Individual Submission 151
08/03/2021

SUBMISSION TO PENSIONS COMMISSION

As a citizen of Ireland, I would like to make this submission to you concerning the ongoing debate on the future viability of the State Pension Scheme. Doubts have been cast over its future. A recent report by a top group of accountants has voiced concern that with ever lengthening life expectancy and hence ever growing numbers of older and retired persons, the costs of the State pension are escalating out of control leading to the eventual collapse of the whole system.

Firstly I would ask you to have a look at the source of these grim prognostications: namely the accountancy profession. Lacking in imagination and with ice water in their veins, accountants are the very last people whose advice should listened to. A brief look at their record over the years illustrates what I am saying. Today the State is committed to policies of green energy and environmental concern focussing on the need for the development of public transport. Public transport means trains. But thanks to accountancy advice for the closure of loss-making lines fifty and more years ago, railways have disappeared from vast swathes of the country and presumably can never be replaced because of the astronomical costs involved, leaving no alternative but complete dependence on pollution-heavy private motoring, even of the electrical kind, not least with the emissions generated by the disposal of short-lived lithium ion batteries.

Then too in the late 1980s the hospital sector was gutted on good accountancy advice and thousands of beds decommissioned. Today in the era of coronavirus because we are left with the lowest per capita ratio of ICU beds in Europe, the country is frozen in deep months of severe lockdown inflicting ruinous economic damage and hardship. The measures that once saved the State millions are now costing it billions as we discover there is after all a direct link between a strong hospital sector and a well-functioning economy. But the number crunchers never saw that. So much indeed for reliance on accountants who see nothing beyond figures and are blind to real human needs.

They focus exclusively on the billions that the State pension system is costing without any attempt at a cost-benefit analysis. True, the State pays out immense sums in pension payments every year to many thousands of recipients right around the country. But that money does not just evaporate and disappear. These funds by their very payment first of all maintain the vitally important post office network throughout the land. They are expended in grocery stores on the purchase of foodstuffs and other essential supplies. In normal non-Covid times they go to the draper for clothing and footwear. And who can deny the right of a pensioner after a lifetime's hard work if they might enjoy a little drop of whiskey and a pint of stout at their local pub whenever they might reopen again after this cruel virus has passed.

Moreover these pension payments go to pay electricity, lighting, gas and water and refuse collection bills. Above all they maintain our senior citizens with a modicum of comfort and dignity and preserve them in personal independence. As a former Minister for Social Protection, Ms. Joan Burton once rightly pointed out, the payment of pensions is a huge annual stimulus package by the State to the national economy.

The lower income groups are most beneficial to a healthy economy for they spend their money in the shops, on essential goods and services. Just go to any supermarket on a Friday morning, Pension Day, and see the crowds of grey headed people in doing their shopping. When they have money they spend it widely and well, sustaining businesses, maintaining employment, bolstering commercial profits, boosting the flow of taxes to the Exchequer by way of income taxes and the indirect impositions of VAT and other revenue-raising measures. So that what we have here is most emphatically not a vast haemorrhaging of resources, but rather a vast recycling of monies dispensed from the coffers of the State, spread widely throughout society and the economy for maximum advantage and gain, then percolating back by various means to the State once again for the whole process to start all over *ad infinitum*. This contrasts starkly with the very rich who hoard their wealth and secrete it way in their stock market investments and hedge fund accounts and so on. Their economic and social impact is very limited.

It is the more modestly remunerated who proportionately spend so much more of their income as compared to flash millionaires given over to their opulent lifestyles. It is not the people who hoard but those who spend that provide the vital economic lifeblood of our society. Then too while it is often said that pension levels in Ireland are higher than in most other developed countries, this advantage is more apparent than real for there is a ream of CSO figures year after year that consistently show Ireland as having one of the highest price levels and the highest cost of living in Western Europe. This is a very expensive country. You get a nice looking wad of notes at the post office but watch how it rapidly melts away. Break a fifty euro note and it is gone. Unless you are on Ministerial salaries, that is an altogether different story.

No attempt was made in the recent analysis to try to ascertain the enormous costs to the State and society of what would happen if the pensions system were indeed allowed to collapse. What would society do with huge numbers of aged, often frail and vulnerable persons, who were left without their financial mainstay, perhaps having to become in the twilight of their lives a financial burden on their families, even indeed they had anyone to fall back on. Do we really want to go back to those dark days when the old woman or man sat hunched in the corner by the fire, unable now to work anymore and treated with sullen resentment or worse as a drain on the family's limited provisions? It would be profoundly destabilising and dislocating and extremely damaging. We have seen pictures on the TV news of very old people being vaccinated against the pandemic. Society has chosen so rightly, decently, honourably and humanely to preserve the lives of the aged and guard them against this disease. So society having taken that decision must stand by its obligation and see that our senior citizens and the retired do not lack for comfort and dignity and respect in their mellow years.

Politicians and the highest grades of civil servants make the decisions that intimately affect the lives of ordinary people. They themselves are very well salaried and award themselves lavish pensions often after relatively short years of public service. This is often dismissed as irrelevant by the accountants' mentality seeing that in the great overall scheme of things, the costs incurred to the taxpayer are modest. But while that may well be true, it is also a source of intense and massive resentment and divisiveness when decisions of a harsh nature are taken by people in positions of power who have taken very good care to insulate themselves very comfortably from such harsh realities. I would ask you not to approach these very difficult and contentious matters with the blinkered view of the accountant, but with the empathy and imagination of the citizen actively participating in the life of the nation and pursuing the future well-being of our society and people. All of you are citizens and must accept your share of the responsibilities of citizenship.

The reduction of the pension age from seventy to sixty-six was carried through by the Cosgrave Coalition Government of the mid-1970s. There is a virtually unanimous consensus among media commentators that your official Report expected towards the end of the year will recommend the reinstatement of the previous policy decided upon in 2013 of raising the qualifying age to 68 if not even higher. If so, the implementation of such a policy reversal of the temporary reversal following the General Election of last year when the pension age remained at sixty-six is something that will cause the Government no end of political difficulty. However that does not fall within your remit. But rather than advocating a blunt instrument of raising the age to 68, a more nuanced approach is needed encompassing the needs for instance in particular of persons engaged in very physically demanding manual work especially involving a great deal of heavy lifting and carrying.

This would apply to employments within the building trade but also to delivery van drivers such as those working in the electrical retail and hardware sector who are expected to haul, manhandle, drag and pull dreadfully heavy goods such as American-style fridges, concrete-ballasted washing machines and solid fuel stoves. There is no easy high-tech way of doing such work. It comes down to hard grafting and raw muscle power with sheer grit and determination. Back and hip injuries as well as inguinal hernias are common occurrences among such workers rendering the continued performance of such duties impossible. They must have the facility and entitlement to retire at that stage and draw their pensions which have been so brutally hard earned in strain, pain, exhaustion and suffering.

These realities must be at the forefront of the minds of the politicians and senior civil servants who make the ultimate decisions for they are realities about which they know noting having never in their lives lifted anything heavier than a pen and have no idea what it is like to come home after a day's grinding labour utterly exhausted and with every muscle and sinew aching fiercely. I have seen that with my own brother who really knew what hard work at the coal face was like for many years. All decision makers should spend a week in an electrical goods delivery van and discover the reality of what it is to lift, push, drag and draw for a very modest wage.

And before the mantra of re-training is hawked about, a note of realism has to come into that debate. Retraining is often touted by politicians as a panacea for all issues of people forced out of long-standing employment in their late fifties and early sixties which may have made for positive headlines on the news, but does nothing to address the needs – the real needs – of those involved. One thinks of the workers made redundant out of the peat burning power stations in Co Offaly who were offered retraining and a fresh start into the workforce. But looked at more closely and you come to ask just what are these people being retrained for – as house retrofitters taking on a highly specialised job where precision and experience are vital – and the picture grows far less rosy. Moreover on reliable anecdotal evidence the workers concerned are obliged to spend their own redundancy money on buying very expensive equipment and new vans for the road. Workers used all their lives to drawing their regular wages are now in their twilight years expected to become self-employed with all the hazards and risks that entails at a time when many persons are no longer as mentally or physically adept to cope with the pressures, stresses and demands of business life as independent traders for which they do not have the skills, the experience or any real understanding. That is most certainly not the way to go.

The old age pension is at the heart of the social contract between the people and the State. Strike at that and you instantly deal a massive blow to the essential solidarity on which our society is built which can only have the most far-reaching deleterious consequences. The financing of pensions in the long-term poses key but not insurmountable challenges for Government. If you are going to switch to a mandatory contribution system with the funds invested in the stock market, safeguards must be put in place. The future of generations cannot be left solely to the unstable vagaries of financial markets. Only the placement of a cast-iron State guarantee can ensure that retired persons can have the quality of life and decent conditions which they have so hard-earned throughout their long and hard working lives. The individual in all fairness and reason cannot be expected to carry alone the risk of their retirement savings being wiped out in a future financial crash and left with nothing to fall back on.

Recently the UK authorities have increased corporation tax to a whopping25% as against 12 ½ % in this State. There is a limited degree of scope to increase that to 15% without appreciably lessening Ireland's attractiveness to foreign direct investment. We have heard much about the imposition of carbon taxes: perhaps the burden might be made a lot lighter in the utilisation of the revenue thus raised in the payment of proper, decent and adequate pensions to the retired and the elderly. Here too the wealth-creating powers of modern technological civilisation are prodigious: the Internet and online trading for instance have created vast new sources of wealth. Just ask Jeff Bezos. The great political challenge of the future both here in Ireland and many other countries is to harness this stupendous wealth-creating power for a fair and equitable distribution of that wealth for the well-being and happiness of all. This ever growing technical efficiency and ever rising productivity should help enormously to cancel out concerns surrounding the demographic changes in favour of a growing older population vis-à-vis younger workers. The happier a society is so also will it be healthier and less demanding on public services and health care. It is gratifying at least to see that these trends are expected to continue into the future which bodes well for our avoidance of any more pandemic catastrophes which, if one were to happen on a far greater scale than the current Covid-19 outbreak, would render all present actuarial calculations utterly null and void.

Moreover I return to my earlier point that the pension system is not a burden but a boon; its apparent costs are largely self-financing through recycling in the boost to retail trade and in spin-off employment and taxes. There difficulties and challenges that are there are eminently manageable with care, creativity, wisdom, fairness and above all generosity of spirit and a breadth of imagination. The secret of wealth is its sharing following on the old saying that riches are like farmyard manure – spread widely around brings optimum benefits to all; gather it up in one place and it stinks like hell. This is not a financial problem but a human one and it can only be solved with humanity.

I wish you every success in your work and the momentous decisions you must take.

Kindest regards,

[redacted]

[redacted]

Individual Submission 152
09/03/2021

COMMISSION ON PENSIONS
Some Observations *([redacted] – see below)*

The Commission starts off with the advantage of being given a short period to complete its report. In my experience much of the time in finalising previous reports, with which I had an involvement, was given to agreeing recommendations. However, the adoption of policy proposals recommended have to processed by the political system involving Government, interest groups, media etc. What this essentially political process needs most is clear analysis of all the factors bearing on pension provision, both in the short term and long term,, rather than specific recommendations that may distract from these analyses. The Commission in its analysis could also anticipate the positions likely to be taken by various interest groups especially the well organised groups representing older people. It might be better, therefore, for the Commission to put forward options and the implications of each based on its analysis which could lead to greater focus on the realities for pension provision going forward. Well informed political decisions on specific issues could then be made arising from this process.

Demographic Developments
One of the basic considerations for pensions reform is the demographic outlook. This normally includes projections for the ageing population, growing proportion of older people in the population and shrinking proportion of those in the active age groups from whose earnings pensions will have to be financed. Lack of effective economic development and high levels of emigration, virtually since independence, resulted in the population in Ireland declining to 2.8 million in 1961 its lowest level since the Famine. Except for periods of economic crises, when high levels of emigration resumed for periods, the population has now increased by over 2 million since 1961 to 4.9 million. However, there are clear indicators from the last census of an ageing population. The number in the aged 65 and over category increased by 102,174 which is twice the increase in the 15- 64 category. The overall number in the 65 and over category rose by 19.1%, the largest increase for any group.

One dimension that is sometimes overlooked, however, is the productivity of those in the active age groups. For example, the increasing proportion of pensioners to those of working age is cited as a worrying trend, which of course it is. But the challenge this presents can in part be offset by the increasing productivity of the workforce. This includes, for example, the levels of employment being achieved overall, to which the increasing participation of women in the workforce is a major contributor,, the substantial increase in participation in education up to and including third level, the wealth generated by migrants and so on. However, these gains will be offset by the care of children, people with disabilities and older people which in the past was mainly provided by families, especially women a high proportion of whom now work outside the home.. Much of this care will require significant increased State support and provision in the coming decades.

Measures to combat poverty should also be a priority in this context. One aim should be to avoid people at risk of poverty ending up as dependants in adulthood, in addition to dependent pensioners, instead of being productive in their own right. This requires investment in their education, training, employment, supports, housing and other services. Enlightened self interest in relation to future pension finance could be an important factor in gaining political support for such measures.

Reproduction

It is a fact that there is no production without reproduction. Many developed countries are experiencing low fertility rates and actual projected declines in their populations. These include Southern European countries. For example, the population of Bulgaria is projected to decline by 22.5% in the period up to 2050. The population of Spain is projected to decline by 9.4 million over the next 50 years. Germany currently has the lowest birth rate in Europe.The Guardian recently reported that the Italian birth rate is at its lowest since unification (1871). With an estimated 400,000 new Italians this year to replace the 700,000 who have died, the fortunes of Europe's fourth largest economy are looking ever more dire.Italy is increasingly becoming a country of older people, with couples reluctant to commit to families amid the uncertainties. .

In Asia this also applies in particular to South Korea, China, and Japan. The publication recently of the census returns in South Korea caused considerable alarm as it showed that the overall population had declined due to an excess of deaths over births. and that this trend was likely to continue unless appropriate measures were taken.The Guardian recently reported that'the decline in births (there) has prompted warnings for China's economy as its population ages quickly without sufficient support for all elderly people. About one third of the population is predicted to be aged over 60 by the year 2050' and the '...state pension fund was likely to run out of money by 2035'.. The one child policy,lifted in 2016,,has instilled ' a negative feeling about children and created a situation where a low value is placed on being a parent'

- However, many of the countries mentioned above with worrying declines in their populations would acknowledge that they have 'sleepwalked' into this situation. Currently Ireland lies third in Europe after France and Sweden in relation to population growth. However, the birth rate in Ireland has fallen below the rate needed to maintain an adequate and balanced population in the longer term. Countries such as France and Sweden have clear policies and a distinct focus on pursuing that goal. Given, in particular, the importance of a balanced population for the provision and financing of pensions and the care of the dependent elderly, I would suggest that the Pensions Commission address this issue in its report. The decline in the birth rate which has been taking place and the increasing age at which women now give birth, which means that families are smaller, is due in large part to the major increases in recent decades in women's partic ipation in education up to and including third level, in employment and in their access to contraception and choice. Policy could, therefore, focus on greater support for women in enabling them to reconcile education/work and family life and on providing adequate support services in relation, for example, to affordable childcare, suitable housing, and flexible work practices for both parents, with regard to child birth and care during pre-schooling. Gi ven the lengthening life cycles resulting from increasing life expectancy, it should be possi ble to devote a number of years in the early stages of much longer lives to beget and rear the next generation on whom we will depend to pay our pensions and provide care.

- However, a cross cutting policy approach of this kind, from my experience, needs to have an institutional 'driver' at Government level. This could include the coordinating function being given to a specific Government. Department. For example, we have a Department for 'Children and Youth Affairs'. The corresponding Department in the UK is for Children and Families. I understand that similar institutional arrangement have been made in some other European countries. The Commission could at least flag this ssue in its report.

