

Age-Action

Age Equality

For a society that enables all older people to participate and to live full, independent lives.

Submission to the Department of Social Protection in advance of Budget 2022

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Rialtas na hÉireann
Government of Ireland



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government supporting communities

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Foreword

Age Action advocates for a society that enables all older people to participate and to live full, independent lives. Budget 2022 needs to put public spending on a sustainable pathway towards the realisation of the rights and equality of all older people, recognising the diversity of their experience and situation.

Often, inequalities experienced by older people reflect an accumulated disadvantage which can result from factors such as socio-economic status, health or gender. The UN recognises that the environments in which we are born, grow, work and live strongly influence the opportunities available to each of us as we age. The WHO states that a significant proportion of the diversity in older age is due to the cumulative impact of health inequities across the life course, arising from people's physical and social environments and the impact of these environments on their opportunities and health behaviour.¹

Budget 2022 is taking place in the context of the COVID-19 pandemic, which continues to be an extraordinarily difficult period for many older people.

The primary purpose of Age Action's budget submission is to assist Government in identifying the unmet needs and undermined rights of older people, including situations where existing services or supports are inadequate. Our submission is informed by the diverse lived experience of older people gathered through surveys and focus groups, as well as by regular contact with people across the country through our Programme delivery work and Information Service.²

The number of people aged 65+ is set to increase by half again in the next thirteen years, from 720,100 in 2020 to 1.1 million by 2035, and the number of people aged 80 or older will double from 170,800 in 2020 to over 340,000 in 2035.³ The success story of longevity means that public spending will naturally increase in a range of areas, including the State Pension and other services and supports.

Age Action's proposals for Budget 2022 are designed to not only address the immediate needs of older people next year, but also to lay the foundations for sustainably ensuring equality of outcomes for all older people in the coming decade and beyond.

¹ <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

² All quotes in this submission are a small selection from the responses of people answering our surveys in relation to Budget 2022.

³ CSO population projections, <https://data.cso.ie/table/PEB07>

Summary of budget proposals

1. Consolidate investment in social protection

Budget 2022 should set out a roadmap to the consolidation of social protection spending to bring Ireland up to the standards of European welfare state models, including analysis of how this could be paid for sustainably.

2. Publish a comprehensive review on how public spending linked to older age will be expanded to meet the needs of Ireland's ageing population

Budget 2022 should initiate a comprehensive review of public spending and taxation, with the aim of ensuring that the state and society can sustainably fulfil the human rights and equality for all older people in terms of income adequacy in retirement and access to public services.

3. Commission a comprehensive analysis of the costs associated with ageing, and the cost of living for all older people

Budget 2022 should fund a comprehensive and replicable review of the cost of living faced by all older people, which should be used to inform the rate of the State Pension and related policies.

4. Develop a fair and flexible retirement system

Budget 2022 should increase the rate of the Benefit Payment for 65-Year-Olds to the same rate as the State Pension and it should expand eligibility for the payment.

Budget 2022 should set out a definite timeline for the introduction of an auto-enrolment pension system, as well as other reforms to occupational and private pension savings to encourage greater numbers of people to save for retirement.

Budget 2022 should fund social insurance pension statements to be posted to all adults aged 30, 40, 50 and 60, spelling out their likely retirement income from the State Pension and encouraging them to save for retirement.

5. Increase the State Pension and introduce a "triple lock" system to benchmark future increases against average wages and the cost of living

Budget 2022 should begin to raise the Contributory State Pension to 34% of average earnings, starting with an increase of €15 on the full rate of the Contributory State Pension and pro rata increases for Qualified Adults, the Living Alone Allowance, the Allowance for those over 80, and in the Non-Contributory State Pension. Any increase in income supports must be accompanied by a proportionate increase in qualifying and eligibility income thresholds used for means tests across all government departments.

6. Fund supplementary income supports to end material deprivation among older people

Budget 2022 should allocate €100 million to fund a package of targeted income supports to eliminate material deprivation among people aged 65+.

7. Support and provide respite for carers, including of adult children with disabilities

Budget 2022 should provide the necessary funding to deliver on the programme for government's commitments with respect to family carers, including immediate investment to provide additional respite for carers and care recipients, as well as establishing the Commission on Care.

Budget 2022 should provide approximately €70 million to increase weekly carer payments by €8, Carer's Support Grant to €2,000 and Carer's Allowance income disregards.

Budget 2022 should put in place a mechanism that gives older parents a firm guarantee of care and support for their adult children who suffer from profound disabilities.

Budget 2022 should provide a stronger mechanism to enhance the pension eligibility of people, especially women, who have spent years providing care, with an allocation of €3 million in annual funding towards a dedicated Carer's Pension for long-term family carers.

8. Invest in supports to improve digital literacy among older people, while continuing to provide alternatives to online access to public services

Budget 2022 should change the old Telephone Allowance into a new and expanded Communications Allowance to help cover the cost of access to the internet for people on low fixed incomes.

Budget 2022 should provide sufficient funding for all public services to adequately staff alternatives to digital modes of communication to mitigate digital exclusion.

9. Balance Carbon Tax with supports for older people in energy inefficient homes

Budget 2022 should increase Fuel Allowance on a proportionate basis to entirely cover increases in the market cost of fuel and the added cost of Carbon Tax increases in line with the principles of climate justice.

Budget 2022 should restore Fuel Allowance to cover 32 weeks of the year and widen eligibility for the payment.

Barriers to equality for older people

Older people are often subject to barriers to their full participation in society or the economy, including ageist stereotypes.

