and men in Ireland 2019.

¹⁷ Mulligan, E., Wijeratne, D. and Maher, M. (2019) Pensions in Ireland: The Perspectives of Irish Citizens and Implications for Pensions Systems and Reforms in Ireland and other EU Member States. Institute for Lifecourse and Society, NUI Galway

¹⁸ Eurostat (2020). Social Protection Stats – expenditure on pensions. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Social_protection_statistics

[pension expenditure and pension beneficiaries#Expenditure on pensions in the EU](#)

¹⁹ SIPTU (2019). Stop 67 campaign policy document.

Ireland also has a favourable demographic profile in comparison to our European counterparts. Our old age dependency ratio is the lowest in the EU and predicted to continue to be the lowest in 2060.²⁰ Yet, Ireland's current pension age of 66 is already higher than the EU average of 64 years. The OECD projects that, based on current policies, the average EU pension age will only rise to 66 by 2050.²¹ NWC welcomes therefore, the removal of the pension age increase to 67 years as part of the Social Welfare Bill in December 2020. This was a key ask of the Stop 67 Campaign, of which NWC is a member.

It is important that the Commission fully understands and takes account of the impact of introducing longer working lives especially for those in caring roles. To date, there has been no gender, equality or poverty analysis of increases in age of eligibility for the State Pension. Proposals to extend working life have adopted a 'one size- fits-all' approach, and are based on the assumptions that people are healthy enough to earn a living from work and that work is easily available to those over 65.²²

Any measure that makes it harder for people to access a State Pension will disproportionately impact negatively on women who rely on the State Pension to a greater degree than men. An extended working life is likely to be difficult for people in physically demanding jobs, such as care work, workers in low paid or precarious jobs, most often women.²³ A one size fits all approach does not take into account inequalities within the workforce in terms of horizontal segregation of women in low paid sectors, women predominating in part time work and interruptions to women's working lives for caring responsibilities. While policies extending working lives may offer options for early retirement, women workers are less likely to have built up a pension 'pot' of a sufficient level to facilitate earlier retirement.

Extending the working age for older women may reinforce cumulative income and health inequalities as well as disadvantage experienced by people with lower education levels over the course of their working lives. Inequalities in life expectancy are increasing between income and occupational class groups. Although women may live longer, they spend many more years than men living with age-related ill-health and disability, impacting on their ability to engage in paid work; 30% of women aged over 50 in fair health were employed and 9% of women in poor health were employed.²⁴

While sustainability is an issue that must be addressed, we must not make hasty decisions to increase the pension age at the expense of women and workers on lower incomes. The Commission must look at the pensions system as a whole and make reforms that will ensure that every older person has an adequate income to protect against poverty and give them dignity and independence.

Equally, the Stop 67 campaign has called for an end to mandatory retirement for workers and for private sector employees to have the same right to remain in the workforce until 70 years as those in the public service. Currently, older workers who wish to remain working are prevented by legislation from doing so, contributing to an ageist narrative around older workers.²⁵

NWC's preferred option is one that provides flexibility with regard to retirement age with extending working life based on women and men's individual choices. This is in keeping with research with older people which found that they were in favour of flexible retirement options that take account of personal choice, the nature of employment, contract type and health.²⁶

²⁰ http://ec.europa.eu/eurostat/statisticsexplained/index.php/Population_structure_and_ageing

²¹ SIPTU (2019). Stop 67 campaign policy document.

²² Ní Léime, Á. & Street, D. (2016). 'Gender & age implications of extended working life policies in the US & Ireland'. *Critical Social Policy*, 37, 464–483.

²³ Mulligan, E., Wijeratne, D. and Maher, M. (2019) Pensions in Ireland: The Perspectives of Irish Citizens and Implications for Pensions Systems and Reforms in Ireland and other EU Member States. Institute for Lifecourse and Society, NUI Galway

²⁴ TILDA. (2011). *Fifty Plus in Ireland 2011: First results from the Irish Longitudinal Study on Ageing*. Dublin: TILDA.

²⁵ Age Action (2016). *Abolishing mandatory retirement briefing paper*.

²⁶ Mulligan, E., Wijeratne, D. and Maher, M. (2019) Pensions in Ireland: The Perspectives of Irish Citizens and Implications for Pensions Systems and Reforms in Ireland and other EU Member States. Institute for Lifecourse and Society, NUI Galway

Governance issues

A lack of attention to gender equality in much of the debate on pensions is a significant obstacle to achieving a system that works for women. An approach which doesn't include consideration of gender issues is less likely to result in outcomes which address the problems. Despite commitments to gender and equality proof pensions policy, this does not appear to be a priority for government. NWC has previously called for a gender impact assessment of auto-enrolment and TCA reforms but to date, none has been published.