Migration

The level of emigration out of Ireland has had major social and economic implications for Irish society over the decades. For example in the 1950s the level of emigration was so high that the elderly population as a proportion of the overall population rose significantly although it had remained the same in absolute terms. This was due to the reduction in the working population due to emigration. Policy must continue to focus on preventing involuntary emigration. Another relatively new development is the steady rise in inward migration over recent decades. There are currently 500,000 + non-nationals in Ireland. Their age profile is positive from a pensions perspective. Nearly half are aged between 25 and 42, the main economically active group, compared with less than a quarter of Irish nationals. As regards the dependent age groups, non-nationals aged 65 and over account for less than 5% compared to 15% for Irish nationals. At the other end of the age spectrum in terms of dependency 12.3% of non-nationals were in the 0-14 category compared to 22.00 % of nationals

Retirement

I recall asking an Italian colleague in the 1980s why retirement ages under their social security scheme in Italy were so low -55 for women and 60 for men. He explained that when those qualifying ages were set originally life expectancy for those retiring at that age was on average 5 years. However, as life expectancy steadily rose over the years, it became very difficult politically to raise the pension ages to reflect this, given the strength of older people as a political force. One outcome was that overall social security expenditure was significantly skewed towards the elderly at the expense of adequate provision for families. It is considered that this may be a contributory factor in the low birth rate in Italy which is resulting in a significant decline in the economically active cohort in the population. This in turn puts pressure on their capacity into the future to fund the relatively generous Italian retirement pension provision.

The CSO reported for 2016 that life expectancy had increased to 82.35 years. Significantly for pensions, life expectancy at age 65 in Ireland in 2016 was 18.3 years for men, a rise of 0.6 years since 2011, and 21.0 years for women, an increase of 0.4 years over the same time period. Historically, life expectancy at age 65 has also risen strongly between 1926 and 2016. Life expectancy for men at age 65 was 12.8 years in 1926 but by 2016 it had increased by 5.5 years to 18.3 years."For women, life expectancy at age 65 rose from 13.4 years to 21.0 years over the same time period, a gain of 7.6 years. The CSO has also found that the gap between male and female life expectancy has continued to decrease. In 1991 the gap was 5.6 years, but that figure fell to 3.8 years in 2016.

The old age pension was introduced in 1908 and the qualifying age was 70 and remained at that age until the 1970s when it was progressively reduced to age 66. So, for example, in 1926 the average period drawing a pension was 7.8 years for a man and 8.4 years for a woman. In 2016 the average period drawing an old age pension was 17.3 years for a man and 20 years for a woman.

Another factor in assessing pension provision among the elderly is the savings ratio. This ratio was high in Italy which showed that pension levels were higher than those required to maintain an adequate standard of living. Pensioners have fewer outgoings than younger families especially in relation to housing costs - mortgages may be paid, houses fully furnished, including consumer durables acquired etc..An analysis of the savings ratio among the elderly in the report might also be helpful.

Another significant factor is the varying circumstances of the full cohort of pensioners. Although life expectancy is rising so is the proportion of those who require care and other supports. When people commence retirement, a significant proportion will be active and in good health. If married or in a partnership they both may have State pensions, some will also have occupational pensions., Their outgoings may be relatively small, for the reasons outlined above. As pensioners age, however, their circumstances may deteriorate When one spouse dies that spouse's pension will cease and there will be a consequent decline in overall income for the surviving spouse but the level of housing and utility costs, for example, will remain much the same..As they age people become less active and their health may decline. Some will require more support and care. Savings which provided a cushion especially for large expenditures on heating, replacement of worn furniture and consumer durables may be depleted. A stage may then be reached where adequate care cannot be provided by spouses and/or families and many may need to be admitted to care homes.

A comprehensive analysis of all the factors on the lines of the above would be very helpful in accompanying any recommendations or set of options on retirement age. The impact on the entire age cohort should be considered as those reaching retirement will be joining that cohort and will be progressing through it and experiencing the varying needs for State support outlined above along the way It is also important to raise the issue for future consideration of whether the active age population can be expected to support a large and growing segment of the population many of whom remain active. Retirement of people who remain active represents a major loss to society of economic capital as a result of their education, skills and work experience ceasing to be utilised in achieving economic development and wealth. The increasing burden on those of working age may a be a significant factor in a reduction in the birth rate as has happened in other countries compounding the funding challenges further.

As already demonstrated here in Ireland and in other countries it is very difficult politically to raise the pension age. The Commission report should in the first instance include a clear and comprehensive analysis as to why raising the retirement age has to be a compelling option in the years ahead, especially in light of the consequences of not doing so.

The most straightforward option that should be included is the current one of progressively raising the retirement age over the years ahead.. This, however, is the one that politically will meet the most opposition. An analysis in the report of the consequences of not doing so should help with this debate. One possible aim of this debate should be to reach political consensus on a challenge that successive Governments of whatever complexion will have to confront well into the future. In Sweden they succeeded in reaching such political consensus but after 13 years (1984 to 1997)!

Alongside this, or as a substitute, could be measures to make the deferment of a pension attractive. These could apply to the period from age 65 to 70 when the State Old age pension would become payable in full. One option would be to provide an actuarially increased pension for each year a pension is deferred. Such increases may need to be modified if income support, such as unemployment payments, had to be made during that period. It would probably also be necessary to extend invalidity pension cover up to age 70 for this category..A careful analysis of the costs of these measures would need to be made to ensure they would realise real savings in the medium to long term. 'Solidarity payments' (see below) would be payable on both employed and self-employed income as on other incomes.

However, changes in employment conditions might be required, if this approach were to succeed. Employers could be required to offer employment up to age 70. An option for employers would be to deploy older employees to less onerous and or less stressful employment with reduced earnings. This occurs in the USA and at least used to occur in the Irish civil service. It would be necessary to ensure that in any such arrangement, occupational pension entitlements would not be adversely affected.

Funding

It is estimated that a person on the minimum wage can qualify for a pension that is 4 times higher than the contributions they have made during their career. Everyone needs a pension in old age and the current pension rates appear to provide a minimum basic pension. Some, however, as in the example cited would not, for a variety of reasons , have been able to build up an adequate pensions entitlement during their working life as a result. for example, of disability, long periods of unemployment, low wages, caring responsibilities etc.

State pensions are currently provided under social insurance and social assistance. In the case of social insurance significant provision is made for the award of pensions that are not related to the contributions they have made in their own right.. This includes very favourable contribution conditions including credits during a wide range of contingencies, payment of pay-related contributions for flat rate benefits/pensions, provision of allowances for adult dependants, widows and widowers pensions etc. In effect the basis for these provisions is 'solidarity' Solidarity benefits are normally financed out of general taxation paid directly or indirectly by **all** income earners. Under the Irish system of social insurance the cost is borne disproportionately by social insurance contributors – employers and employees. It could be argued that social insurance including these solidarity elements is in many respects a tax on employment..

Social Assistance benefits are by definition means tested. They are fully based on solidarity.i.e financed fully from general taxation. An analysis of the history of social insurance since the 1960s will show that much of the 'solidarity' burden has been shifted from social assistance to social insurance.The extension of social insurance to the self employed was a major example of this. The National Pensions Board in 1988 report on extension of social insurance cover to the self –employed recommended measures to avoid this but for political reasons at the time these were not accepted. To qualify for a social assistance payment a claimant will aim to have the lowest means possible. The effect of this, however, is to penalise thrift (accumulating savings), employment/self-employment (earnings) and honesty (under declaring of income).

Solidarity

The pensions paid to people in old age under this system at current rates are necessary. However, the means for determining entitlements is complicated and the systems for financing the schemes can place unfair burdens on social insurance contributors in particular. It could be helpful if the Commission in its report were to include an analysis, such as that outlined above, to acquaint people with these issues and/or as background to any recommendations it might make on contribution conditions. An analysis of these issues was included in the Final Report of the National Pensions Report that would need, of course, to be updated. The Commission's analysis is likely to show that a tightening of the contribution conditions would mean a loss of entitlements for some, mainly the less well off, resulting possibly in the reduction of their currently minimally adequate pensions.. It is also likely to show that less restrictive conditions on the current basis for entitlement will mean an increased burden on social insurance contributors into the future. Giving the ageing population, is this type of system, as currently constituted, sustainable in the longer term.

One long term approach that could be suggested for consideration would be the progressive phasing in of solidarity funding for all basic pensions. .This could include for example the establishment of a distinct targetted Pensions Solidarity Pensions Fund. The contributions would be payable on all income based on the model of the Universal Social Charge. Over time social welfare pensions, and possibly the cost of care. would be financed from this fund. All persons resident in Ireland would on reaching pension age receive a pension from the Fund which would neither be contributory or means tested. The introduction of basic income is very much in vogue at present. Pensions from a solidarity fund would be akin to a basic income for pensioners. Although means testing would be abolished under this approach, the payments would be subject, as at present, to taxation which is likely to arise where the pensioner has another pension or other sources of income.
Given migration both from and into Ireland provision would have to be made for pro rata pensions related to the period they resided in Ireland. For example, if a person resided in Ireland for 10 years in a career of 40 years they would qualify for a quarter of the full State pension.

Public vs Private

One of the core aims of pension provision in many developed countries is to have a level of pension that enables pensioners maintain a reasonable link with their pre-retirement earnings/standard of living This requires that those on higher earnings have an entitlement to a pension that supplements the basic State pension. Employees in the public sector and certain employees in the private sector have entitlement to supplementary pension cover, in the latter case through private pension provision. However, private pension provision has been unable to provide adequate supplementary pension cover to a significant segment of the workforce, especially to employees in smaller enterprises and the self employed. Such provision could be arranged by the State. Shifting the burden at least in part for the financing of social insurance pensions to a solidarity pension fund, could leave room for contributions to a supplementary income related scheme. As in other countries with State administered supplementary pension schemes,(especially in Sweden) the scheme would be totally self financing. This could also include clear provision that promised benefits and/or contributions would have to be adjusted in the future having regard for increases in life expectancy. The scheme would need to be compulsory, with both public sector and private provision being adjusted to accommodate this. The State through its existing capacity could administer such a scheme, as follows:

- Collection of contributions: these could be collected with income tax and PRSI and would in particular include the self employed;
- Recording of contributions: they could be recorded under the PRSI number which would remain the reference number irrespective of the number of job changes during the course of a person's career;
- Calculation of pensions: This could be undertaken by the Pensions Division of the Department of Employment Affairs and Social Protection on similar lines to that of the State pension.
- Payment of Pensions: The payments would also be made through the Departments payment system, but these payments could be separate from the basic State pensions. State provision of such a scheme is unlikely to be a priority at present but it may be worth flagging as a future possibility for consideration, as the opportunity to raise it may not occur for some time.

Conclusion

The Commission has a very important task to complete which could have a significant impact not just on pensioners but on society as a whole. I hope the above analysis will be of some assistance.

[redacted] (*Retired career civil servant mainly in then Department of Social Welfare.*
Responsibilities included policy on pensions and other long term schemes, including carers, social exclusion, and international dimensions. [redacted]

Contact details should they be required are: [redacted]

Individual Submission 153
08/03/2021

Dear Sir/Madame

Please find attached below link to a research paper published in 2018 [redacted]. Within this paper, which was subsequently presented to various bodies, including the Society of Actuaries, [redacted] calculate and exam the effective tax rate applicable on pension contributions and therefore directly considers the sustainability, equity and cost of the current system,
https://www.esr.ie/article/view/980/197.

In particular, I would like to draw your to the conclusion to the paper, where [redacted] set out the current incentive to save for pension expressed as an Equivalent Government Subsidy per €1 invested, see table below. This table summarises and highlights the generous support given to higher rate taxpayers relative to the considerably more modest incentive for lower earners. This inherent inequity which greatly favours higher earners, is a major weakness of the current pension incentivisation approach and directly impacts on the sustainability and cost of this system. As an example, as you can see, within the current system, an individual who earns €10,000 a year receives €0.01 subsidy for each € invested in their pension whereas an individual who earns €70,000 receives €0.59 for each €1 invested in their pension.

The current system of pension incentivisation via tax relief is also extremely complex and as a result very difficult to fully understand and appreciate (indeed this paper was the first time the net effective tax relief on pensions was accurately calculated). We would favour a far simpler system of incentivisation, a system perhaps akin to an SSIA type system which can be clearly understood and appreciated by all, this paper calls for reform of these basic but substantial weakness of the current system.

Table: Expressing the Net Effective Rate of Tax Relief as an explicit State Subsidy per €1 invested

Salary p.a. (€)	Married Person, one income household		Single Person	
	-		-	
	Best Estimate of	Equivalent Government	Best Estimate of	Equivalent Government

	Net Effective Rate	Subsidy per €1 invested	Net Effective Rate	Subsidy per €1 invested
5,000	-5%	-€ 0.05	-1%	-€ 0.01
10,000	-1%	-€ 0.01	1%	€ 0.01
20,000	-3%	-€ 0.03	25%	€ 0.33
30,000	26%	€ 0.35	26%	€ 0.35
40,000	26%	€ 0.35	49%	€ 0.96
50,000	51%	€ 1.04	42%	€ 0.72
60,000	51%	€ 1.04	38%	€ 0.61
70,000	51%	€ 1.04	37%	€ 0.59
80,000	51%	€ 1.04	36%	€ 0.56
90,000	49%	€ 0.96	36%	€ 0.56
100,000	46%	€ 0.85	36%	€ 0.56
110,000	43%	€ 0.75	36%	€ 0.56
120,000	41%	€ 0.69	36%	€ 0.56

I hope this paper is of assistance to you in your consultation process. If you would like any further information or input, please just let me know.

Kind regards

[redacted]

[redacted]

Individual Submission 154
09/03/2021

Hello,
I'm writing to give my comment in relation to pension in Ireland.

I'm from German and working in Ireland since 2002. In April 2022 I'm going 65. My working contract will end with my age of 65, in April 2022. There was no other option to arrange the working contract as this was a requirement of the company.
Under the current regulation I'll get the State pension only from 2023. (this was previously even from 2024)
As far as I know for my age from 65 (end of contract) till the age of 66 (till beginning of State pension) I'll get only something of job-seeker benefit.
For my opinion this is not fair as I was working over years and I reached the full PRSI contributions as requested for full pension.
When the people were working over many years to reach the requested contributions and to be entitled for full pension, this shouldn't result in any reduced pension payment as it will under the current regulations.
Even when I think about my wife, she would get that job-seeker benefit from age 65 to age 66. Afterwards she would be even without any income for at least one year, maybe even two years. This is not as any person should be after working the full life.

Thanks
[redacted]

Individual Submission 155
08/03/2021

Pensions Submission

Several questions need to be addressed when considering the future of the state pension

- What is the state pension?
- Who qualifies?
- What is the rate of payment?
- How is it funded?
- How do you transition to a new system?

Communication is key in this process. Disingenuous comparisons between the funding of and benefits from state and private pensions should be avoided. Being honest and truthful no matter how unpalatable the message is what people need to accept the reality of this situation but ignoring perceptions such as 'I have already paid for my pension through PRSI' or the facts such as the 20bn fund put aside a few years ago for pensions was raided to keep the lights on in the crash will not help to convince people of the justness of a new regime.

People are living longer than previously and with better health. But that does not mean that after 40 or 50 years of work everyone is fit enough to carry on into their twilight years working to the same intensity especially in a rapidly changing work and societal environment.

As a person nearing state retirement age who has witnessed the retirement and death of my preceeding generation, I have seen that the needs of older people decrease over time and they do not require the same level of income at, say, 80 as they do at, say, 65. In general, they do not want to have to worry about things like heating, electricity and health bills, but discretionary spending decreases.