Many older people are reliant on a low, fixed income, with three-quarters of them entirely or largely dependent on the State Pension and other social protection payments for their income.

- Most older people often no longer have an income from employment, and therefore must rely on a combination of their assets and saving, private pensions, and the State Pension and associated social protection income supports.
- When workers retire, they lose access to labour relations institutions, and they can find it difficult to influence former employers in relation to their occupational pensions.
- Many older people do not have substantial savings or assets, with the exception that four out of every five older persons owns their own home, which can be a cost as well as an asset.

Ageing is a biological process that affects individual people very differently and at different rates.

- The WHO notes that there is no “typical” older person, and the process of biological ageing is only loosely related to age.⁴
- The biological effects of ageing involve greater susceptibility to disease or injury, and a weaker ability to regenerate afterwards, sometimes leading to accumulated damage or loss of certain functions. However, the effect on individuals varies greatly.
- At age 65, men have an average life expectancy to age 84 and women to age 86.

On average, a third of older people have a disability or serious impairment, and this increases with age; for example, disability affects around a quarter of people aged 65 and it affects three-quarters of people aged 90.

- Two-thirds of people aged 65+ report that their health is “good” or “very good”, even though around half of older people have an underlying illness, such as high blood pressure, a back disorder or diabetes.
- The environment within which people live has a significant bearing on whether they can achieve healthy ageing and active retirement, or for how long.
- A social model of disability explains that the effect of disability on an older person’s ability to participate in society is due to the presence or absence of enabling factors in a person’s environment.

At advanced old age, many people need extra support, and they are physically and psychologically more susceptible to crime or elder abuse.

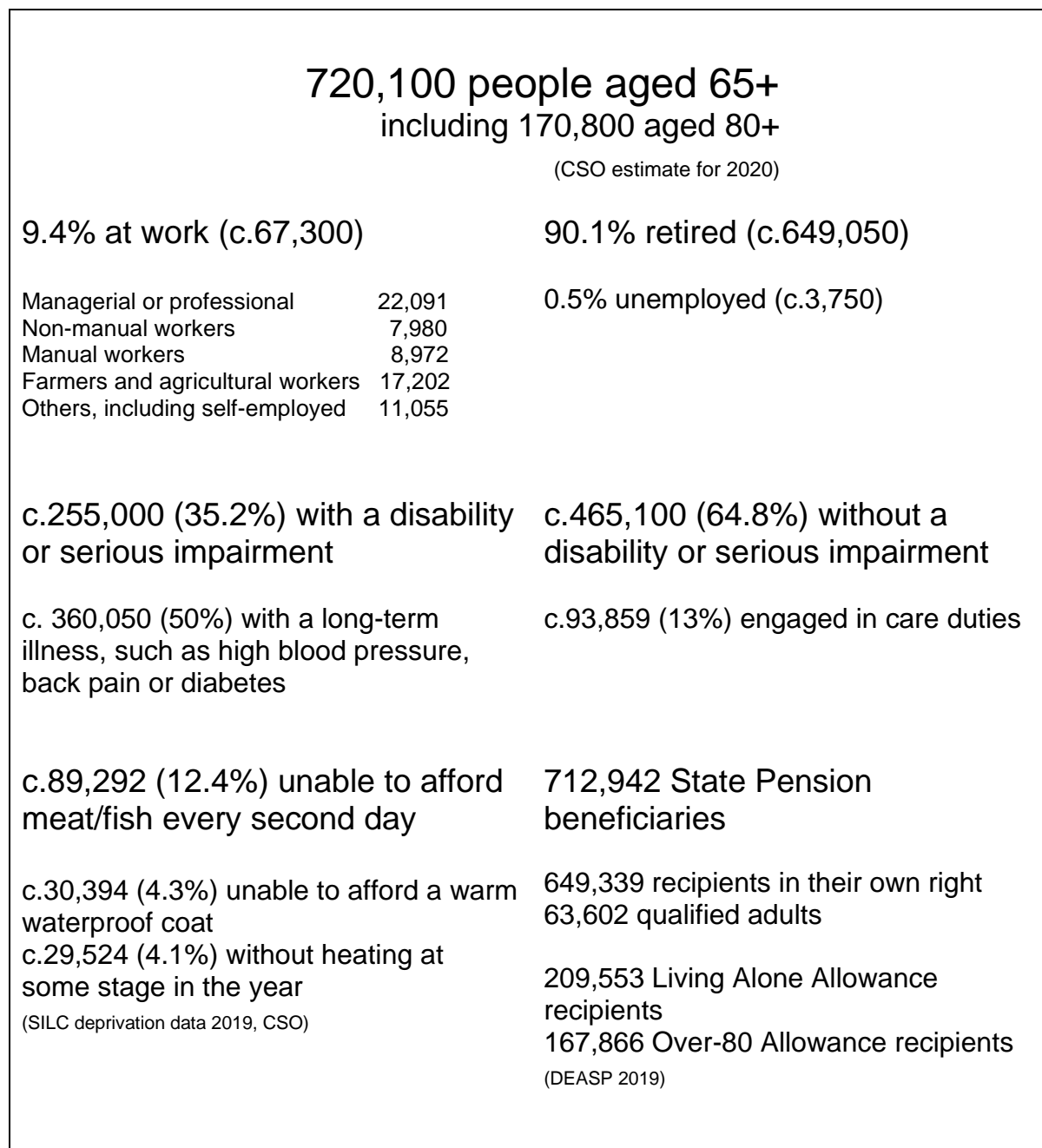
- In a typical year, around 83% of all deaths occur to people aged 65+, and most older people require medical care, nursing or other supports at the end of life.
- A minority of older people lose the ability to make some decisions for themselves and may become reliant on laws and policies to safeguard their best interests.