The programme for government 'Our Shared Future' commits to new models of sectoral engagement and Taoiseach, Micheál Martin, recently reiterated his intention to strengthen engagement with civil society.²⁷ Effective social dialogue is an essential part of a functioning democracy. It should be transparent and accountable, focus on working collectively and ensuring participation of marginalised and excluded communities and with parity of esteem between civil society organisations and other sectors.²⁸

Women need to be active partners in designing, implementing and monitoring pension reform. NWC was therefore disappointed, that no civil society gender perspective was included in the membership of the Commission. Going forward, future governance models for pensions must include representatives from women's civil society organisations.

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

Pension reforms in recent years have sought to link pension rights even closer to workforce participation. NWC fundamentally disagrees that workforce participation should underpin the first tier/State Pension. Such approaches will continue to disadvantage women and under value caring roles, excluding those who provide care from an adequate pension in older age.

Retaining the minimum paid contributions test of 10 years and 20 for the maximum pension is a barrier for women in long term care roles. Individualisation does not apply in means testing for the Non-Contributory pension so a carer could potentially receive neither pension in their own right.

Time spent caring should be recognised and credited, both for people currently in the workforce and those who are now of retirement age who have spent a large portion of their lives caring. Retrospective pension justice is an important issue for NWC and we argue that pension entitlements should be reviewed for all pensioners who have spent significant periods of their lives providing unpaid care.

NWC's feminist analysis of care includes not only the perspectives of the women who provide care but also, the women who need such supports. The absence of a sufficient state response to supporting disabled people to live independent lives, forces them into a position of dependence and leaves family carers to provide often very high levels of care. Retaining minimum paid contributions is a barrier to women who provide care but also for those women who require support or care to live independently or to be sufficiently active in the labour market to be eligible for a Contributory Pension.

From NWC's research²⁹ and decades of advocacy work with older women, our view is that the best way to achieve equality for women is through a universal pension which will guarantee income adequacy in older age and which would recognise that paid work and unpaid work are equally valuable. This is discussed in detail in our 'Sustainable Reform Proposals' later in this submission.

²⁷ <https://www.irishtimes.com/news/ireland/irish-news/martin-signals-aim-to-bolster-social-dialogue-arrangements-1.4499514>

²⁸ Community Platform (2020). Valuing social dialogue. <https://communityplatform.ie/wp-content/uploads/2020/07/Valuing-Social-Dialogue-1.pdf>

²⁹ NWC (2008). Pensions: What women want. https://www.nwci.ie/learn/publication/pensions_what_women_want

What specific policy, provision or other changes are needed to make State Pension arrangements sustainable into the future?

Review tax expenditures for pensions

We cannot have a debate about sustainability without examining the significant tax subsidies directed to private pensions. The current tax-based incentive system for pension savings is regressive. Despite extraordinary cost to the public exchequer such reliefs have failed to deliver the stated aim of improving pension coverage.³⁰ There has been little change in coverage levels over the last twenty years, particularly for those on lower incomes. The structure of the incentive discourages regular pension savings from those on low pay or with irregular work patterns since the value of the relief can be negligible.³¹

The State spends approximately €2.4 billion per annum in private pension tax relief, equivalent to half the State expenditure associated with providing pillar one pensions.³² Tax breaks for private pensions in Ireland are well above the OECD average with Ireland spending the equivalent of 3.23% of total annual tax revenue compared to an OECD average of 1.23%.³³

Moreover, thanks to a marginal rate approach, the bulk of the tax benefit and associated social transfer has been received by those on already high incomes and more likely to have a private pension regardless of incentive. In 2014, 72% of pension tax relief went to the top 20% of earners with 50% going to the top 5% of earners.³⁴

As women tend to be lower earners, these tax reliefs also widen rather than narrow the gender pension gap. A gender analysis of beneficiaries of tax expenditure reveals that men benefit from two thirds of the fiscal support offered by this system.³⁵

This expenditure has been little examined as it is not reviewed as part of the annual budgetary cycle, a remarkable fact given the cost of the revenue forgone and the regressive gender and equality impacts.

Increase the Social Insurance Fund

Tax plays a key role in shaping Irish society through funding our public services and social infrastructure, supporting economic activity and progressively redistributing resources. However, Ireland's tax take as a percentage of national income (GDP) is below average and is one of the lowest in the OECD. On a measure of tax collected per person, Ireland scores second lowest among an 11 country EU peer group. One of the key drivers of this difference is the much lower social contribution (i.e. PRSI) paid by employers in Ireland. Ireland would collect an additional €11 bn if tax was matched to EU norms.³⁶

The economic and financial risks of pension provision should be shared across the state, employers and employees. For too long there has been political unwillingness to address this issue, with strong resistance from employers despite the fact that the social protection system is increasingly being relied on to bridge the gaps in an insecure employment landscape. Crucial to sustaining pensions into the future

³⁰ Mulligan, E., Wijeratne, D. and Maher, M. (2019) Pensions in Ireland: The Perspectives of Irish Citizens and Implications for Pensions Systems and Reforms in Ireland and other EU Member States. Institute for Lifecourse and Society, NUI Galway

³¹ Mulligan, E., Wijeratne, D. and Maher, M. (2019) Pensions in Ireland: The Perspectives of Irish Citizens and Implications for Pensions Systems and Reforms in Ireland and other EU Member States. Institute for Lifecourse and Society, NUI Galway