<u>What is the state pension</u>
Most people would think that it is some return for working and paying tax. People think their own PRSI contributions fund their pension even though this is not the case. The state pension has been broadened to include people who weren't paying taxes in this way to recognise work done outside of the employment environment.

So, is the state pension now just a social welfare payment to older people with little reference to working lives? I think it is becoming so and we need to recognise that fact.

<u>Who qualifies</u>

In the scenario above, everyone qualifies for some payment after a certain age regardless of their work history or personal circumstances.

What is the rate of payment

Rather than everyone receiving the same payments a number of payments might be required. All payments should be taxed.

A low basic payment adjudged to cover the essentials might be paid to everyone, 'The Old Age Benefit' (OAB). If possible, heating costs, power, health costs etc could be provided by the state with presumably economies of scale.

Extra means tested payments might be required for those in difficulty for some reason.Social Welfare is used to these type of situations.

A separate work history related payment could be paid at a rate strictly proportional to contributons made in a linear fashion, not in bands. If we move to a compulsory pension enrolment system this payment would not be required when the new system is fully implemented.

Payment increases should be taken out of the hands of politicians who we have seen are readily swayed by the potential of the 'grey vote'. If this cannot be done, any changes to payments should be accompanied by law with the explicit specification of where the increased funding comes from.

Payment increases should be automatic, never decreased but linked to changes in the CPI.

How is it funded

If we move to a compulsory work pension system, then in the long run we would just need to fund the OAB above.

In any case, funding will have to come from central taxation, as it does at the moment. In the 80s we were certiainly paying at 58% income tax and I seem to recall 65%.

However, a source of taxation which could be tapped in a fluid way (increasing as required) is from Inheritance Tax. The bands could be reduced and the taxation rates increased to fund the pension system. Safeguards could be put in place as they are at the moment to pervent asset dumping to avoid the tax.

How do you transition to a new system

First, certainty must be provided to everyone and commitments made, adhered to.

Sudden changes such as the proposed moves to 66, 67 and 68 increasing every 7 years to qualify for the state pension belong to an era when it was difficult to calculate things. There is no reason why, if a qualification age needs to be raised in cannot be done incrementally with a rolling annual increase.

A path should be set out with milestones for changes over a period of many years. The flexibilities required to meet increases in costs should be identified to everyone in advance as parameters such as increased general taxation or inheritance tax tweaking.

Individual Submission 156
15/03/2021

State pension should be given at age 65. People have worked all their lives and paid tax etc. I have worked all my life since the age of 15 and should be entitled to wind down and enjoy the rest of my life and therefore think I should be entitled to get the state pension at this age. It is also giving the younger people the opportunity to take ejob and give them a chance rather than making people work longer unless that is their choice. I really feel very strongly about this and hope that they will listen to people who have kept this country going through thick and thin.

Individual Submission 157
08/03/2021

Submission to Pension Commission

1. Pension Age

   In 1970 the Pension age was 70 years of age. In recognition of the fact that many workers were required to retire from insurable employment at age 65, the Government of the day introduced a Retirement Pension Scheme. While the qualifying conditions for this pension were similar to the qualifying conditions for receipt of the Pension at age 70, it was only payable on verification from the employer that the person concerned had actually retired.
   Over the following years the Government reduced the pension age from 70 to 69,68,67 and 66, which eroded somewhat the relevance of the Retirement Pension until it was eventually subsumed into the general Pension scheme at age 66, and the requirement to retire from insurable employment ceased to be relevant.

   In light of the emerging sustainability challenges surrounding the State Pension perhaps consideration should be given to introducing a Scheme similar to what was Retirement Pension at age 65, with a similar retirement condition, and setting the "Pension" age at
   70 or higher. In this way workers who wish to retire at age 65 or who, because of work contracts are obliged to retire at age 65 could do so in the certainty that they would receive their full pension entitlement.

2. Contribution Conditions

   The contribution conditions for Pension and the pension entitlement should reflect the total number of years a person has contributed into the Social Insurance Fund. In other words, a full pension should reflect a 35/40 years contributing to the Fund and there should be a sliding scale of payment for reduced number of years contributing. In addition, persons who work beyond age 65 should continue to contribute to the Fund and perhaps increase their eventual pension entitlement through these contributions.

3. State Pension Non-Contributory

   While the requirement for a non-contributory State Pension scheme in the past was obvious, especially when it came to providing for persons who spent all or most of their working life in self- employment or farming, the need for such a scheme into the future needs to be reviewed in light of the fact that social insurance for the self- employed has been in place since 1979, over 40 years. Such a review would identify who is receiving this payment and why and perhaps identify a more suitable Scheme to cover any needs they may have.

Given the sustainability issues surrounding pensions into the future it is hard to support the continuation of State Pension Non-Contributory at a rate similar to the State Pension Contributory, for persons who have never contributed to the State or contributed very little over a working life time. To the best of my knowledge, no other EU Member State has such a Pension Scheme.

[redacted]
Ex Department of Social Protection

Individual Submission 158
08/03/2021

[redacted]

PENSION COMMISSION PAPER

What do you expect from State Pensions?

We are future pensioners aged 59 & 57 and have been married since 1989. We have both retired from our full-time managerial office careers on our respective company pensions, which are final salary schemes. Neither of us have completed the full number of years for these schemes.

Having both worked in the UK for a period of time, our pension contributions to date mean we will not receive a full State Contributory Pension (SPC).

We are both currently availing of the voluntary contribution scheme to increase our contributions.

We are looking forward to receiving the State Pension in due course, to supplement our reduced private pensions.

What's working with current State Pension arrangements?

The present level of State Pension appears adequate and should be maintained, with increases for inflation, to maintain a modest life style.

What concerns you with respect to current State Pension arrangements?

General lack of awareness and understanding from the workforce of how SPC is calculated and eligibility, resulting in many pensioners being surprised and disappointed in discovering that they are not due to receive the full SPC on their retirement date.

It is our belief, from talking to people that they are not aware that in certain circumstances there is an opportunity available to address any potential shortfalls in pension contributions, through the Voluntary Contribution scheme.

Availing of this scheme allows funding to the Social Insurance Fund (SIF), and could help reduce the funding required to support some pensioners through the non-contributary pension system (SPNC) in bridging the gap for them to receive the optimum pension available.

1. Calculating - Average System v Total Contributions

It is our view that many workers do not have an understanding on how to calculate their potential SPC based on their contributions, their entry work date and their expected retirement date, and this has caused much surprise and stress when their retirement date arrives.

As recognized by the government, following much media publicity, and the term "bonkers" being used, it was agreed that the average system used in calculating an individual's pension can be unfair to some, and that the total contribution system would be preferable for some applicants.

Using the average system someone who starts working in Ireland at a later date could be entitled to a bigger pension, than someone who started work when leaving school, leaves the workforce temporarily to either raise a family, become a carer or choose to travel, and then returns back to the workforce. As we understand, both systems are being applied currently, giving the applicant the choice.

The Commission needs to set out clearly as to whether the Total Contribution Approach is to replace the Average system, the timeframe that this will happen, and when it will apply in full.

This is important so that future retirees can plan their potential financial value of their State Pension, and that there are no surprises. The Commission also needs to determine the total qualifying years needed in order to receive a full pension. Obviously the longer the period will reduce the cost from the SIF, 35 years v 40 years. In the UK the qualifying years is 35, but it is noted that their weekly pension is lower that the Irish pension.

2. Eligibility – Age, Minimum Contributions, Credits, Accessing Pension

As became evident last year many people had no idea that the pension age was to increase to 67 effective 2021, and caused so much negative publicity and a big election issue that it now has been revised back to 66.

The Commission must ensure that whatever is decided with any changes to the State Pension, that it must have buy in from all parties, be fair and equitable and communicated to the general public, with particular emphasis on those within at least 10 years of their retirement date. Otherwise, all the planning and work, financial estimations etc. will be futile. If people are informed it will help all to plan for their future income and sustain the system that is implemented.

Given that the main age that one has to retire within the private sector remains at 65, our view is that the pension age should be 65. The scrapping of the Transition payment in 2014 causing many to sign on for their pension was an incorrect decision, causing much stress and anxiety by many. The introduction of the new Benefit system to bridge the gap from 65 to 66, whilst welcome, only adds another layer of form filling etc., without significant financial benefit to the State.

It is imperative however that employees should be allowed to work beyond 65 should it suit both employee and employer. PRSI contributions should continue to be paid in full, which will provide funding to the SIF. If one chooses to continue to work full time then they should not access their SPC.

3. **Application Form / Statements (Current, Future & Final)**

The current application form (SPC1) appears very long and complicated.

Pension contributions credited and paid for every worker are held centrally with Social Welfare and readily accessible on MyWelfare.ie. The total of these contributions is reflected on an applicant's final statement and will determine the value of their SPC.

Any approved carer or homemaker credits should also be recorded centrally and included in their pension contribution statement, at the time of approval and visible on their pension contributions statement on MyWelfare.ie.

A forecast statement of SPC should be made available to every worker based on current pension contributions and rate, such is available in the UK.

Greater communication needs to be made to educate workers how to access their pension contributions statement on an ongoing basis.

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

Time taken off work to raise a family or provide long-term care should be taken into account when calculating SPC. This acknowledges the unpaid work of raising a family and the savings to the State in respect of the cost of long-term care.

This should be in the form of additional credited contributions and be included in an individual pension statement, readily available on MyWelfare.ie.

Continue with the existing policy of awarding homemaker or carer credits, subject to a maximum of 20 years.

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

Pension Age

Pension age should be 65 for all genders and professions.

Working after 65

Those who wish to continue working full-time after normal pension age should be allowed to do so, if agreed by both parties, employee and employer.

They should not claim their SPC, given they continue to be paid their full-time salary.

They should continue to pay the same rate of PRSI as those under the age of 65, and the employer should continue to pay their contribution.

If they have reached their maximum entitlement, e.g., 40 years, they should still pay the full rate whilst working.

Should someone continue to work on reduced hours, less than 20 hours per week, after retirement age they should be allowed access their State pension.

Additional Voluntary Contributions (AVCs)

To build up contributions to qualify for a fuller or maximum SPC, workers should be allowed to buy AVCs at any time, the current rule to restrict applications within 5 years of employment or homemaker should be scrapped.

Signing on for Pension Credits only

The current practice of signing on for pension credits, with a requirement to sign on once a year, with little or no follow up, should be time limited. One should be required to provide regular evidence on job seeking / approved course participation to receive credits. Credits cost the SIF.

If you have insufficient credits for a full SPC, an individual can apply for the non-contributory pension (SPNC) at retirement age, which should be means tested, or should be given the opportunity to buy credits through the Voluntary scheme.

Increase PRSI Rates

In order for the SIF to continue to be able fund the State Pension, consideration should be given to increase the current PRSI rate, with the increase solely focused on State Pension funding.

It is our view that the State Pension is integral to our society and most workers would be supportive of paying additional PRSI to ensure that it is funded and available both now and in the future.

As is noted a lot of workers today work in the gig economy with no private pension, or pension support from their employer. This is more reason for the government to take on the role to ensure that all future retirees have an adequate income to support them, and that it is imperative that funding is collected by whatever means necessary now and in the future.

When the SIF grows it should not be raided to fund any shortfall in the economy that might arise. Civil Servants have the comfort of a secure pension, all workers need to have the same comfort from the State Pension, with a secure knowledge of when they will receive the pension and the expected value of it.

The Minister has already indicated the rate of SPC should be maintained.

By 2051 the number of working age people to pensioners has reduced from 5 to 2.3, effectively halved. Simply put, the SIF would need to be doubled.

We believe an increase would be acceptable to most workers if they could see it was being put towards their future pension entitlements.

This could appeal more to workers than being forced into a private pension plan, through auto enrollment, where there would be no guarantee of size of pension at the end.

Cost of AVCs should be adjusted to the same cost as an employee or self-employed person.

<u>Sustainable Reform Proposals</u>

State pension age should be 65.

A 40-year total contributions scheme should be adopted.

Homemakers and carers should qualify for a maximum of 20 years contributions.

If an individual has a shortfall of credit contributions for a full pension then they should be offered the opportunity to purchase credits under the voluntary scheme, which in turn benefits the SIF. This should not be time limited.

Pension statements and forecast statements should updated and readily available on MyWelfare.ie. These should include homemaker and carer credits.

Raise PRSI to pay for maintaining the SPC at current rate and index link to inflation.

Individuals should be allowed to continue to work after state pension age, if they choose to do so.

Full PRSI contributions to be paid for those choosing to work after 65. If working full time, SPC should not be paid. If working part time, subject to a maximum of 20 hours per week, SPC should be paid.

SPC is paid out of the SIF. We do not believe that any consideration should be given to changing the unemployment rate based on PRSI contributions. The current policy of the same rate for all is currently accepted by all parties. changing it to accommodate higher salary earners will cost the SIF fund unnecessarily.

Credits = Money
If an individual chooses to retire early, prior to the state pension age, on a private pension, then they are currently permitted to claim unemployment benefit /credits for a period of time. In order to continue to receive credits after one year, there should be a more rigorous requirement to provide evidence of seeking work on a regular basis.

Individual Submission 159
09/03/2021

PENSIONS COMMISSION

PUBLIC CONSULTATION ON SPC - 2021

[redacted]

[redacted]

8 March 2021

[redacted]

CONTENTS: PAGE

1. INTRODUCTION

We are private individuals and do not represent any social or political group.
We are approaching retirement age, and like many other people our age, we have mixed employment histories. The safe secure job, time out for childcare and care of ageing sick parents, short term employment in precarious industries, time out for further education, self employment, part-time employment, unemployment in recessionary times, and periods of ill health.
For the last 20 years we have kept a close eye on the pension landscape, hoping to get some certainty on what we might expect to have to live on in our old age.
Every year our queries to the DEASP have met with uncertainty: "We don't know … it depends …changes are coming." Finally we hoped to get some certainty after the Government's 2018 public consultation process on the "Total Contributions Approach to be designed for the periods from 2020."
Unfortunately, none of the analysis or outcomes of this process were ever published. It seems that the outcomes of the 2018 public consultation have been simply set aside. In response to a recent request to the DEASP for this information, we were informed that this is now the remit of the Pensions Commission and we were advised to submit our views to you.

We are on the brink of becoming pensioners yet have no idea how our pensions will be calculated, and have no certainty about what income we will live on.

2. THE DIRECTION OF CURRENT POLICY

Our personal experiences of mixed precarious employment will be the norm in the future.

Our concern is not just about our own old age, we are also thinking of the next generation, our adult children. In addition to a prevailing culture of short term employment contracts, young people face the almost impossible challenges of obtaining secure accommodation and facing the rising costs of housing and childcare.

We are very concerned that a persistent public narrative has developed which tells workers in the private sector that as more of us get older, the money is running out, and we must cut our cloth by a longer wait for our pensions, harder conditions to get pension payments, increased PRSI payments, the loss of other social benefits, or a combination of all these. Worse still, the threat is that if we don't do this, our children will lose social benefits or pensions.

It is of particular concern that this discourse is couched in threatening language - "pension time-bomb" etc. It seems that State Pension Contributory (SPC) pensioners are being singled out to take all the pain for the consequences of an ageing demographic.

It is also worrying to see the increasing role and influence of the private pensions industry in determining public pension policy.

3. ACHIEVING SUSTAINABILITY

Reform of the SPC will not succeed without broad public acceptance. Any new pension system must be demonstrably fair and equitable in the context of the whole of society.

The Pensions Commission has been tasked with making recommendations on the social and fiscal sustainability of proposed pension reforms. It is critical that these two objectives are properly balanced.

There will be additional costs to be managed as the ratio of older people increases, but people need to know that this money is going towards a better and more socially fair system, if they are to accept this.