⁴ <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

A profile of older people in Ireland today

Older people are a highly diverse group who, quite naturally, include people from all backgrounds. People aged 65 or older are healthier than ever before, but many of them are still unable to enjoy a healthy, active retirement without the help and support of society.

Figure 1. The profile of older people (aged 65+), based on 2020 population estimates.



Proposals for Budget 2022

1. Consolidate investment in social protection

The pandemic saw greatly increased public spending on health and social protection. The HSE rose to the challenge of the pandemic and rolled out an effective vaccination campaign. The social harm of mass unemployment was mitigated by the distribution and sustained availability of employment subsidies, the Pandemic Unemployment Payments, and other social protection payments.

None of this would have been possible without the Government releasing the necessary funds.

Before rushing to cut back spending in these areas, there is a pressing need to evaluate what gains in service quality and income adequacy could be consolidated. Age Action is calling on the Government to consolidate the level of service provision and income support that was achieved during the pandemic.

Ireland is unusual in having a flat rate of unemployment benefits whereas many European countries provide income replacement linked to a person's former earnings. During the pandemic, the top rate of Pandemic Unemployment Payment (€350) assisted many people to retain their homes and to meet their living expenses, to an extent that would not have been possible at the maximum rate of Jobseekers Benefit (€203). This disparity has raised greater awareness of the need for social protection payments to be aligned to living costs. A more evidence-based approach to social protection – including the State Pension and supplementary supports like the Living Alone Allowance – would benefit older people.

The ESRI has called for tax or social insurance increases to underpin public spending.⁵ In this context, it is important to recall that taxation in Ireland is relatively low compared to EU norms. Employers' and self-employed social insurance contributions are among the lowest in the OECD.⁶ The programme for government has committed to setting up a Commission on Welfare and Taxation to ensure there are sufficient resources for public services into the long term, with regard to the impact of COVID-19 and ageing demographics.

Budget 2022 should set out a roadmap to the consolidation of social protection spending to bring Ireland up to the standards of European welfare state models, including analysis of how this could be paid for sustainably.

2. Publish a comprehensive review on how public spending linked to older age will be expanded to meet the needs of Ireland's ageing population

A major review and a strategic approach are needed to ensure that public policy can sustainably fund public services and income supports to all older people in a context where there will be a greater number and proportion of older people in the

⁵ [Tax increases needed to fund public services - ESRI \(rte.ie\)](https://www.esri.ie/publications/tax-increases-needed-to-fund-public-services)

⁶ [Taxing Wages 2021 | en | OECD](https://www.oecd.org/tax/taxing-wages-2021/)

population. The fact that people are living longer is testament to the successes of social policies and new technology, and the challenge of supporting our population into old age should be understood as a necessary part of that success story.

Ageist and negative depictions of the growing number of older people as a “burden” on society are both factually untrue and counter-productive to achieving the human rights and equality of older people. Age Action is calling on the Government to commit to remove ageist and negative stereotypes from this debate, and to focus instead on how, as a society, we can collectively and sustainably meet the needs of older people.

The CSO estimates that there were over 720,000 people aged 65 or older in Ireland in 2020, and both the number and proportion of older people in the population is set to grow rapidly. The number of people aged 65+ is projected to reach 1.1 million by 2036, including over 340,000 people aged 80 or older.

Ageing can only be understood for many as a process of accumulated disadvantage. As the World Health Organisation and other public health authorities have acknowledged, “The diversity seen in older age is not random. A large part arises from people’s physical and social environments and the impact of these environments on their opportunities and health behaviour. A significant proportion of the diversity in older age is due to the cumulative impact of these health inequities across the life course.”⁷

Equality for older people must start from the status and standing they enjoy in society. It must involve a concern for the level of resources available to older people in terms of income and employment as well as in relation to health, education, housing, and capacity to participate in community life. Equality is underpinned by older people having a say in decisions that impact on them, their independence, and the level of influence they have in shaping our society through wider policy making.

In just thirteen years from Budget 2022, the population of people aged 65+ is expected to increase by nearly 400,000 people, with major implications for the funding of the State Pension and for funding health services and social care services. Some Government reviews have begun to analyse these implications, such as the *Spending Review 2019: Budgetary Impact of Changing Demographics from 2020-2030* by the Government’s economic and evaluation service (IGEES) and the Department of Finance’s *Population Ageing and the Public Finances in Ireland* (2018). However, much more analysis is required, as well as budgetary decisions, to ensure that public spending that affects older people is on a secure foundation.

Age Action is calling for a comprehensive review on how public spending linked to older age will be expanded to meet the needs of Ireland’s ageing population. This review must be grounded in an equality and human rights framework, including:

- Ageism should be eliminated, and more action is needed across society and by public agencies to recognise and remove barriers to the full participation of older people.

⁷ <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

- A secure income sufficient to meet their needs in dignity is something to which every person is entitled, and society should support all older persons to enjoy a period of healthy, active retirement following their working lives.
- Society should provide age-friendly environments, adequate medical care, social care, transportation and access to other services and supports, with the aim to enable people to have choice and control over their own lives, to age in place, and to overcome disability and illness to the greatest extent possible.
- Society should, to the greatest extent possible, ensure that the environments in which people live are conducive to their health and to the adoption of healthy behaviours.
- Society should ensure that adequate personal supports and legal protection is in place for people who are affected by severe disability or illness, and for those who are otherwise exposed to the risk of exploitation by others.