³² Collins, M. (2020). Private Pensions and the Gender Distribution of Fiscal Welfare. *Social Policy & Society*: (2020) 19:3, 500–516

³³ Collins, M. (2020). Private Pensions and the Gender Distribution of Fiscal Welfare. *Social Policy & Society*: (2020) 19:3, 500–516

³⁴ Collins, M.L. & Hughes, G. Supporting Pensions Contributions through the tax system. IEA Conference 2017

³⁵ Collins, M. (2020). Private Pensions and the Gender Distribution of Fiscal Welfare. *Social Policy & Society*: (2020) 19:3, 500–516

³⁶ <https://www.nerininstitute.net/blog/rethinking-tax-republic-ireland-and-uk>

will be examining how employers' PRSI can be increased on a phased basis to fund social infrastructure such as pensions.

Broader policy changes

Financial inequalities for women are built up over a lifetime. While outside the remit of the Commission's work, challenging unequal gendered labour market participation is a necessary part of pensions reform. Addressing occupational segregation, low pay, barriers to active labour market programmes, education and training, provision of universal care services including a public model of early years and school aged childcare, family friendly work policies and comprehensive paid family leave would help to address the factors that limit women's access to pensions. However, this does not negate the need to address inequalities in the State pension system to provide an adequate State Pension to all.

Sustainable Reform Proposals – Deliver a Universal Pension

From NWC's research³⁷ and decades of advocacy work with older women, our view is that the best way to achieve equality for women is through a universal pension for all which will guarantee income adequacy in older age and which would recognise that paid work and unpaid work are equally valuable.

A universal pension system which gives both women and men equal access to a comprehensive pension guarantee is the best way to support equality in older age. It would be the best solution to addressing low coverage and income adequacy and ensuring unpaid care work is recognised in the pension system.

It would dramatically reduce bureaucracy by having only one test for accessing the payment and eliminating the myriad of conditions that are part of the current systems. Universal approaches offer the most administratively simple structure with the lowest transaction costs for the public pillar.³⁸

A universal pension would provide pension justice to all women, offering the opportunity to eliminate the relationship of dependency inherent to the 'qualified adult' concept. It would offer redress to those who have experienced historical discrimination in the labour market and social welfare systems.

An adequacy benchmark of 40% average earnings and indexing to wage increases would ensure quality of life and ensure pension income standard would increase in line with average living standards and earnings.³⁹

Research with women from Ireland and NI found that women from both jurisdictions were in agreement that there is a need for an adequate (higher than current levels), flat-rate universal State Pension which would give women 'truly' independent access to income in older age, paid for through general taxation.⁴⁰

The OECD recognised in their 2014 report on the Irish pension system, that structural reform of the State Pension to include a universal basic pension scheme could provide a flat-rate benefit for the entire population, regardless of their lifetime work or contribution status.⁴¹

Tax reliefs on private pensions should be ended and the expenditure should be invested in sustaining an adequate first tier State Pension and a universal pension into the future.

³⁷ NWC (2008). Pensions: What women want. https://www.nwci.ie/learn/publication/pensions_what_women_want

³⁸ World Bank (1994) Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth. Oxford: Oxford University Press

³⁹ Duvvury, N., Ní Léime, A, Callan, A, Price, L., Simpson, M. (2012) Older women workers 'access to pensions: Vulnerabilities, perspectives and strategies. Irish Centre for Social Gerontology, National University Ireland Galway

⁴⁰ Duvvury, N., Ní Léime, A, Callan, A, Price, L., Simpson, M. (2012) Older women workers 'access to pensions: Vulnerabilities, perspectives and strategies. Irish Centre for Social Gerontology, National University Ireland Galway

⁴¹ OECD (2014). OECD Reviews of Pension Systems Ireland.

Recommendations

- Deliver a universal pension for all, benchmarked to 40% average earnings, which will guarantee income adequacy in older age and which would recognise that paid work and unpaid work are equally valuable.

This should be phased in over a number of budgets. In the interim, reforms can be made to ensure greater economic autonomy for women:

- End the qualified adult system and provide fully individualised access to pensions for all men and women
- Ensure the TCA is limited to 30 years for the maximum pension and remove the cap of 20 years caring contributions under the HomeCaring Periods Scheme. Ensure women born before 1st Sept 1946 can benefit under the scheme
- Investigate the potential to abolish the distinction between paid contributions and credits, as is the case in the UK
- Acknowledge the previous injustice of the 'marriage bar' with a once-off, ring-fenced retrospective scheme
- Progress to standard rating of pension tax reliefs before ending them entirely
- Explore how employers PRSI can be raised to increase the Social Insurance Fund
- Ensure good governance by:
 - Gender proofing the work of the Commission as decisions are made, including projected increases in State Pension age, and publishing a gender and quality impact statement of the Commission's proposals
 - Ensuring women's civil society organisations are included on decision making and governance structures for the State pension
 - Monitoring tax expenditures on pensions as part of the annual budgetary cycle