If real social sustainability is a genuine priority and public finances are managed and redistributed in an equitable manner to achieve this, then financial sustainability will follow.

A lack of social equity would represent a stumbling block to sustainable pension reform.

What works about the current SPC is its proven track record at keeping older people out of risk of poverty, and the certainty it gives to people facing old age. Any new pension reform must achieve an equivalent level of certainty and public trust.

The trajectory of recent reform proposals has placed a huge emphasis on strengthening private pensions in the third tier, while at the same time making it harder to get pensions in the first tier ie. the SPC. This imbalance threatens people's security in old age, and shifts all risks to the individual. People can see where this policy direction is leading. The level of public concern about pension changes was starkly demonstrated during the last General Election when many politicians and commentators were surprised at how strongly pension issues heavily influenced many voters choices.

Decisions now need to be made in a fair and balanced way with concern for social equity and the well-being of the individual citizen at the heart of the process. We believe a revised funding model is necessary for the SPC, if the right balance of social and financial sustainability are to be achieved. If this is not done, pension reform is likely to be short lived and subject to change after the next Election. Without broad public acceptance, pension reform will not succeed.

4. CHANGING PENSION CALCULATION METHOD TO TOTAL CONTRIBUTION *APPROACH (TCA)*

The Programme for Government commits to introducing a Total Contributions Approach

(TCA) as a new way of calculating pension payments for people receiving the State Pension Contributory. The Government is relying on the Pensions Commission for recommendations on this.

This is one of the most important recommendations the Commission will make to Government and the final design of this new system will have significant long-term consequences. This recommendation will affect not just one year in a person's life - it will have major implications on how hundreds of thousands of people will survive financially for the rest of their lives.

It is therefore surprising that, as part of its' consultation process, the Commission does not provide any detail on any proposed designs for a new TCA system. Nor are there any specific questions on the TCA in the Commission's consultation survey.

5. COMPARISON OF IMPACTS: Current system vs 30-yr TCA vs 40-yr TCA

The Government plan to abolish the current Averaging system and replace it by a new TCA system. It is assumed that a TCA system will be based on either a 40-year TCA as proposed in the 2018 Pensions Roadmap, or a 30-year TCA as proposed in the 2010 National Pensions Framework.

The consequences of these proposals are significant:

1. These changes, if implemented, will bring immediate losses and thousands of people are likely to get drastically reduced pensions compared to what they can receive under the present Averaging system.

2. Comparing pension payments for individuals under a 40-year TCA against the current Averaging system, the scale of pension payment reductions will be

staggering - with cuts of up to 50% in people's pensions on the cards. See Table 1.

3. Comparing pension payments for individuals under a 30-year TCA against the current
Averaging system, there will also be significant losses of income - with cuts of up to 33% in people's payments. See Table 1.
4. Table 1 also demonstrates that the 40-year TCA results in a consistent reduction of 25% in pension payments relative to the 30-year TCA.

TABLE 1 - COMPARISONS - AVERAGING v TCA SYSTEMS Calculations based on current 2021 full pension rate of €248.30					
TYPICAL EXAMPLES	CURRENT AVERAGING SYSTEM	30 YEAR TCA Each year of paid PRSI gives c.€8.28 per week		40 YEAR TCA Each year of paid PRSI gives c.€6.21per week	
	AMOUNT	AMOUNT	LOSS	AMOUNT	LOSS
10 years paid contributions (520 PRSI)	€99.20	€82.76	-€16.44 (16.6%)	€62.08	-€37.12 (37.4%)
15 years paid contributions (780 PRSI) calculated at yearly average of 16 years	€161.80	€124.15	-€37.65 (23.3%)	€93.11	-€68.69 (42.5%)
17 years paid contributions (884 PRSI) calculated at yearly average of 21 years	€211.40	€140.70	-€70.70 (33.4%)	€105.53	-€105.87 (50.1%)
20 years paid contributions (1040 PRSI) calculated at yearly average of 22 years	€211.40	€165.53	-€45.87 (21.7%)	€124.15	-€87.25 (41.3%)
26 years paid contributions (1352 PRSI) calculated at yearly average of 30 years	€223.20	€215.19	-€8.01 (3.6%)	€161.40	-€61.80 (27.7%)
30 years paid contributions (1560 PRSI) calculated at yearly average of 33 years	€223.20	€248.30	+€25.10 (11.2%)	€186.23	-€36.97 (16.6%)
36 years paid contributions (1872 PRSI) calculated at yearly average of 41 years	€243.40	€248.30	+€4.90 (2%)	€223.47	-€19.93 (8.2%)
40 years paid contributions (2080 PRSI) calculated at yearly average of 49 years	€248.30	€248.30	€0.00	€248.30	€0.00

Note: The above examples show people who made their first PRSI contributions between 42 and 48 years before pension age of 66.			

40-YEAR TCA -SUMMARY

It is clear that the previous Government intended to use the 40-year TCA solely as a means of saving money. The previous Minister for Social Protection confirmed this during the last General Election campaign : *"So the total contributions model is going to change how we calculate everybody's pensions and the averaging system will go and that will shore up probably about €3 billion worth of savings."* (Regina Doherty on Prime Time 23/1/2020). In reality these "*savings*" will turn into significant losses for hundreds of thousands of pensioners for the rest of their lives.
A system that will leave thousands of people facing inadequate incomes, cannot achieve social sustainability. A 40-year TCA will introduce long-term inequity and unfairness into the pension system.
Once the full implications of this system are known to the public it is unlikely to be viewed as a balanced reasonable policy, and so will not achieve widespread support.
In the longterm, an inadequate pension system is likely to deepen social exclusion and put additional pressures on the social welfare system.
The majority of the political parties and many significant representative social groups are against a 40-year TCA. These include FF, The Green Party, SF, ICTU, The National Women's Council, Social Justice Ireland, and Age Action.
A 40-year TCA will become a major roadblock in achieving a sustainable pension system.

30-YEAR TCA - SUMMARY

On the basis that a reasonable transition period is allowed, a 30-year TCA would provide a better chance for most people to achieve a decent pension.
A significant number of political parties and representative social groups such as ICTU, the Women's Council, Social Justice Ireland and Age Action favour this option over a 40year TCA.
This system is more likely to be seen as a balanced and reasonable option. It more realistically reflects the reality of the modern labour market, as well as the other demands on people's time over the working-age lifetime.
While creating efficiencies, it is more likely to gain widespread public acceptance.

6. NEED FOR TRANSITION PERIOD

In moving to any new TCA system it is clear that many people will suffer income losses. The options for an ordinary person to make up for any loss in the SPC are limited. The ability to save consistently is impacted by a range of life events, and under any typical private pension scheme a very long lead-in time is required to significantly boost a pension.

Strong safeguards must be guaranteed for those now in their 50s to mid-60s who are approaching retirement age and have little capacity to make alternative plans. Without a guaranteed transition period, people will face a financial cliff-face on retirement.
People need security of mind in making their retirement decisions. KPMG in their last published Actuarial Review of The Social Insurance Fund explored the use of a guaranteed phase-in period to any new TCA. (1)
In the interest of fairness and achieving public acceptance we believe that the Government must allow a phase-in period of 10 to 15 years.
It is worth noting that reforms designed to address the sustainability of Civil Service pensions, such as the "Single Scheme", take a very long-term view. The savings benefits from these reforms will not materialise until after 2050 when those recruited since 2013 become eligible for retirement. (2)
Without a reasonable transition period, it is likely that a crisis roadblock to pension reform similar to that created by the ill-considered 2012 pension rate band changes, will be unnecessarily created.

7. LOOKING AFTER CARERS

The Commission is expected to make a key recommendation to ensure that people who take time off work to care for loved ones are not disadvantaged. In addition to people taking time off for parenting or minding ageing family members, this should also include provision for those whose work is long-term unpaid caring - such as parents or family members of people with special needs or disabilities.
It is vital that home-care credits be made available under any new TCA system. It is worth noting that if the Government chose to introduce a Universal Pension system, all those who provide care for others would automatically be recognised in their own right. There would be no requirement to qualify via compulsory PRSI payments and these people would be adequately looked after in their own old age.

The rationale consistently stated by the previous Government for moving to a 40-year TCA instead of a 30-year TCA model as set out in the 2010 National Pensions Framework was that their 40-year TCA proposed an allowance of 20 years home-care credits, whereas there was a cap of 10 years in the 30 year TCA model.

In 2015, KPMG examined a range of detailed TCA scenarios as set out in the 2010 National Pensions Framework. These included a number of 30-year TCA scenarios with no pre-1994 limit on home-care credits. (1)

In 2018 the then Minister of Social Protection claimed that their 40-year TCA would be
"much more beneficial" to carers than the 2010 model (30-year TCA) which she said *"produces significantly worse outcomes for women"*. (3) This statement is misleading

and incorrect as it chose to compare the 40-year TCA with a restricted version of the 30-year TCA which did not allow home-care credits prior to 1994.

To clear up any remaining misinterpretations, Table 2 sets out a range of comparisons showing how people with the same number of home-care credits fare under the two TCAs.

TABLE 2 - HOME-CARE CREDITS - TCA COMPARISONS

PRSI CONTRIBUTION YEARS	HOME CARE YEARS	30 YEAR TCA CAP OF 10 YEARS ON HOME CARE CREDITS	40 YEAR TCA CAP OF 20 YEARS ON HOME CARE CREDITS	ADVANTAGE OF 40-YEAR TCA
10	20	€165.53	€186.23	€20.70
11	20	€173.81	€192.43	€18.62
12	20	€182.09	€198.64	€16.55
13	20	€190.36	€204.85	€14.49
14	20	€198.64	€211.06	€12.42
15	20	€206.92	€217.26	€10.34
16	20	€215.19	€223.47	€8.28
17	20	€223.47	€229.68	€6.21
18	20	€231.75	€235.89	€4.14
19	20	€240.02	€242.09	€2.07
20	20	€248.30	€248.30	€0.00
				Average €10.35

The above Table shows that in a fair comparison the maximum advantage of the 40-year TCA system is €20.70 a week, and the average advantage is €10.35 a week.

CAPS ON HOME-CARE CREDITS

There is no reason why any proposed 30-year TCA should be restricted to a 10-year cap on home-care credits. In the 40-year TCA proposal, home-care credits are allowed for half of its life-span ie: for 20 years. If we apply the same proportion to the 30-year TCA ie. 15 years of home-care credits, and compare the two systems, the results produce significantly better outcomes for women and carers under the 30-year TCA.

TABLE 3 - HOME-CARE CREDITS - TCA COMPARISONS				
PRSI CONTRIBUTION YEARS	HOME CARE YEARS	30-YEAR TCA CAP OF 15 YEARS ON HOME CARE CREDITS	40-YEAR TCA CAP OF 20 YEARS ON HOME CARE CREDITS	ADVANTAGE OF 40-YEAR TCA
10	20	€206.92	€186.23	-€20.69
11	20	€215.19	€192.43	-€22.76
12	20	€223.47	€198.64	-€24.83
13	20	€231.75	€204.85	-€26.90
14	20	€240.02	€211.06	-€28.96
15	20	€248.30	€217.26	-€31.04
16	20	€248.30	€223.47	-€24.83
17	20	€248.30	€229.68	-€18.62
18	20	€248.30	€235.89	-€12.41
19	20	€248.30	€242.09	-€6.21
20	20	€248.30	€248.30	€0.00
				Average -€19.75

The above Table shows that in a comparison there is no advantage to home-carers under the 40-year TCA. By contrast, a consistent disadvantage is revealed. The maximum disadvantage is €31.04 a week, and the average disadvantage is €19.75 a week.

8. PENSION AGE

The rationale for increasing the eligibility age for the SPC rests on two main considerations:

1. A Government objective to encourage people to work later because of increased life expectancy

It makes sense to give people the opportunity to work later in life and many may wish to do so, for the enjoyment of their jobs and to continue to earn more. However people should not be forced to do so, or penalised if they don't. Extended life expectancy does not equate to an extended ability to work. Many people are not in a position to work longer, because of the physical or stressful nature of their jobs, or because of ill health where their quality of life is restricted. Others, currently in their 50s and 60s, have made plans over many years to retire in their mid-60s and the clock has run out.

To be fair to all and facilitate different options we recommend the following:

- Lower the SPC age to 65 or keep it at 66 and ensure that any benefit payments to 65 year olds are available to all people who turn 65.
- Extend compulsory retirement ages in private employment contracts to a later date, such as 70, if necessary.

This will give choice to all parties. In a similar way, the 2018 changes to the Public Service Superannuation Scheme allow civil servants to choose to work until they are 70, or to retire at 65 and receive their full pension. Fairness and equality of choice is key.
The above recommendations provide for equity between different groups of people in society and give dignity to people. They fulfil the Government objective in their programme for government of providing a *"dignified retirement"*, and *"greater security for individuals .. founded on the principle of equality"*. (4) The public perception of equal treatment for all groups in society would help greatly in achieving public buy-in and provide a strong foundation for the social sustainability of pension reform.

2. Saving money from delayed expenditure

If some people choose to work later and defer taking their pension this will deliver savings for the State.
For those who have to or choose to retire at 65 the Government promised a benefit payment for 65 year olds to bridge the gap between retirement and the SPC age. It appears that the savings to the State in giving this benefit instead of a pension are being achieved by:

- Targeting only a specific group of people with certain PRSI conditions
- Giving a lower rate of payment than the SPC by aligning it with the jobseekers payment.

The benefit payment is by no means universal. It is widely reported that many 65 year olds are not eligible. If the principle of equity is to be upheld, this benefit payment must be available for all those who turn 65 and choose to retire.
The Policy Context document provided by the Pensions Commission provides an estimated figure for costs if the pension age increase is deferred. It is not clear what the real net saving to the State is. Has the cost of the benefit payment for 65 year olds been accounted for in these figures? What is the impact of other social welfare benefits that come with the SPC? There is no source attributed to the estimated amounts.
The amount of money to be saved from raising the pension age is therefore unclear. Public reaction to proposed increases in pension age is very negative, as was evident from the success of the STOP 67 campaign during last year's General Election. If public buy-in is to be achieved for any proposed changes, these must treat people with dignity and be clearly equitable.

8. THE ROLE OF THE PRIVATE PENSIONS INDUSTRY

While the scope of the Pensions Commission work is limited, it is essential that if its' recommendations are to be relevant, they must take into consideration the effect of other Government proposed pension reforms and policies, as these may have major impacts on the social and financial sustainability of the SPC.

A. Placing all the risk on the individual

The State has an obligation to provide for its citizens in their old age. When the State invests public money for pension purposes it is spreading the risk across society and over a long term. In this scenario the individual has the dignity of knowing what pension they will receive, and the "social contract" maintains the trust of the public. By contrast, the Government's plans for Automatic Enrolment oblige the individual to take on all the risk, without any guarantee of what pension they will receive. A person retiring during a recession will have to live off a smaller pension than others retiring in boom time.

This will promote inequality and make more people dependant on the SPC.

B. Social inequity - state money used to favour the better off

In terms of social equity the current very generous tax reliefs available for private pensions benefit the people who need it least, those who pay tax at the higher rate, the better off in our society. It is estimated that nearly three quarters of pension tax relief benefits only the top twenty per cent of income earners. (5) This amounts to billions of euro every year. Besides being seen as an inefficient and unequal use of tax resources, this is regarded as "upside down" thinking by many social policy experts.

C. The potential inadequacy of private pensions to middle income earners

Middle income earners are at a disadvantage, as the lower level of tax relief they receive means that they pay lower contributions and are less likely to achieve adequate income replacement from their savings. (5)

This in turn means they are more reliant on the SPC.