In this context, any review of the sustainability of public spending must not be based on a mindset of reducing the quality of services or the adequacy of income supports to older people just to stretch resources. On the contrary, the review must be based on the full implementation of the Public Sector Equality and Human Rights Duty of all public agencies to respect, protect and fulfil the human rights of all persons. For example, the programme for government commitment to establish a policy innovation office within the public service should include sufficient expertise about ageing, and about equality and human rights.

The review of the sustainability of public spending should include the development of a fair and flexible retirement system, a continued focus on improvement of income adequacy to eliminate material deprivation among older people, as well as greater investment in healthcare, home care and other supports. The scale of the ageing challenge requires a wholesale review of taxation and social insurance to make sure that progress is maintained into the future.

Budget 2022 should initiate a comprehensive review of public spending and taxation, with the aim of ensuring that the state and society can sustainably fulfil the human rights and equality for all older people in terms of income adequacy in retirement and access to public services.

3. Commission a comprehensive analysis of the costs associated with ageing, and the cost of living for all older people

It is only possible to judge the adequacy of people's income in retirement if we have a robust evidence base describing the cost of living, including costs associated with ageing such as costs related to health or disability, etc. When looking at the cumulative changes over the last ten years, the State Pension has not even increased at the same rate as inflation, which means that people are falling further behind the rising cost of living.

The programme for government commits to using recent research on the costs associated with disability to inform policy. Age Action is calling on the Government to commission a comprehensive and replicable review of the cost of living faced by all

older people. This evidence base should be used to inform the rate of the State Pension and for eligibility for supplementary payments and support services.

“I am also a carer and need a car for the person I am caring for. My motor insurance is astronomical.”

“After rent, my biggest bill is on my health. Health Insurance desperately expensive for fairly basic cover; each month I pay the max under drugs repayment scheme as I have [a medical condition].”

“I deprive myself of treats in order to pay private health insurance.”

“I gave up my car to afford [health insurance], fearing if something happened I would be left waiting too long.”

Respondents to Age Action Pre Budget 2022 Consultation

The Minimum Essential Standard of Living (MESL) research conducted by the Vincentian Partnership for Social Justice (VPSJ) provides one useful benchmark for a minimum income.⁸ This data is used by some public agencies.⁹ However, the MESL research assumes good health and it does not include housing costs as it assumes home ownership. There is a need to build on this base to provide a more detailed and nuanced analysis of the full cost of living for all older people. Including for the 9% who rent or who are still repaying a mortgage. For example, 2019 saw the highest increase in applicants over the age of 70 (10%) and aged 60-69 (3%).¹⁰

Budget 2022 should fund a comprehensive and replicable review of the cost of living faced by all older people, which should be used to inform the rate of the State Pension and related policies.

4. Develop a fair and flexible retirement system

Most people in retirement today rely exclusively or mainly on the State Pension to provide them with an income. Age Action is concerned to see a fair and flexible retirement system developed that will support people’s choices about when to retire.

A Roadmap for Pensions Reform 2018-2023 proposes six interrelated actions as part of pension policy reform:

- reform of the state pension
- building a new automatic enrolment savings system
- improving regulation of the pension sector
- supporting the operation of defined benefit schemes

⁸ [Minimum Essentials Budget for Ireland | Home Page \(budgeting.ie\)](https://www.budgeting.ie/Minimum-Essentials-Budget-for-Ireland-Home-Page)

⁹ Insolvency Service of Ireland, [guidelinesundersection23-final.pdf \(isi.gov.ie\)](https://www.isi.gov.ie/guidelinesundersection23-final.pdf)

¹⁰ Housing Agency (2019). Summary of Social Housing Assessments 2019. Available at: <http://www.housingagency.ie/sites/default/files/SHA-Summary-2019-DEC-2019-WEB.pdf>

- public service pensions reform
- supporting fuller working lives

This kind of holistic approach is important, as the development of a fair and flexible retirement system should be about maximising people's choice and control, as well as providing them with a secure, sustainable and adequate foundation for their incomes in retirement.

More than half of employers still do not provide an occupational pension, and fees and charges to private pensions also significantly reduce the level of retirement income that these investments ultimately provide.¹¹ Many occupational pensions (including public sector pensions) do not provide regular increases.

Mandatory retirement clauses force people to retire at 65 in many private sector jobs, despite the absence of a State Pension until 66, which is unjust. Mandatory retirement clauses should be abolished – as they have been in other jurisdictions.

While some people can avail of the reformed Benefit Payment for 65-Year-Olds, the eligibility criteria for this payment are unduly restrictive as they exclude people who have insufficient social insurance payments in the previous three years. In addition, the level of the payment is less than the State Pension and does not give access to related benefits, which is deeply unfair to those who are forced out of paid work and who find it impossible to find alternative employment.

The Government has repealed the legislation that would have extended the State Pension age beyond 66. Arguments to raise the age of eligibility met with widespread public condemnation at the general election, and in February 2021, two-thirds (66%) of respondents to public opinion surveys continue to want the State Pension age to remain at 66.¹² The Pension Commission is due to submit its report to the Minister by the end of June 2021, which will contribute to public debate on this issue, but its constrained terms of reference and its lack of direct engagement with older people means that its recommendations are likely to be framed narrowly, as opposed to the holistic approach required to ensure a fair and flexible retirement system for all.

¹¹ [Up to 60% of Irish pension funds are eaten up by charges and fees, says report \(irishtimes.com\)](https://www.irishtimes.com/news/social-security/pension-funds-eaten-up-by-charges-and-fees-says-report-2021-02-18)

¹² <https://www.redcresearch.ie/wp-content/uploads/2021/03/Business-Post-RED-C-Opinion-Poll-Report-Feb-2021.pdf>

“My government pension has remained static since 2009. Lots of working mothers in the Civil Service availed of this 2009 incentivised pension scheme at the time not expecting their very reduced pension to stay static and be eroded over the past 12 years.”

“Women who had to resign from work due to marriage ban, reared their children until they finished university also looked after elderly mother-in-law at home for 20 years without any help from the state should get the full contributory pension. No account taken of those years.”

Respondents to Age Action Pre Budget 2022 Consultation

There is a need to greatly change the incentives involved to encourage more people to save for retirement. While it is acknowledged that policies such as auto-enrolment are complex, Ireland is now one of just two OECD countries without a mandatory system of earnings-related savings for retirement. Auto-enrolment was proposed in the 2010 National Pensions Framework and still has not been implemented.¹³ Age Action is calling on the Government to fulfil the latest pledge that it will finally be introduced in 2022.¹⁴

Despite pension reform being on the national agenda for many years, too many people still reach their 60s without knowing what income they will have in retirement. The state needs to do more to inform people from a much earlier age of their social insurance record and what options they have to boost their retirement incomes.

Budget 2022 should increase the rate of the Benefit Payment for 65-Year-Olds to the same rate as the State Pension and it should expand eligibility for the payment.

Budget 2022 should set out a definite timeline for the introduction of an auto-enrolment pension system, as well as other reforms to occupational and private pension savings to encourage greater numbers of people to save for retirement.

Budget 2022 should fund social insurance pension statements to be posted to all adults aged 30, 40, 50 and 60, spelling out their likely retirement income from the State Pension and encouraging them to save for retirement.

5. Increase the State Pension and introduce a “triple lock” system to benchmark future increases against average wages and the cost of living

Successive budgets have not enabled people to cope with economic shocks, such as COVID-19. Rising risk of poverty and deprivation show that many people in retirement do not have financial resilience when additional costs arise. Unlike those

¹³ [Ireland Key policies Final.pdf \(oecd.org\)](#)

¹⁴ <https://www.gov.ie/en/consultation/1816502908-automatic-enrolment-retirement-savings-system/#>

in work who can do extra hours, most people in retirement don't have a means of raising extra income to cope with extra costs.

One in seven people (14%) aged 65+ (regardless of employment status) had their employment affected by COVID-19.¹⁵ As most people aged 65+ are retired, this suggests that most older people at work were affected. While eligible for wage subsidy schemes, older people who lost their jobs were not allowed to access the Pandemic Unemployment Payment (PUP). Those aged 55+ who lose their jobs tend to face ageism and other barriers to regaining work, and they will need extra support.

The annual Budget process creates unnecessary uncertainty for older people in relation to whether the State Pension will increase to cover the rising cost of living. It is long overdue for the rate of the pension to be evidence-based, benchmarked against average wages and the cost of living. Likewise, annual increases of the pension should be indexed in a similar way, to depoliticise the Budget process in relation to the State Pension rate.

“The cost of living has gone up in every way over the last year and no increase in our pension. It is so hard to try to pay all the Bills even without food bills especially in wintertime when the heating is on all day.”

“The cost of living is constantly increasing, particularly as business try to recoup lost income after Covid and the lockdown. Pensioners cannot absorb these increases, particularly as the pension was not increased in the last budget.”

Respondents to Age Action Pre Budget 2022 Consultation

The government policy on pension reform, *A Roadmap for Pensions Reform 2018-2023*, acknowledges study findings that “the rate of State pension contributory payment should be set at a level of approximately 34/35% of average earnings if it is to deliver on the objective of providing a basic level of pension adequacy”.¹⁶

The roadmap sets out two proposals for examination:

Setting a formal benchmark target of 34% of average earnings for State pension contributory payments and;

Instituting a process whereby future changes in pension rates of payment are explicitly linked to changes in the consumer price index and average wages.

Both are necessary steps towards ensuring income adequacy for everyone in retirement, although further work is needed to ensure a sufficiently robust State Pension system. In particular, the consumer price index is not a complete measurement of the cost of living and explicitly excludes a range of costs, including housing costs. The itemised Minimum Essential Standard of Living (MESL) provides

¹⁵ CSO, Employment and Life Effects of COVID-19, April 2020.

<https://www.cso.ie/en/releasesandpublications/er/elec19/employmentandlifeeffectsofcovid-19/>

¹⁶ [Pensions Roadmap 2018 - 2023 \(assets.gov.ie\)](https://assets.gov.ie)

a more nuanced evidence base for the cost of living, although it too has limitations. Age Action has called for the Government to review the holistic cost of living associated with older age to provide the necessary evidence to inform policy.

In the UK, the state pension rises according to a “triple lock” policy. Pensions rise by either 2.5 per cent, consumer price inflation or average earnings, whichever is higher.¹⁷ Age Action and other advocacy organisations for older people have called for a triple lock policy to be implemented in Ireland.