D. Inability of lower income earners to maintain a place in Auto Enrolment

Lower income earners are unlikely to be able to sustain savings in this system, as they will already be paying PRSI, and face expensive life events such as housing, weddings, and childcare costs. There is little room for any consistent saving for this group. They are likely to opt out of the Auto Enrolment scheme and will entirely rely on the SPC.

E. Divert private pension tax relief to sustain the SPC

The Auto Enrolment system includes a commitment to top-ups from public funds into individual defined contribution schemes, with no guarantee of what final pensions will be. The only guarantee is that the private pension companies will make money on their products, representing a welcome and very substantial windfall for them.
Private pension schemes do not have a good record of providing adequate returns for middle and lower income earners. The millions of euro of public money diverted into private pension schemes would be much better spent on strengthening the financial and social sustainability of the SPC.
People are concerned as to why so many billions of euro of tax is lost to a private pension industry which most benefits those with the least need. It is perplexing to see the constant emphasis by Government on increasing the role of the private pensions industry in providing "retirement income adequacy".
Groups such as the National Women's Council, Social Justice Ireland, Age Action, the Green Party, Sinn Fein, People before Profit, to name a few, have all expressed concern at about this apparent policy direction - particularly where no guarantees of protection against poverty will result:
"Between €2bn and €3bn every year is lost to the Exchequer due to the tax exemptions afforded to private pensions. Rather than entrenching wealth for the few, we feel that these taxes would be better spent ensuring sustainability of the state pension and fulfilling the promise of the 2010 National Pension Framework that "so that everyone can look forward to retirement".
GREEN PARTY - Submission to the Department of Employment and Social Protection on the
Proposed Total Contributions Approach - September 2018
"There is a need to ensure redistribution from higher to lower income groups in the financing of pensions and the structure of pensions in payment....
The projected costings of €700 - 800 million to deliver on an auto-enrolment scheme would be better targeted at achieving adequacy in the first tier."
NATIONAL WOMENS COUNCIL IRELAND - Submission to the Department of Employment and Social
Protection on the Proposed Total Contributions Approach - September 2018

"Increasing the role of private pensions, as is being done through auto-enrolment, increases the risk that those in less advantageous labour market positions will not achieve adequate retirement income. It is more typical for women to combine periods of employment with time out of the formal labour market. Therefore any increase in the link between employment and pension entitlements has more potential to negatively impact women than men, even with an allowance for credits."
SOCIAL JUSTICE IRELAND - Submission to the Department of Employment Affairs and Social Protection - Total Contributions Approach - September 2018

"We find a concentration of tax supports for contributions in the top quintile of the income distribution, with around 75 per cent of tax expenditure supports flowing to individuals in this income category. In nominal terms this group receive some €868 million of tax support per annum; it is as if the current system targets those who need least support…

More broadly, as pillar 1 welfare pensions are the most important source of retirement income for the great majority of pensioners, an objective of policy should be to establish a better balance in the distribution of public resources to focus them on low and middle income earners, who need them most, and significantly reduce tax reliefs for the highest earners, who need them least."

Micheál L. Collins UCD & Gerard Hughes TCD - Policy Paper - Supporting Pension Contributions
Through the Tax System: Outcomes, Costs and Examining Reform - The Economic and Social Review, Vol. 48, No. 4, Winter 2017, pp. 489-514

"Defined contribution leaves the individual responsible for investment decisions when they are unlikely to understand the risks. ….

Depending on the terms of auto-enrolment workers are likely to be excluded if they are working part-time or in poorly paid employment. More women than men fall into these categories. ….

If employees are being asked to save more for their pensions through auto-enrolment, then gender; taxation and the value the government are getting in return for subsidising private pensions; and the positive attributes of public management of pensions must all be part of the debate. To frame the discourse without these missing elements is to follow rather than challenge conventional thinking about reform of the Irish pension system. "

Dr. Michelle Maher - Maynooth University. - Some Missing Elements in the Pensions Debate
19/05/2017. - https://www.tasc.ie/blog/2017/05/19/some-missing-elements-in-the-pensions-debate/

10. SOCIAL INSURANCE FUND - THE ONLY SOURCE OF SPC FUNDING ?

There is a persistent public narrative which suggests that the SPC can only be funded from the Social Insurance Fund in its current form. This narrative suggests that as the population ages, the money from this fund has to be spread more thinly, resulting inevitably in shrinking pensions for many.
The Commission has been asked to address the sustainability of the State Pension and the Social Insurance Fund. However this remit has been limited to addressing the SPC's sustainability solely in terms of a number of criteria relating to pension benefits.

It is a matter of serious concern that the Commission's remit does not appear to extend to examining pensions funding within the context of wider Government spending.

In order to truly and fairly examine the fiscal sustainability of the SPC, it is vital that the Commission does look at the bigger picture. If it does not do so, the Commission is in danger of being placed in the position of merely justifying and providing "window dressing" for unpopular and unjust Government policy decisions.

The Social Insurance Fund pays for all social welfare benefits. The range of benefits have increased progressively over recent years, meaning more money is and will increasingly continue to be drawn out for purposes other than the SPC. Despite this the Social Insurance Fund was in surplus until the recent drawdowns due to Covid pandemic payments.

In this context it is not unreasonable to look beyond the Social Insurance Fund to help fund adequate pensions into the future. The Government needs to set up a long-term investment fund specifically for pension provision. As set out below, the NTMA's performance with the National Pension Reserve Fund demonstrates the State's competency in successful long term investment.

A DEDICATED PENSION FUND

There are precedents for making long-term dedicated provision for State pension spending. The current Strategic Investment Fund started life as the National Pension Reserve Fund (NPRF), formed with the sole purpose of making long-term provision for State pension spending. Funded from tax surpluses, the NPRF was successfully managed by the NTMA and delivered huge investment returns for the State. Although the NPRF was diverted for other uses, in its current form as the Strategic Investment Fund, it continues to be a successful investor for the State.

This approach to long-term financial planning should be carefully considered by anyone tasked with addressing the sustainability of the SPC.

RE-BALANCING THE TAX SPEND ON PENSIONS

The current system of generous tax relief for private pensions results in an ongoing and highly inequitable distribution of billions of euro of taxpayers money into pensions that benefit those who need it least.

The Commission should examine the phased transfer of these substantial amounts of tax money into more equitable SPC funding. In the medium to long-term, this could substantially contribute to the fiscal sustainability of the SPC.

11. ALTERNATIVE APPROACH - A UNIVERSAL PENSION

In looking at the bigger picture around social sustainability, the Commission should give serious consideration to the alternative approach of providing a Universal Pension for all, based on residency.

A number of countries have successfully implemented this kind of system, including New
Zealand, where everyone gets a pension sufficient to live on once they reach the age of 65. The qualifying conditions are based on residency - not paid work and PRSI contributions. Social Justice Ireland has submitted detailed proposals to the Dept. of Social Protection for implementing this kind of system in Ireland.
There are huge advantages to such a system:

1. It guarantees everyone, including people who take time off work to care for loved ones and those who have to provide long-term care, with a basic income to protect against poverty in old age.

2. It simplifies the pension landscape, creating considerable efficiencies and cost savings in the administration of state pensions. The myriad of complex rules and qualifying conditions are simply abolished, and the contributory and non-contributory pension become one.

3. The Universal Pension could be paid from general taxation in the same way that public service pensions and the state non-contributory pension are at the moment. Alternatively it could be funded by a mixture of taxation and dedicated funding as set out above.

4. The prevailing trajectory of pension reform, which increasingly places all the risk on the individual's shoulders, is stopped and people can have certainty about an income in their old age.

5. The public can see that the measures are fair and just in the context of the whole of society. It is more likely to achieve public legitimacy than the TCAs which will impose losses on a significant number of people.

6. A Universal Pension can remove the issue of pensions from the political arena and because of its inherent fairness is more likely to achieve a clear path towards implementation without political roadblocks.

12. SUMMARY

Sustainability: For public policy to be sustainable, the needs of the citizen must be at the heart of the process. Any reforms must be seen to be demonstrably equitable and fair.

TCA system: A 30-year TCA presents more balanced and reasonable outcomes than a 40-year TCA. It reflects the reality of the modern labour market, and protects pensioners from poverty.

Transition period: People need time to plan financially for retirement. A long transition period is essential.

Looking after carers: It is vital that home-care credits are available under any new TCA system. There is no reason to place a cap on these credits, as this seriously disadvantages long-term carers.

Pension Age: Choice and equity are central to pension age. Allow for later retirement ages in private employment contracts. Lower the SPC age to 65 or ensure equitable provision of bridging benefit payments to 65 year olds before pension age of 66.

Role of private pension industry: Too much tax revenue goes to the private pensions industry and to those who least need it. Policy direction seems intended to increase this social imbalance. Without considering other proposed reforms and policies, the Pensions Commission cannot make fair and balanced recommendations.

Funding: The Social Insurance Fund need not be the only source of funding pensions.
Long-term publicly managed investment is needed. A new dedicated fund similar to the NPRF should be set up.

Universal Pension: A Universal Pension would simplify the pension landscape, take the politics out of pension planning, and provide a pension that is fair and gives dignity to all.

We urge the Pensions Commission, in coming to its recommendations, to look outside the box of its restrictive and closely-directed remit. Financial and social sustainability cannot both be achieved by simply relying on the Social Insurance Fund and tinkering with payment methods. Systemic pension reform is necessary. We strongly urge the Pensions Commission to send this message to Government. Otherwise the Commission will be seen to have acted simply as a vehicle for the justification of a pension policy reform that ultimately contributes to deepening social inequality and to increasing old age poverty outcomes.

13. REFERENCES & READING

REFERENCES:

(1) Actuarial Review of The Social Insurance Fund 31 December 2015 - 28 September 2017-
KPMG

(2) The Single Scheme – Improving the Sustainability of Public Service Pensions / Stephen Owens & Joseph Killilea - Oct 2020 -IGEES

(3) Minister Regina Doherty - Parliamentary Q.s 581+ 582 on 8th March 2018 - Written answer (4) "Our Shared Future" - Programme for Government - June 2020
(5) Micheál L. Collins & Gerard Hughes, 2017. "Supporting Pension Contributions Through the
Tax System: Outcomes, Costs and Examining Reform," The Economic and Social Review,
Economic and Social Studies, vol. 48(4)

READING:

- Pension Commission briefing documents
- GREEN PARTY - Submission to the Department of Employment and Social Protection on the Proposed Total Contributions Approach - September 2018
- NATIONAL WOMENS COUNCIL IRELAND - Submission to the Department of Employment and Social Protection on the Proposed Total Contributions Approach - September 2018
- SOCIAL JUSTICE IRELAND - Submission to the Department of Employment Affairs and Social Protection - Total Contributions Approach - September 2018
- ICTU - Submission to the Department of Employment Affairs and Social Protection - Total Contributions Approach - July 2018
- AGE ACTION - Submission to the Department of Employment Affairs and Social Protection - Total Contributions Approach - September 2018
- Micheál L. Collins UCD & Gerard Hughes TCD - Policy Paper - Supporting Pension
  Contributions Through the Tax System: Outcomes, Costs and Examining Reform - The Economic and Social Review, Vol. 48, No. 4, Winter 2017
- Dr. Michelle Maher - Maynooth University. - Some Missing Elements in the Pensions
  Debate19/05/2017. - https://www.tasc.ie/blog/2017/05/19/some-missing-elements-in-thepensions-debate/
- Gerard Hughes - The Case for a Universal State Pension: Lessons from New Zealand for Ireland's Green Paper on Pensions
- National Pensions Framework 2010Ireland's
- A Roadmap for Pensions Reform 2018 - 2023 - P.8
- Total Contributions Approach - 2018 Consultation - briefing documents
- Ireland's Open Government Partnership National Action Plan 2016-2018
- Pension Country Profile: New Zealand (Extract from the OECD Private Pensions Outlook 2008)
- Michelle Maher - The Politics of Pensions in Ireland - Maynooth University 2016

Individual Submission 160
09/03/2021

The Pensions Commission Consultation

8/3/2021

Dear Commission,
I wish to state my views on changing the pension age.
My situation is: I am sixty-five. I started fulltime work in 1973 in engineering/industry (48 years ago).
I am right on the proposed change of pension age so, it is very relevant to me.
Here are my views:
Workers who have paid 45 years of contributions should, without question, get the state pension. That would mean a person who started work at age 20 retires at 65.
Manual workers in the private sector now in their 60s started their working life before 20 years of age.
People are living longer in Ireland; but does that mean they are fit for manual work until they're 70? For instance, I stand for 8 hours a day, every day, and sometimes longer!
How many sixty-year-olds are on blood pressure medication, statins, diabetes treatment, anti–depressants; have undergone hip and knee replacements; have back problems, arthritis, osteoporosis, varicose veins, plantar fasciitis of the foot (from standing) piles (from sitting), failing eyesight. Medical intervention, in most cases, accounts for the rise in longevity. How many manual workers with these health issues welcome an extended working life?
Article in the Irish times: According to recent figures from the Irish Cardiac Surgery Register, the average age of patients undergoing bypass surgery has increased from late 50s to early 60s.
It is a medical fact that the younger generation in Ireland is quite unhealthy (obesity, diabetes). Will they be able to work into their 70s? Is this not another future problem in relation to pension age?
How will the gig worker and the zero-hour contract worker of today fare when they're in their 70s? Are hand-to-mouth earners expected to have private pensions?

What about the manual self-employed with private pensions they lost during the financial crisis ten years ago? Should the banking sector be asked contribute to a pension shortfall?
There is a conversation asking, will younger working people want to support the older pensioners! Who is behind this conversation?

To sum up:
I think forty/forty-five years of manual work is enough. As I said at the start, if a person has paid all their pension contributions, they should get their pension.
People who are between fifty-five and sixty-five have worked in a different world from today. They started work at a younger age, and it was more demanding physically.
People who were born in the seventies/eighties will have had better education and started work later in life in less physically demanding work; maybe it's in this group that the pension age should increase. Also, because of their education, their options to upskill is greater.
Maybe the pension contribution should be increased to cope with the demand. Why not increase corporation tax?
<u>Why should the **full** burden fall on the manual worker</u>?

Yours faithfully,
[redacted]

Individual Submission 161
09/03/2021

[redacted]

Secretariat, Pensions Commission
Department of Social Protection
First Floor
Áras Mhic Dhiarmada,
Store Street
Dublin 1, D01 WY03

Date: 09/03/2021

Dear members of the Pensions Commission,

Thank you very much for the invitation to send in my thoughts in regards to the reform of the Irish contributory pension.

I am very close to the present pension age and only became aware of the changes a couple of years ago while I was confined to a bed in the local hospital watching something about the changes on the RTE news. Before that I did not have any knowledge about the whole process or cared much about my state pension entitlements. Thinking about it I have to say that there is very little published about it. Other news seems to cover the subject all the time.

I never really looked into my own pension affairs until that day I was in my hospital bed. I think a lot of folks don't think much either about it, especially the younger ones. Other countries have a system in place where anyone living and working in the state gets a statement about his/her future pension entitlements at a certain age- say 30 or so. The statement should show all the contributions and credits of a person and should be sent out again 15 years or so later to remind that person about his/her pension situation. That way people would be approached directly and not left in the dark until the very last year of their working lives. This would give them time to change their situation.