Table 1. Average Earnings, Pension Rate and Poverty 2017-2021

Year	2017	2018	2019	2020	2021
Average earnings (Q3) ¹⁸	726.12	751.66	778.62	805.15	859.23
34% of average earnings	246.88	255.56	264.73	273.75	292.14
State Pension rate (Contributory)	238.30	243.30	248.30	248.30	248.30
Difference	-8.58	-12.26	-16.43	-25.45	-43.84
State Pension as % of average earnings	32.8%	32.4%	31.9%	30.8%	28.9%
At risk of poverty rate (65+)	8.6	11.4	10.5	<i>Not yet published</i>	
Consistent poverty (65+)	1.7	1.7	2.3		
Deprivation (65+)	9.7	8.2	11.2		

Average earnings in Q1 2021 were €859.23 per week (preliminary estimate, seasonally adjusted).¹⁹ The full rate of the Contributory State Pension is €248.30, which is 28.9% of average earnings with a gap of €43.84 per week to bring the State Pension to the benchmark target of 34%. Looking back over the period 2017-2021, the State Pension is falling further behind average earnings. There is also some evidence that poverty and deprivation is rising among those aged 65+.

As average earnings are likely to continue to rise, the State Pension needs to be raised significantly to keep up. Failure to raise the pension will deepen a fundamental inequality across society, where those in retirement will see their incomes falling further and further behind, and they will be unable to maintain a standard of living in line with society’s norms. Age Action is calling for the State Pension to be raised to 34% of average earning over a three-year period, starting with a €15 increase in 2022.

¹⁷ [Pensioners’ incomes beat inflation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/pensioners-incomes-beat-inflation)

¹⁸ Average earnings are seasonally adjusted and are from Quarter 3 except for provisional estimates for Quarter 1, 2021.

¹⁹ [Earnings and Labour Costs - CSO - Central Statistics Office](https://www.cso.ie/en/earnings-and-labour-costs/)

Budget 2022 should begin to raise the Contributory State Pension to 34% of average earnings, starting with an increase of €15 on the full rate of the Contributory State Pension and pro rata increases for Qualified Adults, the Living Alone Allowance, the Allowance for those over 80, and in the Non-Contributory State Pension. Any increase in income supports must be accompanied by a proportionate increase in qualifying and eligibility income thresholds used for means tests across all government departments.

6. Fund supplementary income supports to end material deprivation among older people

The Survey on Income and Living Conditions identifies that more than one in ten people aged 65+ (10.5%) is at risk of poverty and one in nine (11.2%) suffers material deprivation. The larger number experiencing deprivation than risk-of-poverty demonstrates that even some people whose incomes are above the arbitrary “poverty line” are experiencing material deprivation.

The most common form of deprivation was that nearly 90,000 individuals aged 65+ (12.4%) were unable to afford meat/fish or equivalent every second day. Around 30,000 (4.3%) older people were unable to afford a warm waterproof coat and just under 30,000 (4.1%) went without heating at some stage in the year due to the expense.²⁰

“Constant juggling each week as to what bills have to be prioritised.”

“Make sure that the government understands that if our food intake/quality has to be cut to fit our income that there will be increased demand on the health service.”

Respondents to Age Action Pre Budget 2022 Consultation

Keeping most of Ireland’s 720,000 older people out of poverty is a notable achievement, however the goal of public policy should be to eliminate material deprivation among people who have retired.

It is essential that existing payments and schemes are maintained, all of which contribute to this goal. For example, the Christmas Bonus on the State Pension and other payments and the Free Travel Scheme must be maintained.

Age Action calls on the Government to introduce targeted schemes to eliminate material deprivation among people who are retired. For example, 30,000 warm waterproof coats would only cost €1.5 million (at €50 each), and 100 protein-rich meals weekly for the 90,000 who cannot afford them would cost around €45

²⁰ Data from SILC 2019. <https://data.cso.ie/table/SIA13> The detail on deprivation experienced by older people was supplied directly by the CSO to Age Action.

million/year (at €5 per meal). Taken altogether, Age Action estimates that material deprivation among all older people could be eliminated for less than €100 million.

It is insufficient to point at the Exceptional Needs Payment (part of the Supplementary Welfare Scheme) as already in place. Many people are unaware of this payment, or they are reluctant to identify as having “exceptional needs”. Under the Public Sector Human Rights and Equality Duty, the Department of Social Protection should redesign schemes within the Exceptional Needs Payment/Supplementary Welfare Scheme to target those who are experiencing material deprivation and who need to be informed of their entitlement to assistance to meet their basic material needs.

In the context of public spending of €89.6 billion in 2021,²¹ it makes absolutely no sense that large numbers of people continue to experience material deprivation when the cost to meet their needs would be a fraction of what is already being spent and when the investment would reduce most costly public interventions in health and social care; i.e. as preventative measures, increasing the availability of protein-rich meals and helping people to stay warm will reduce the onset of illness and disability, which in turn will reduce pressure on public health and social care services.

Budget 2022 should allocate €100 million to fund a package of targeted income supports to eliminate material deprivation among people aged 65+.

7. Support and provide respite for carers, including of adult children with disabilities

COVID-19 has been particularly difficult for carers, as they have not always had the same opportunity to rely on family or friends to lend a hand.

“We have no outside help; no family living nearer than a four and a half hour drive away.”

“As a carer to my husband and with mobility issues of my own I find it costly to keep on top of the maintenance of our home.”

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Many people aged 65+ are in a caring role, for a spouse, for an adult child with a disability or for another relative. Because people are living longer, some people aged 65+ are caring for their own parents. Older people caring for adult children with profound disabilities are often worried about whether their child will receive high quality care once they are unable to do so. The CSO’s 2019 Health Survey found that one in six (16%) of those aged 65-74 are carers, as are one in 11 (9%) of those

²¹ [Where Your Money Goes](#)

aged 75 or older. In general, carers report poorer health than non-carers.²² These figures imply that nearly 94,000 people aged 65+ were carers in 2020.