I am a member of two different cohorts of future pensioners which do not seem to feature much on the current agenda:

First I am an EU national who has spent a large part of his life in Ireland. I will be entitled to a "pro rata" EU pension when I reach pension age. This old age pension will be my only pension- I have no other. I pay voluntary contributions into another EU state pension fund since I became aware of the proposed changes, but I am unable to do so here in Ireland as well. The voluntary payment scheme does not allow the payment here if the applicant contributes already in another country. Other

states like the UK or Germany do not object to anyone who pays already into another foreign state pension fund. This needs to be looked into.
The 10 year minimum contribution rule required to join the scheme should also be looked into. EU citizens can combine their Irish and foreign contribution years to qualify for certain SW payments- but not on the voluntary pension payment scheme. Voluntary contributions from foreigners could be used to support the state pension fund. Rates of voluntary payment need to be looked into, of course.
So far I did not see any discussion about the "pro rata EU pension" on the page showing the discussed problems by the commission. We should not forget that there was a huge influx of EU worker, mainly from Eastern European countries, in the last 20 years or so. All those workers paid PRSI contributions and will continue to do so. But many of those who paid into the pot will get a part or full Irish pension down the road. The effects of this- both positive and negative- need to be looked at.
Secondly I spent some years on illness benefit due to no fault of my own and got only rewarded credits. Unfortunately there is the proposal to put a cap on such credits- which would put me- and others- at a disadvantage in the new TCA method: We won't be qualifying for the full contributory pension but only a part of it. Compared to the average calculation system it is much less. I think this point should be looked into again. People with an illness are punished twice here- first with no or very little income. And in later life they are punished again with a reduced pension. Some sort of compromise should be found here to allow folks with a long term illness history and credited contributions to use these for the pension contribution as it was done in the past.
I noticed that the pension reform is mainly on the sustainability of the pension system. We should not forget that pensioners spending their money in Ireland support Irish jobs and pay taxes as well which fund the exchequer. Pro rata pensions claimed by pensioners living here "earn" actually money for Ireland- the part of the pension coming from another state is funded by that state and not by the Irish taxpayer.
Thinking about the introduction of the changes made to the contributory pension system I would like to see a period of 5 to 10 years to implement the complete changes. For the simple reason to give people enough time to prepare for the changes. And those actions made by people need to be with the full knowledge of the coming changes. Bits and pieces coming out, hidden between other news items, need to be avoided.
The possibility of a choice of between the two current calculation systems (TCA and average calculation) should stay in place during the whole period. Older folks might benefit from the old average system due to a much more broken working life. Younger folks might not benefit from the average calculation but from the TCA system due to a more stable economy and robust growth during their working life. Another way of switching to TCA without making a sudden change would be introducing the full 40 years of required contributions in yearly steps. First year the required yearly contributions for new pensioners would be 30 (the originally

proposed full contribution rate), next year 31- and so on until the currently used full 40 years contributions are reached after 10 years.
I also wonder about the financing of the non- contributory pension scheme. The focus in this discussion is on the contributory pension scheme. If the cuts on that scheme are too drastic, a lot of folks will end up on the non- contributory scheme, which in turn would need additional funding. All the achieved savings on the contributory scheme would be in vain because everyone who took a cut ends up on the non- contributory scheme. The costs of the pensions are just transferred from one scheme to the other. We have to look unfortunately at additional taxes being introduced to fund the complete state pension scheme. Those taxes should be ring fenced specifically only for this purpose. Workers PRSI contributions need to go up as well. Other countries- like Germany- have a much higher contribution rate for everybody.
Oil and gas revenue might be used to set up a fund, managed by the state, for the sole purpose of providing for the various pension schemes. This would probably help as well to cover the future pension deficit. Norway seems to lead the way there.
Many people are not aware of the coming changes and there is a need of a strong advertisement campaign. TV ads, bill boards, info sheets send out in bulk to every household, social media ads, etc. spring to mind. Contacting all people directly who will reach the current pension age of 66 or 67 in the next 10 years would be another way to bring the message home. This should be done within the next 12 months.
I am very unsure about the pension age. It should not go down again to 65. The step up to 67 is probably unavoidable in the near future. I think after we reached that step, there should be a further examination of the situation. Life expectancy might not go up more as some people predict. Covid-19 shows that there are serious changes in the current trend ahead.
These are just some of my thoughts I wanted to add separately on top of the online pension survey I took part in a couple of days ago.

Thank you for your kind attention!

Regards

[redacted]

Individual Submission 162
09/03/2021

The following is my submission. It is based on my experience as a carer though details may not be mine.

1: Carers may work outside the home on a full time or part time basis. Many carers are not able to work outside the home.
2: Carers may receive carers benefit or carers allowance or neither. Some carers only receive respite care grant.
3: If a carer works part time they may not be able to accrue 52 prsi contributions in a year. Some part time workers/ full time carers who are not in receipt of carers benefit or carers allowance are not accruing 52 contributions in a year.
4: The homemakers scheme (which extends to 20yrs when caring for a child with a disability) may not be enough to give a parent full contributions when it comes to pension time.
5: Many carers had to stop or reduce working hours(outside the home) during the pandemic to provide more full time care at home.
6: Most carers worry about the lack of a pension to look forward to and if carers were guaranteed a full state pension it would certainly make their lives easier.

With best wishes
[redacted]

Individual Submission 163
09/03/2021

Submission to Pensions Commission, 8th March 2021.

Thank you for allowing submissions on the future of pension provision in Ireland. I would like to make a submission on the state pensions and the state pension age.

Any increase of the state pension age to 67 or beyond would be wrong. The pension age of 66 should be securely confirmed, with a transition arrangement for the age year 65-66 similar to what stood until 2014. This view is a majority one as shown in the concerns and results of the 2020 general election. In a recent *Sunday Business Post* opinion poll 66% (coincidentally) of respondents said they were in favour of keeping the pension age start to 66.

General considerations

The programme of increases in the state pension age was arguably the single worst and most regressive cut of the austerity measures following the collapse of 2008. It set back decades of social progress.

Before any fiscal calculation or considerations of affordability are even begun it is important to be aware that restoring the state pension at 66, with a transition from 65, would not be a new cost, but the restoration of a *cut* made in 2014. For many years before that the entitlements were budgeted for as an accepted component of the national expenditure. Restoration merely puts back in place what older workers had for many years. These years included times when national wealth, productivity and GDP were considerably lower than they are now.

Another consideration is that the 2014 pension changes were cuts brought in following the financial crisis of 2008. Many of these cuts have been restored as the crisis abated and those that remain have been subject to public debate and trade union negotiation. The increase in the pension age, temporarily stalled, should not be seen outside the context of its introduction as a crisis measure.

Retirement at 65 was one of the greatest achievements of humanity and it would be a momentus step back in progress to begin eroding that. Retirement at a reasonable and reasonably early age should be seen as life enhancement and the opportunity to take on activities or enjoy new leisure not possible during a long working life.

It is already unreasonable to demand of workers in certain industries with heavy manual, arduous, stressful or hazardous conditions to work well into their 'Sixties without asking them to work on further, nearer their 70^{th} year.

Of course people fortunate to have enjoyable and fulfilling jobs may find their happiness and purpose in continuing to work and should be afforded the ability to do so and not be compelled to retire at an age when they are still fit and healthy.

Crisis. What crisis?

The so-called demographic time-bomb - that the increasing number of retired workers is a threat to public finances - is a myth. In 2016, Ireland spent 8% of national income on public pensions. This will rise by less than three percentage points over the next 50 years. Not only do we spend less on public pensions than any other Eurozone country today, in 50 years' time, on present trends, we will still be spending less than the amount Eurozone countries spend today. (Figures from the 'Stop 67' coalition, 2020).

Ireland's current pension age of 66 stands in contrast to an EU average of 64 years. Yet we have far fewer older people - nearly 30% less than other EU countries. The pension age plan now parked for review intended to increase the pension age faster than almost any other European country even though in 50 years Ireland will still have the lowest number of older people - nearly 20% less than other EU countries. We have far fewer older people but we have - and will continue to have - one of the highest pension ages in the EU.

The savings to be got by increasing the pension age are insignificant in the context of the overall fiscal and demographic developments of the years to come. Increasing the pension age to 67 in 2021 would have 'saved' the Government approximately 0.2% of national income in pension payments. But this doesn't include the cost of rising unemployment and related payments for those who retire but have to wait for a pension. (Figures: ibid).

Rather than consider longevity to be crisis, we should think of it as a boon, personal and social. Rather than thinking of more older people as an economic burden, we should welcome the greater presence of experienced, wise and beloved older people. Their social and cultural contribution will not be measured in money. That said, their availability for childcare and voluntary work, not to mention the extra market they will constitute for goods and services, will have very concrete economic benefits.

Paying for the pensions:

Barring cataclysmic departures, not at all impossible but not figured into a planning process like this which includes pensions and other social security provisions, the wealth of this nation should continue to grow and grow enough to cover the costs of longer life, pensions and indeed reductions in the retirement age of those who choose it. Just as pensions and all the other social provisions have been funded by the growth of wealth, production and productivity in the 20th and 21st centuries.

Investing for long-term growth will support pension sustainability. This requires major investment in infrastructure and in education, ending child poverty, family-friendly supports and innovation. Policies such as affordable childcare (to increase female participation), quality employment (ending precarious work), increasing wages, will promote higher employment and higher revenue to pay for pensions. If more workers decide to work longer and in age-friendly workplaces this will also help generate employment and higher revenue returns.

Increasing the contribution of employers to the PRSI system would be an obvious support for pensions. Ireland has the lowest level of employers' PRSI in the EU (half the EU average). Increases (a fraction of one percentage point), phased in over a number of years would have a positive impact on pension sustainability. There are any amount of redistributive measures available for consideration in a society with stark and growing inequalities in wealth.

Family-friendly measures (income supports, family-friendly workplaces, childcare provision) can help address any perceived demographic imbalance. Immigration can make up for demographic imbalances (migrants are younger) and also increase growth. Current migration projections are very low.

Mind the gap: a consequence to consider

If the state pension age is increased to 67 and 68 without adequate transition arrangements to cover the years 65-67 or 65-68 the same consequences may apply as when the State Pension Transition was abolished (2014-20) for the year 65-66.

The abolition of the old State Pension Transition year meant, in some cases, more severity for income loss than being forced on to the equivalent of Jobseeker's Benefit. A worker already unemployed for more than nine months on reaching the age of 65, or soon after, reached the end of Jobseeker's Benefit. That worker could apply for Jobseeker's Allowance, which is means tested, or continue looking for employment at 65 yeas of age. In the event of savings or a spouse's income disqualifying the worker for Jobseeker's Allowance the worker would have zero income for a year, or be faced with seeking work at 65. (This happened to me, and I had no income until I reached the state pension age of 66.) An increase in the pension age to more than 66 could mean in similar circumstances, in the absence of a transitional arrangement, no income for two or more years.

The advent of Benefit Payment for 65 Year Olds is to be welcomed. It is a less than complete restoration of the State Pension Transition and the €45 gap with the state pension should be bridged.

Working on

There should be a statutory right to remain in work at least up to the state pension age and potentially for years afterwards in the same way as workers in the public service can continue to work until the age of 70.

Your attention to this submission is appreciated.

[redacted]

[redacted]

[redacted]

9^{th} March 2021

Individual Submission 164
09/02/2021

[redacted]

<u>**Submission to the Pensions Commission.**</u>

My views on the Irish Pensions systems has been driven very much by my over 40 years' experience working in the area of Human Resources in the private sector. My experience included work on a variety of pension arrangements which includes defined benefit, defined contribution and career average hybrid systems.

Retirement Age: Needless to say I would agree that the retirement age for eligibility for state benefits should be increased in line with projections of life expectancy. This should be subject to review on a 5 yearly basis and notice of a least 5 years given for each increase. Retirement age in the private sector should also be brought into line with retirement age for state benefits. Legislation to be introduced to accommodate this requirement – a requirement to retire before the state retirement age would be regarded as age discrimination. Should a person decide to postpone withdrawing the state benefit they would qualify for an increased state pension.

Public Service Pensions v Private sector pensions. There is an enormous disparity between pension entitlements in the public and private sectors and while I accept that some efforts in the recent past have sought to address this issue it is just not enough. The current system in the public sector is not sustainable and the pay as you go arrangement needs to be replaced with a fully funded arrangement. This would have a number of side benefits with greater flexibility of employees moving between the private and public sector. Employee turnover in the public sector is far too low as the pension entitlements are a disincentive to move.

Funding Arrangements: Social charges (PRSI) needs to be increased substantially to bring it more into line with social charges in other European countries – with the same rate payable by all. At the present there are far too many pension schemes in operation in the country with the attendant high level of scheme administration charges. This needs to be reduced substantially. Pension fund management charges are way too high and despite many IT improvements in this area continue to escalate. I would propose handing all pension fund management to a state body- say the NTMA.

Tax relief should be harmonised so that everyone would get the same benefit on voluntary contributions to pension.

[redacted]

Individual Submission 165
09/02/2021

What do you expect from State Pensions?

- The State Pension should provide an adequate standard of living to all individual women and men.
- Each individual should be able to apply for the pension in their own right, not as a qualifying addition to their spouse/partner.
- The system for applying for the State Pension should be uncomplicated and not require a long lead in time.

What is working with the current state pensions?

- The current state pension does keep many from the poverty trap and does allow the individual in receipt of the pension to continue some paid work, if they wish.
- The additional benefits such as the household benefits package, free travel, medical card, etc. all contribute to a pensioner having a certain standard of living and some peace of mind in old age and should be retained.

What concerns you with the current State Pensions arrangements?

- A main concern with the current State Pensions arrangements is the inequity of access, especially for women. Very often childcare duties and, indeed, caring duties in general fall to the females in society. As a result, they are more likely to engage in lower paid, occasional or part-time work. This makes it extremely difficult for women to collect sufficient PRSI contributions to be eligible for the full State Contributory Pension. The Home Caring Periods scheme goes some way to bridging this inequity but is insufficient as it is only available to those born after 1st Sept 1946. Also, Home Caring Periods are capped at twenty years which poses a particular barrier to women who may have provided care for an adult who needed an increased level of care as well as children.
- Many women's pension contributions are also affected by the historic marriage ban.
- Furthermore, it is possible that one may not qualify for the State Non-Contributory Pension if they do not fall within the quite complicated means test criteria.
- The rising age for receipt of pension is also a growing concern. While some individuals may be happy to continue working into their mid to late sixties, ill-health or the onerous nature of certain jobs can make later retirement ages draconian, at the very least, and may lead to ill-health for some workers.

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

- Those who provide long-term care for most of their working lives should be recognised for the service they have done the state and the money they have saved it by carrying out such service. Indeed, it would be interesting to quantify just how much such work (childcare, care of the elderly, etc.) would cost the state if those who give up their employment to provide this long-term care did not step in. This service to the state too often goes unrecognised and it should certainly not be penalised when it comes to state pension. With this in mind, all years spent caring should be recognised for pension purposes or, preferably, a universal pension for all should be considered. This would ensure every individual can be guaranteed security and dignity in old age.

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

- The Commission should examine how money spent annually on private pension tax relief can be used to fund a universal pension scheme.
- The rising pension age is a grave concern and while some workers may be in a position to work until the pension age or after, others may not. There needs to be flexibility for workers with regard to retirement based on women and men's individual choices and circumstances. For example, the introduction of a possible winding down scheme could be considered for those approaching retirement where they could work reduced hours but pension contributions would continue to be paid.

Sustainable Reform Proposals

- A universal pension system which gives both women and men equal access to a comprehensive pension guarantee would support equality in older age.
- The Commission should examine how employers' PRSI compare with EU norms. If it is lower, could it be increased on a phased basis, to fund a universal pension scheme?
- A universal pension scheme would protect those who have gaps in their PRSI contributions, due to unemployment, etc. and would ensure unpaid care work is recognised in the pension system.
- It would offer 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.

Individual Submission 166
09/02/2021

Dear Sir/madam
I strongly believe that retaining the minimum paid contributions test of 10 years and 20 for the maximum pension is a significant barrier for women in long term care roles and needs to be addressed and rectified by the Pensions Commission.

Best wishes
[redacted]

Individual Submission 167
08/02/2021

[redacted]

8th March 2021

Pension Review Commission 2021.

Dear Sir/Madam,
Please find a submission to the Pension review committee.
The whole area of Pension reform that will require clinical assessment and tough decisions. Currently five people working pay for one pensioner over 65. In 2050 that is modelled to be reduced from 2.5 to one. This may be the case or not but the commission must work on the possible calculation. In this assumption it is imperative that individual's contributions are what the payment should amount to.
The commission should take into account that many manual labour jobs are physically draining and persons working in this environment, suffer dis-proportionally health-wise from clerical based employments. Many of these employees started working on sites at age 15 and now at an age that it is not physically possible to continue employment and should be allow avail of pension payments from 65. This could be dealt with any new provisions to apply to employees currently under 55.
Pension figures are routinely set out as Public and private sector values. Public sector workers are well treated but the private sector numbers are generally set out as being catastrophic to the public finances. This is unfair as the "Private sector" numbers include everyone outside of the public service but employees who have full pension contributions are included with non-contributors and every other persons who will qualify for contributory or non-contributory pensions.
The commission must separate these anomalies.
The following relates to "Pension Inequality".
There are many Pension inequalities in the Welfare system but the difference in the State contributory Pension between Private Sector and Public Servants is of major concern.
The fact that this has not been publicly condemned by the Trade Union Movement and Politicians suggest that monies from the public purse are seen as extra benefits for certain sectors. Could it be that these representative bodies do not have the "in-house" expertise to command a response to this issue?
The Private sector contributory pension is currently paid at age 66, (67 in 2021) currently suspended). Private sector employees have to claim "Jobseekers Benefit" (which since March 2019 has a new set of rules governing benefit) from age 65

whereas Public Servants from age 65 (60+ in cases) claim a "Supplementary Pension" representing a gain difference of over €52 per week, i.e. (€2615.60 per Annum up to 2021 and then a difference of €5231.20 per Annum). (Pension €248.30/Jobseekers €198)
Public Servants receive a "Full Supplementary Pension" even in cases where they do not have sufficient PRSI contributions to give them maximum State pension.
The majority of those affected "Private Sector" workers are low to middle income.
The proposed changes for employees in this sector who will receive a reduction of €52 per week is alarming and is clearly unfair and is a clear case of inequality.
The economic crash affected all workers incomes. The "Private sector" in order to keep their employment had to accept changes in work practices, reduction in Hourly rate, available overtime was vastly reduced, bonuses were cancelled and redundancies were an everyday occurrence. To top it all most "Defined Pension Schemes" were closed in the "Private Sector".
Equality is essential in every society. These are inequities in the payment of the "State Contributory pension" which are grossly unfair and must be corrected.
This is not a "Public" versus "Private" workforce debate but there is a clear differential into how both sets of workers are treated. Pension payments are the mainstay for many families and a gain/loss differential of more than €2615 per year is clearly unfair and must be resolved.
I requested the Irish Congress of Trade Unions to make representations to have this matter sorted.
I requested the Political representatives to bring this inequity to an end and treat workers from both codes equally.
Jobseekers benefit is an inadequate payment as against a "Supplementary pension." This inequality must be resolved and can be managed in the following way. Public servants having attained 40 years of service can retire on full pension and this may occur when the employee may only be 57 years. Employees even though may have paid Pay Related Social Insurance for the same person in the Private sector for 50 years (2021 change) and then attain a far inferior pension.
The proposal to sort this out should surround Social Insurance payments (Stamps in old language) 40 years @ 52 stamps = 2080 and this should translate into a full State pension at age 65.
For equality purposes this is essential.
Many thanks for accepting my submission.
Kindest regards.

[redacted]

Individual Submission 168
08/02/2021

Here are my proposals for Sustainable pensions :
1) Encourage savings. At the moment the interest rates are non existent or even negative for savers. A tax relief system for savers could be introduced whereby for every € 100 taken out of wages and put into savings each week there would be a € 15 tax relief. This money would have to be placed in a special savings account. The scheme could be designed in such a way so that the retirement age could be increased, ie the age where one would qualify for the State old age pension, but that a buffer would be created in the intermediate period. This savings buffer would enable workers over the age of 65/66 to only take part time work for the purpose of topping up their drawdowns from their savings account, until they reached the new retirement age when they would be entitled to State benefits.

2) Tax reliefs for couples to encourage them to have more children. This would help rectify the population gap.

Regards
[redacted]

Individual Submission 169
09/02/2021

Submission to Welfare Pension Commission

I have been giving lectures to accountants (CPD compliant) on Welfare issues since I retired from the Social Welfare in [redacted]. Over time I have noticed the complete lack of advice available to the general public from the Depart of Employment and Social Protection on pension entitlement.

There are a couple of points I wish to raise with the current pension procedures and rules.

1. Up to the mid 1990s the Department's Pension Section used to supply Pension Forecasts to clients who requested one, this practice was discontinued, most likely due to the costs and admin involved. Since then, the only assistance given by the Department to clients who seek advice on their future pension title is to supply them with a copy of their Social Insurance record to date (which includes a disclaimer on the validity of the records on their database) and refer them to the FAQs on pension qualification on their website

2. There are concessions with the Average Test for the Self-Employed whereby, if they have Class S paid in the year 1988/89, they can have 6th April 1988 used as the date of entry when calculating the average irrespective of having PRSI contributions paid as an employee prior to that date, no such concession has been written into the legislation for the Aggregate Contribution Method aka Total Contribution Approach. I raised this issue in June 2019 in an article in the Farmers Journal, the Ministers response at the time was that the self-employed had nothing to ear from the new changes, however no legislation has been put in place to address this issue.

3. Over the years clients were encouraged to maintain a continuity in their insurance record and continued to "sign on" for credits when their Jobseekers benefits expired. The cap of 520 for regular credits can deny anyone who did "sign on" for credits at the Intreo office of potential Child-Caring Credits, which has a cap of 1,040, for periods where their children were under age 12. Legislation must be introduced to substitute "singing on" credits for Childcaring credits if the cap of 520 on regular credits will disadvantage them and penalise them to a lower rate of pension payment

4. The clients are not notified of potential errors in the records held by the department on their behalf. There are millions of PRSI contributions records

on the Departments "Emergency files" and "Held-Over files" that have yet to be transferred to the clients PRSI records. It may not have been as vital for pension qualification when the Average Range rules are applied but for any pension claimant who has less than the 2,080 weeks of PRSI paid or Credited, every missing week from their record denies the client of their correct weekly pension payment. There used to be a section in Records called Records Fallout which were experts on finding missing contributions and having them updated, some procedures need to be put in place to ensure that all clients who are on reduced pension rates receive their correct entitlements.

Your respectfully

[redacted]

Individual Submission 170
09/02/2021

To whom it may concern,
Set out below are my comments for the Pensions Commission on State Pension
I have worked full-time since 1974 and I now find that I will have to retire when I am 65 years old in May, 2022. I was very disappointed when the decision was reversed by the Government earlier this year to change it from 66 years.

Choosing to Work Later in Life
In my present job I would be very willing to work longer than the State Pension Age and I feel very strongly that everyone should be given the option to stay working or retire. It should be taken into account that if I worked longer I would save the State money in the longterm and everyone would reap rewards.
In one section of your paper on gov.ie you stated that a person on minimum age would get four times back in payments what they and their employers would put in through PRSI contributions. What I want to know what do the workers who pay full contribution on PRSI get definitely not four times our contributions. Can the amount paid on State Pension reflect the amount each worker pays???
The younger generations will have to be advised that they will have to pay into their own pension scheme, was this not in the pipeline that the government were going to start this process?? There should be a publicity campaign to make the younger population aware that the State Pension as it is now will not be there for them in the future. This may help them to get to grips with their situation for the future.
Thank you for taking the time to read the above.
[redacted]

Individual Submission 171
09/03/2021

State Pensions Consultation

Submission by [redacted]

[redacted]

Introduction and Summary

Thank you for the opportunity for commenting on the issue of sustainability of the State Pensions schemes. Overall, based on the actuarial reviews which I have read it is obvious that the current funding models for the State Pension, and possibly for the Public Sector pension are unsustainable. I agree therefore that a revised funding model is required. We should be open to all funding options including increased PRSI, auto-enrolment schemes, and direct state subsidy. If auto-enrolment pension investment schemes are adopted the resulting accrued fund should be treated as personal property so it can avail of constitutional protection. The funding model should be based on a retirement age of 65, with flexibility for people to work beyond this age if they wish, with deferred pensions. If changes to pension age are required, they should be implemented on a very gradual basis, perhaps with monthly adjustments, so that there are no sudden cliff-edge losses for those approaching the pension age.

The greatest challenge facing the state is not the funding model. This can be devised along several sustainable lines based on actuarial data. I believe that the greatest challenge will be overcoming lack of trust by the citizens. It is essential that the situation is presented to the public in a logical, comprehensive and unbiassed manner. In this respect I take issue with the narrative, presentation of data, and limited scope of analysis in the Public Consultation documents. In particular, one gets the impression from the document that the older cohort are increasingly becoming a burden on society. Also, there are omissions of information in the accompanying Further Information document, which are relevant in terms of equity and trust.

In reality the state has failed over the past decade to properly address the obvious funding difficulties. It has also failed to implement an acceptable transition scheme which would avoid pension cliff-edges as cohorts move towards retirement age, but find that they have to wait another year. The current postponement of the increase to 67 just pushes out this cliff-edge, and the transition is patched up with social welfare schemes. Meanwhile another year cohort moves on to the exact same situation. I do not know how a smooth transition can be optimally made, nor should I be expected in a consultation document to come up with a solution. However, I am sure that if there were a political will, a way could be found by the experts to transition to a more sustainable system without resulting in sudden losses by those approaching retirement age.

Funding State Pensions

It is clear that the current pay-as-you-go funding model for State Pensions is running into difficulties. Additional funding streams are required, through a combination of increased PRSI, auto-enrolment schemes, and direct subsidy from the state. The role of direct subsidy, funded by taxation, needs to be seriously considered, especially in the transition period. Incorporating an element of direct state subsidy gives flexibility to address social and economic inequalities. As stated in the consultation document there is limited public appetite for increased government taxes. This is of course always the case. However, the total additional cost of whatever schemes are introduced are in the end all funded by citizens, either through salary deductions or taxes.

The fundamental problem with the current funding model is that a person's contributions over a working lifetime have not been invested. Instead, they have been used to pay for pensions of the older cohorts. As an illustration consider what a person would have to contribute over a working lifetime to generate a State Pension at the current rate, assuming they live to say 85 on average. With no investment return I estimate they would have to put aside around €6400 per year (on average), but if invested at 3% they would pay in a little over €3000 per year. The long-term sustainable solution should include a defined contribution investment pension fund scheme for all workers, whether it is an auto-enrolment private pension scheme, or a state invested portion of an increased PRSI. But the transition to this scheme will obviously be difficult. During the transition period, which will last for a generation, the current workforce must continue to pay for those who have already retired and also fund a significant proportion of their own pension provisions. For the simple example given, a worker may have to contribute nearly €10,000 per year. In this context, a direct state subsidy, funded by taxation may be unavoidable for a period of time. It would have been useful if the Public Consultation document had included modelled funding scenarios, and impact on the average worker.

Funding Sources

It is strongly implied in the Pensions Consultation document that the funding of state pensions relies primarily on the ratio of workers to pensioners. In 2051 it is stated that there will be just 2.1 workers per pensioner. This is rather a narrow view of the economic system, and takes no account of productivity per worker or projected GDP growth. For example, taking the reference years of 1991 and 2016 mentioned in the consultation document, GDP per capita in Ireland has increased by 170% (source World Bank). Overall labour productivity for the period 2000 to 2018 increased by an annual average of 3.4% (source: CSO Productivity in Ireland 2018). While there will be fewer workers in 2051, the increase in worker productivity is likely to accelerate due to increased automation. If current productivity trends continue, it may well be that the 2.1 workers in 2051 produce more than the 5 workers produced in 1991, who by 2051 will hopefully be enjoying their retirement. The fruits of this additional productivity will appear in corporate profits, which can be taxed to contribute equitably towards the state pensions. In addition to corporation taxes, there are additional funding streams available in the form of capital gains tax, value added tax, inheritance tax etc.

Automatic enrolment schemes may produce in theory an additional pension income, and if combined with the State Pension would attract a tax liability of perhaps 20% of the State Pension component, which would return an income to the state. However, auto-enrolment does not actually address the fundamental sustainability of State Pensions, unless it is planned to significantly reduce the state pension component for those who have enrolled in the scheme. This brings us back to the question of trust. For a young person contributing to the scheme do they trust the government (in 2050 say) not to cut back on the State Pension, or to make the State Pension subject to a means test? If young workers do not trust the state, then it would be better for them to opt out of the auto enrolment, and rely on whatever State Pension is available to them, contributory or noncontributory.

Choosing to Work Later in Life

As a measure to ease the state pensions burden, I wonder if extension of working life would help address the pensions sustainability issue. I have seen no analysis of how this might be beneficial. For public servants, and professionals and non-manual workers in the private sector, it is certainly a good option to be able to extend their working life if they wish. They will continue to pay taxes which will help support government tax income. There is however the downside that by staying longer in higher paid positions, it increases payroll costs and restricts opportunities for younger people to enter the workforce and to achieve promotion. For workers engaged in manual or other stressful work such as teachers and healthcare workers, the prospect of working beyond retirement age would certainly not be attractive. For example, those currently in the construction industry may have worked for nearly 50 years and be in poor physical condition before they reach state pension retirement age. It would be ethically wrong to have any element of compulsion for them to work longer.

Issues of Trust

Whatever system is introduced there are fundamental issues of trust that must first be addressed. Those who have looked at the sad history of state pension framework planning will be aware that all bets are off when the state runs out of money! The National Pensions Reserve Fund (NPRF) was originally set up twenty years ago to deal with the anticipated future pensions costs. It was a prescient and prudent move by the state. As summarised in the NPRF Chairman's Statement in 2003:

"Through the National Pensions Reserve Fund (NPRF) we have begun to set aside funds to supplement our pay as you go system while our dependency ratio is still low and before the fiscal effects of the ageing issue begin to bite."(NPRF Review, 2003)

By 2010 it had accumulated €22.7 billion. Ironically, it was funded in part by the cohort of workers who are now facing the prospect of postponed state pension. As we know, this fund was largely redirected to save the banks, and the residue of €8.6 billion was placed out of reach of the PRSI fund in the Irish Strategic Investment Fund. Had the funds been preserved in the NPRF, they would have been sufficient to subsidise the projected PRSI deficit of €19 billion to 2030 (data source: Society of Actuaries in Ireland, presentation May 2018). In addition to the NPRF, private pension funds were also drawn upon by the state, which has set the precedent for future raids on private pensions, and raises justifiable concerns as to the future security of a state auto-enrolment scheme.

Another aspect which has undermined trust is the substantial change in the proposed State Pensions Framework regarding total contributions. This was apparently made very quietly, without any public consultation or debate (that I noticed at any rate). The original Pensions Framework 2010 envisaged a total contributions pension scheme, with 30 years contributions being required for a full state pension. Many workers in pre-retirement years would have factored this into their plans, i.e. they had the opportunity to plan ahead to accumulate at least 30 years contributions. In the Roadmap for Pensions Reform 2018, this has increased to 40 years contributions. None of this relevant background information appeared in the Further Information document.

A young worker who is encouraged/forced to contribute to a pension scheme should have a right to expect that the scheme will actually deliver a benefit. I would suggest that funds in such schemes should be considered a personal property, and be covered by the constitutional provisions for protection of private property.