“I believe that Care Home should be, by law, non-profit. A resident's needs will always impact the profit margin leading to questionable decisions. This is a moral issue.”

“I have found it extremely difficult to access any form of public service; e.g. when caring at home single-handedly for my aged mother. I only managed to get a home care package of 14 hours a week after her 104th birthday.”

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The programme for government pledges to create a commission to examine care and supports for older people. It also commits to a “carer’s guarantee that will provide a core basket of services to carers across the country regardless of where they live”. It also commits to review the National Carers’ Strategy, to extend free GP care to those in receipt of the Carer’s Support Grant and to provide additional respite nights for people with disabilities.

The programme for government also recognises the pension inequality faced by women due to lifelong caring responsibilities, such as a for a child with a disability. The programme commits to “examine options for a pension solution for carers, the majority of whom are women, particularly those of incapacitated children, in recognition of the enormous value of the work carried out by them.”

Budget 2022 should provide the necessary funding to deliver on the programme for government’s commitments with respect to family carers, including immediate investment to provide additional respite for carers and care recipients, as well as establishing the Commission on Care.

Budget 2022 should provide approximately €70 million to increase weekly carer payments by €8, Carer’s Support Grant to €2,000 and Carer’s Allowance income disregards.

Budget 2022 should put in place a mechanism that gives older parents a firm guarantee of care and support for their adult children who suffer from profound disabilities.

Budget 2022 should provide a stronger mechanism to enhance the pension eligibility of people, especially women, who have spent years providing care, with an allocation of €3 million in annual funding towards a dedicated Carer’s Pension for long-term family carers.

²² [Carers - CSO - Central Statistics Office](#)

8. Invest in supports to improve digital literacy among older people, while continuing to provide alternatives to online access to public services

While many older people do use computers and smart phones on a regular basis, older people are on average less likely to have digital skills or to use the internet. What this means is that a large cohort of older people faces a barrier to accessing some public services as well as barriers to full participation in economic and social life.

At home, half (50.6%) of households headed by people aged 65+ have a personal computer and just over half (51.3%) have broadband internet access. Another 5.1% have internet but not broadband. However, nearly half (46.3%) do not have a personal computer and two in five (40.8%) do not have internet access.²³ Overall, one in five (21%) of people aged 60-74 have never been on the internet, and this rises to half (50%) of those aged 75 or older.²⁴

“Finding it hard to cope with trying to find so much information on-line and practically being forced to go in that direction by Government (e.g. mygov.ie); Banks and Utilities etc. No respect shown to older people by any of these organisations. They just make it more and more difficult for older people to get accurate information.”

“I find the drive to do everything online, e.g. Tax Returns and Banking most stressful and unfair to older people. I also regret that one has to have a Smartphone to exist in Ireland today.”

“Adequate technical skills to end life as a compliant citizen instead of being frustrated to tears by the bullying, brow-beating “it’s easier online” arms of the state.”

“People need a subsidy to pay for broadband so they can stay connected, informed, and avail of medical monitoring etc.”

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While more people are going online, they are not all acquiring the skills to stay safe from fraudulent practices. Large numbers of people experience online fraud on an annual basis. A Eurobarometer survey found that more than one in eight people (13%) have experienced internet fraud and one in 11 (9%) have experienced identity theft.²⁵ While the proportion of people aged 60-74 going online has more than

²³ Census 2016, CSO

²⁴ [Information Society Statistics - Households 2020 - CSO - Central Statistics Office](#)

²⁵ <https://www.irishtimes.com/business/technology/13-of-irish-internet-users-have-suffered-online-fraud-1.209978>

doubled since 2018, the number with basic or above basic digital skills has only risen slightly, from 17% in 2017 to 19% in 2019.²⁶

There is an urgent need for investment in digital skills training, which needs to be more than a token lesson but should involve outreach and one-to-one tuition, to help people acquire the necessary knowledge and skills to be safe online. There is also a need for financial support for those people in retirement who cannot afford digital devices or a monthly subscription to an internet provider.

The “Digital First” aspect of the national e-government strategy may provide improved access to public services through the internet for many people.²⁷ However, there is a risk that many older people will be systematically discriminated against when public services – including the Department of Social Protection and its agencies – fail to provide or to resource alternative modes of communication for those who cannot use the internet. It is not enough for there to be phone number or postal address if there are insufficient numbers of staff employed to deal with non-digital communications in a timely manner.

Budget 2022 should change the old Telephone Allowance into a new and expanded Communications Allowance to help cover the cost of access to the internet for people on low fixed incomes.

Budget 2022 should provide sufficient funding for all public services to adequately staff alternatives to digital modes of communication to mitigate digital exclusion.

9. Balance Carbon Tax with supports for older people in energy inefficient homes

It is well-established that keeping one’s home appropriately warm is important to maintain good health. For many people, home heating is expensive, especially for those who spend a large part of the day at home. It is a concern that some 70% of people on the State Pension did not qualify for the welcome extra weeks of Fuel Allowance provided during COVID-19.

There is a growing divide between households in terms of the energy efficiency of their homes. The cost of home insulation can be prohibitively expensive for many older people, yet their energy costs are increasing annually, including due to increases in Carbon Tax. While some older people benefit from Fuel Allowance, many do not. Age Action is calling for a more equitable system that formally links increases in Carbon Tax with supports to all older people living in energy inefficient homes.

Any increase in Fuel Allowance should be understood as compensation for the rising cost of energy and as a mechanism to reduce fuel poverty. It is not and should not be presented as compensation for no increase in the core rate of the State Pension.