Life Expectancy

Thanks to increased standards of living, education, modern sanitation and healthcare, life expectancy has increased. Reliable actuarial data on life expectancy is required to assist in the planning for future pensions liabilities. While it is clear to me that the actuarial reviews indicate a need for a sustainable funding model to support future state pensions, I feel that the Pensions Consultation document misrepresents the situation. It creates the impression that a major part of the problem, to put it bluntly, is that people are living much longer than had been factored into the funding system. This creates the impression that the retired workforce are somehow a burden to be borne by the working population. My interpretation of the data is that the funding issue arises not so much that people are living very much longer, but due to a population bulge and that thankfully a much higher proportion of these workers are actually reaching retirement age.

The pensions public consultation document cites the example of a baby born in 2021 who could expect to live to 93.6 years on average, and states that there has been an increase of 11.5 years in life expectancy between 1961 and 2016. This data perhaps suggests the prospect of a large population of nonagenarians and centenarians being a burden on the younger workforce and on the taxpayer in general. The available evidence indicates that this will not be the case, as life expectancy post retirement has only slowly increased over the years, and there are natural limits to expected future increases.
I was unable to find the OECD reference for the 93.6 year figure for a child born in 2021, but it is presumably a cohort life expectancy, which has built in assumptions about significant improvements in health outcomes in the future. For UK statistics, the cohort life expectance for 2018 births is 89 years (UK ONS). Estimates of cohort life expectancy are naturally subject to revision, and between the projections made in 2016 and 2018, cohort life expectancy in UK has decreased by 2.6 and 2.7 years for males and females respectively. The UK ONS has interesting data on life expectancy from 1841 to 2011, an excerpt from which is presented in the table below. This data shows remarkable increases in life expectancy at birth, which is due to greatly reduced infant mortality. However, when one examines life expectancy for a person who has already reached the age of 65 or later years, the increases are more modest. Essentially, for someone who has already reached their 80's and 90's there has been negligible increase in life expectancy over the past 170 years. This is undoubtedly due to the natural limit on human lifespan.

Male Aged	Life expectancy, 1841	Life expectancy, 2011	Increase in life expectancy
65	76	83	+7
70	79	85	+6
80	85	88	+3
90	93	94	+1
95	97	98	+1
100	102	102	0

Source: decennial life tables, UK ONS

As for the statement that life expectancy in Ireland has increased by 11.5 years between 1961 and 2016, this also tends to mislead, as the data refers to life expectancy at birth, and the main improvement has been due to much reduced infant mortality. However, for someone entering the pensions cohort at 65, life expectancy has increased by just 6.2 years over the 60 years 1961 to 2016. For a 65 year old in 1991 the life expectancy was 80.3 years, and in in 2016 it was 84.7 years, an increase of 4.4 years over this 25 year period (CSO Life Table data). Such gradual increases in life expectancy beyond retirement age could be readily addressed through modest increases in PRSI, direct subsidy, or very gradual postponement of retirement age, perhaps even on a monthly scale, with smooth transitions to avoid cliff edges.

The main impact on the pensions liabilities of increased life expectancy is that thankfully many more people in the mid-age cohort can expect to actually reach retirement age and can reasonably look forward to enjoying the fruits of their labours for many years of their retirement.

Possible measures to address the pensions impact of the population bulge are not addressed in the consultation document, but this is a valid policy consideration, with possible measures including additional supports and incentives for children.

Individual Submission 172
09/03/2021

Continue with present arrangements..as per last 2 Budgets no increase for all OAP pensioners

Financial Future unpredictable as we know now too well In this country..so Revenue who can predict?

Additional Benefits , in particular, Health and Heat ,increase regularly.

Yours..

[redacted]

Individual Submission 173
09/03/2021

[redacted]

Secretariat
Pensions Commission
First Floor, Department of Social Protection
Áras Mhic Dhiarmada
Store Street
Dublin 1
D01 WY03

9 March 2021

Dear Commissioners

I want to start by thanking you for your work. As a (relatively) young person, I am concerned that our political system is failing me and my generation in this debate. That's where you come in.

My aim in writing this submission is to implore you to highlight in your report the serious inter-generational equity concerns with our pension system. The public discussion around pensions has so far failed spectacularly to account for the interests of both pensioners and younger generations.

By way of background, I am thirty-two years old. In 2011 I finished my undergraduate studies. As you know, this wasn't a good time to begin employment in this country. The ongoing recession, fuelled by years of disastrous fiscal policy, meant very few jobs were available for those leaving third level education and further education and training.

Large swathes of my generation emigrated, visa or no, to make a living for themselves on far flung shores. Others who could afford it, continued their studies and training to improve their chances of making a living. Many of those lucky enough to gain employment at that time accepted inferior pay scales to their more established colleagues. For those who weren't so lucky, unemployment beckoned. The country's youth unemployment rate rose from 9.9% in 2006 to 33% in 2012, more than double the overall rate of 15%. For many of my generation, myself included, bringing your papers to the dole office was a necessity; feelings of indignity didn't come into it.

During the last recession, younger generations paid an enormous price for the failures of their elders. As part of the recovery, under supervision of the Troika, the country agreed to reform our pensions system. This was done not only to ensure pensions for future generations, but also to make our long-term fiscal policy more sustainable and to reduce likelihood of future economic catastrophes. I have watched with frustration as our political system and public discourse has retreated from this commitment, spurred on by political opportunity and narrow self-interest.

I am hoping that your report will provide a frame of reference to assess all relevant interests in this debate, not just those with political capital. While your terms of reference require you to develop a range of options to address pension sustainability, it should be possible to include in your analysis a detailed consideration of intergenerational fairness. For example, you could include an assessment or weighting of options in terms of intergenerational fairness.

Constrained as it has been by short-termism and political expediency, the discussion on this issue since the last general election has largely been captured by certain narrow interests. The debate has been framed as a battle between older workers looking to insist on their right to retire at a 66 (or even 65) and the Government looking to cut costs. Very little consideration has been given to the interests of other groups.

First of all, we have heard very little public discussion regarding the rights of older people – both now and in the future – to retire with dignity without risk of poverty. We know that our pension system currently performs comparatively well in terms of adequacy. The comparatively low levels of risk of poverty, social exclusion and material deprivation experienced by over 65s in the years following the last recession are a testament to this.[1] While our system performs well in terms of adequacy it performs poorly for sustainability, and it's not clear how our system will continue to provide an effective protection from poverty over the coming decades if the sustainability issue is not addressed.

Secondly, there has been almost no representation of the interests of younger generations in this debate, despite the fact that it will be younger workers who will need to fund the pension system for generations to come. In light of the dramatic demographic shift over the next 30 years, it is inevitable that younger generations will bear a much greater burden in supporting older citizens than was borne by those that came before them. The relative increase in the number of pensioners will mean

---

[1] The rate of risk of poverty or social exclusion for Irish people over 65 in 2013 was 13.7%, 7th in the EU28. For comparison, the same risk for Irish people under 18 at the same time was 34.4%, 22nd in the EU28.

greater public spending commitments and less public revenue. This will be the case even if we factor in the reforms included in the Roadmap for Pension Reform, let alone calls to freeze or lower the retirement age. The social contract between generations is changing, and the interests of younger generations need to be considered.

During the current public health crisis, younger generations are once again bearing an enormous cost, this time to protect their elders. The public health response has been an enormous feet of intergenerational solidarity. In tackling the challenge of pension sustainability, it's only right that this same solidarity is shown to younger generations.

I implore you to do all you can to facilitate due consideration of the interests of younger generations.

Yours faithfully

[redacted]

Individual Submission 174
09/03/2021

Hi All,

I think that the State should take back the control of the Lottery and use the vast majority of the funds to support the pension funds. Contributions made to the Lotto don't feel like a tax or a burden and would seem less painful. In the same vein of thinking, I feel that the State should consider other revenue generating methods such as a levy on concert tickets, sporting events and indeed any other voluntary expenditure with, for argument sake a 10% that is only used directly for a pension fund. In this way, patrons will feel that they are contributing, eventually to their own pension and other public servants, that they feel deeply indebted to, as a result of the pandemic.

On the other side of the equation, I've always wondered why NAS Paramedics are treated like Cinderella and not in receipt of accelerated pension, such as Fire Brigade Paramedics, Fire Fighters, Gardai and Prison Officers. Of course, you are trying to find savings, not create extra outgoings but look at it this way, the state have escaped for a long time without paying. I hope that somebody will take such a case to the European court at some stage and prove that their contribution is just as worthy of reward.

Regards,

[redacted]

Individual Submission 175
09/03/2021

Hello,
My main concern around the state pension is the way people can be forced out of their job at the arbitrary age 65 deadline. If state pensions are paid out later, then people should also have the option to work longer. It honestly seems like age discrimination and paternalism to be told when I need to quit my job.

Additionally, there needs to be more protection of private pensions and more support for getting people to contribute to their private pensions.

Thank you,
[redacted]

[redacted]

Individual Submission 176
10/03/2021

Hi
I know the consultation closed yesterday but I only saw notice today.
I think women who were forced to leave jobs when they got married in 60's/70's and are now widowed should receive an extra pension payment. They were forced out of workforce and many could never return. Now widowed, some struggle to meet bills week to week, not having had a chance to earn a living or private pension never mind save.

Will there be another consultation?

Regards,
[redacted]

Individual Submission 177
10/03/2021

Dear Sir/Madam,
Thank you for the opportunity to raise any issues I have concerning the state pension. Having worked since 1977 and my husband has worked since 1972 I think we should be well entitled to retire at 65 years and receive our full state contributory pension. My birth year is 1956 and my husband 1957. We are both still working and very disappointed about the age being raised.. Many people of our age group have worked for many years and with any employer the retirement date was always 65 years on the contract. We have always paid all our dues including Income tax PRSI government levies and took the brunt of the USC charge when it was introduced in 2011 when the Troika had to step in to bail out the country from the financial mess it was in.
I also want to stress the employer's PRSI levy paid in addition to the employee. I think a fair way to resolve this issue would be to scale the payment according to years worked and cap it somewhere between 35 and forty years.
Thank you for your time,
[redacted]

Individual Submission 178
10/03/2021

Dear Sirs,
I wish to voice my concern about any proposal to increase the age qualification for receipt of the above.
The savings to be gained by increasing the pension age are insignificant in the context of the fiscal and demographic challenges to the existing system.
There should be an end to discrimination in pensions, particularly for women who have taken responsibility for caring, often unpaid, for others. Women often work part-time, or intermittently, and many are unable to accumulate the social security contributions required for a decent, sustainable income.
In addition the reduction in pension to many people if the TCA is solely introduced will severely discriminate against many people. My wife will be hit with a significant reduction if this is introduced.
Mandatory retirement for workers should be ended. Private sector employees should have the right to remain in the workforce until 70 years, similar to that in the public service.
A State that does not prioritise, support and seek to maintain benefits to it's older generation but purely seeks to ensure that the 'maths work out' is losing a core value.
I fully accept that reform is necessary due to some aspects of our demographics and can be a good thing for the longer term but this requires buy in from all and acceptance of one simple fact that you get what you for and this needs to be communicated to the public in a positive way and not at the negative expense of a generation that has already paid its fair share.

Regards
[redacted]

Individual Submission 179
01/03/2021

[redacted]

01-03-21

Shared views on future state pensions

I am OAP. Viewed your site @ www.pensionscommission.gov.ie but was unable to find site to express enclosed view. Grateful if you would enter this in your site.

Re OAPs – Women who worked fully as housewifes and childminders should get full OAPs., not "non contributory pensions" which are means related and unfair.

Yours Sincerely,
[redacted]

Individual Submission 180
18/03/2021

[redacted]

1st March 2021

Pension Review Board
Re: [redacted]

Dear Sir/Madam,

I wish to highlight the situation regarding my pension rates. There are serious omissions of employment. I am on a reduced rate of €211.40.

All the years are used to calculate the averages. I took 5+ yrs for a career break to look after my mother who had Alzheimers and my father RIP 1987. I couldn't get credits for these years. I took a gratuity in 1987 when I got married as I had no income or welfare for duration of career break, so I had to borrow money and paid it back from gratuity.

I have worked all my life and it's a disgrace I am on this rate. Please review.

[redacted]

Individual Submission 181
18/03/2021

Dear Sir,Madam
I'm in June 65 yrs.old.I,'m not happy about rising pension age to 67.Most of people's in Europe can retired in age of 65.
Kind regards,
[redacted]

Individual Submission 182
15/03/2021

[redacted]

15.03.21

Future of State Pensions

Dear Sir/Madam,

On documents I have read the word "sustainability" shown prominently.

Let me point out if the Pension Reserve Fund has been properly managed the fund would have multi millions in it and no need to look at "sustainability". For years we have known thru several "Census" what + how + when the ageing population happens. That is why the P.R.F. was set up in 2001.

On contacting Ms Humphreys re pension query, I find that P.R.F. has zero assets. I'm told multi millions of said fund were invested A.I.B. + Bank of Ireland + both have gone bust.

Where does that leave our "Pension Fund" + is this the real reason for "Commission". Is that money repayable by banks!! Investment short sighted + should have had more diversity.

My query on pensions was loss of €5 per week Budget + used "Brexit" not to pay while getting €2k pay rise same month of Budget.

If Government can take away that small amount from my pension, your Commission seems to me to be a cover up because funds have gone "pear shaped".

If all of what I say is true why wasn't I as pensioner informed.

Who are people selected to sit on "Commission". All that is up on Facebook is photo + name. Are these people qualified to sit + make what may be critical decisions. Are they "Party People" F.F.\FG\others or are they Non Party.

I need your reassurance as I feel the P.R.F. is in serious difficulty thru Poor Management.

Please allay my fears!!

[redacted]

*PRF when started 2001 – Gov. input 1% GDP + workers contribution. That is 20 yrs – what is value of fund as of now!!

Individual Submission 183
07/03/2021

[redacted]

7th March 2021

Re. Pension fund

To whom it may concern,
I will begin my submission by introducing myself to you as you will see the position of the vast majority of middle income workers in Ireland today. I am 39 yrs of age, and have been working full time since I was 19 yrs of age – so 20 yrs. For the first 10 yrs of my working life I paid into a state pension scheme, as I was employed by the state as a public servant. When additional pay cuts – pay cuts through levies were introduced, USC etc. I left this employment on a 'retirement/redundancy' scheme. I then entered the private sector with better pay but no benefits such as flexi-time etc. I have the option with this employer to pay into a pension, however as I am not in the higher tax bracket it does not make sense to do so. I spoke to a Financial Advisor at my bank who outlined several options to me however all carried a degree of risk in terms of investment and return and for some money invested would have to be re-invested upon retirement! Why?
So at this stage I like others have childcare costs, college, mortgage and very little extra to put aside. There is no incentive to save, as there are no great returns, even the State Savings scheme have diminished (returns) significantly and private pensions plans carry great risk, because as we saw during the recession many private pensions ended up being worthless, with those responsible never being heled to account!
Where does this leave your average mother? €248.30 per week! If I choose not to work, and stay at home would I be better off? - €237.00 a week.
It certainly appears so. Many would agree that you would have a better quality of life, less stress, more time for family, more 'benefits' like medical card, 'rent allowance' if applicable or mortgage assistance, family income supplement (if working part-time, college grants under SUSI etc. assistance with childcare costs etc. The working person in Ireland is not rewarded by the State for working, and contributing, and therefore many workers decide to stop or never begin working and it's hard to blame them if all they will receive is €11.30 extra after 40 yrs compared to the person who has never contributed. <u>This has to end</u>.
The state pension should reflect the contributions you have made, or provision should exist for a State Savings scheme for pensions for those working.
I would appreciate if you could consider these facts when planning for the future, because as it currently stands the working person is the one losing out.
Yours sincerely,