Fuel Allowance is not limited to people aged 65+ and the majority of those on the State Pension do not receive the Fuel Allowance payment. For example, the Minister for Social Protection confirmed in 2021 that only around 54,000 people aged 80+

²⁶ Eurostat, Digital Skills, 2019.

²⁷ [eGovernment-Strategy-2017-2020.pdf \(egovstrategy.gov.ie\)](#)

were recipients of the payment,²⁸ compared to around 170,000 people in that age group, of whom at least 123,000 are living alone.²⁹ Out of around 713,000 beneficiaries of the State Pension, there are 131,432 recipients of Fuel Allowance (which may represent couples in some cases).³⁰ It is clear that the large majority of people aged 65+ do not benefit from Fuel Allowance, and that eligibility criteria needs to be expanded to take account of the effect of Carbon Tax in increasing the cost of fuel whereas most people in retirement rely on fixed incomes that will not increase to cover that additional cost.

The payment is €28 per week for 28 weeks of the year, which totals a maximum of €784 annually per household.³¹ The payment used to be for 32 weeks/year, and this should be restored.

“I would like the government to fund the retro fitting of all homes built before 1950 as the cost to heat these homes is very expensive.”

“Pension household additions such as fuel allowance very important as my only heating is electric. Very big bills in winter.”

“I find it’s very expensive to heat my home and I cannot afford to upgrade or insulate home.”

“We’re cutting back on heating the house as gas and electricity bills have increased significantly.”

“Suffering from hypothermia as unable to heat house due to money shortage in late unexpected cold snap, couldn’t purchase heating oil when it ran out.”

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We know from Census 2016 that close to 600,000 households are headed by someone aged 65+. The vast majority (95%+) of these households are living in houses rather than apartments, and most of them live in detached houses.³² More than two-thirds of all houses in Ireland were built before 2000, and they tend to have poor thermal insulation. The system of Building Energy Rating (BER) was introduced in 2007, and the newest homes are being built according to much stricter standards.

²⁸ <https://www.oireachtas.ie/en/debates/question/2021-03-24/1025/>

²⁹ <https://data.cso.ie/table/E4029>

³⁰ Data provided by the Department of Social Protection to the Community and Voluntary Pillar.

³¹ [Fuel Allowance \(citizensinformation.ie\)](https://www.citizensinformation.ie/en/allowances/fuel_allowance.html)

³² Of these households, more than half (53.8%) are living in detached houses, a quarter (24.7%) live in semi-detached houses and a sixth (16.6%) live in terraced houses. Just 3.5% live in a flat or apartment.

Fully insulating an older home to achieve a high BER rating can cost tens of thousands of euro, which is well out of the reach of most households. As such, there is a need for a robust system to assist people to keep their homes warm.

The VPSJ calculate that energy costs in 2020 were between €25 and €30/week for pensioner households.³³

The dependence on fossil fuels by Irish households is part of the explanation for Ireland's high carbon emissions (20% higher than EU average in 2017). Private residences contribute nearly a quarter (23.9%) of Ireland's total CO₂ emissions.³⁴

The vast majority (89%) of households headed by an older person use direct combustion of fossil fuels to heat their homes. Half of older person's homes (49.4%) use oil as their primary heating fuel, and a further quarter (25.9%) use natural gas. Others use peat/turf (7.6%), coal (6.1%) or wood (2.1%). One in 50 homes (2%) has no central heating.³⁵

The reliance on fossil fuels makes older people more exposed to Carbon Tax, yet many people lack access to finance to convert their homes to electrical heating systems or home insulation. There is also some cultural resistance to ending the practice of open fires in homes, and, in some rural areas, all too frequent cuts to electrical power due to storms or icy weather make it risky to rely solely on electric heating.

In Budget 2021, Carbon Tax on fuel increased by €7.50 from €26 per tonne to €33.50 per tonne of CO₂ emitted. In real terms, this was equivalent to an additional €19 per fill of home heating oil, €0.79 on a 40 kg sack of coal, €0.17 per bale of turf briquettes, etc.³⁶ The Climate Change Advisory Council recommended carbon tax be raised to €35 per tonne of CO₂ in Budget 2021, rising to €100 per tonne by 2030.³⁷ If implemented, this recommendation would significantly increase the cost of home heating for most older people.

Age Action proposes a twin-track approach to address this issue. Firstly, increases in Carbon Tax should be formally linked with equivalent increases in Fuel Allowance payments to older people, to offset the additional cost of Carbon Tax for the lowest income households. (This should be paid from general taxation, not necessarily from the Carbon Tax receipts, which will diminish over time). Secondly, greater investment should be made in the various schemes that are available to assist older people to make energy improvements to their homes (such as insulation, installation of electric heaters or boilers, and so on).

³³ €25.01/week for a pensioner living alone in an urban area, and €28.31/week for a pensioner couple in an urban area https://www.budgeting.ie/download/pdf/pen_core_mesl_u_2020.pdf and €27.12/week for a pensioner living alone in a rural area, and €29.91/week for a pensioner couple in a rural area

https://www.budgeting.ie/download/pdf/pen_core_mesl_r_2020.pdf

³⁴ [CO₂ Emissions | Energy Statistics In Ireland | SEAI](#)

³⁵ Census 2016, CSO.

³⁶ [Consumers warned to stock up on heating fuels ahead of carbon tax rise - Independent.ie](#)

³⁷ [CCAC AnnualReview2020FINAL.pdf \(climatecouncil.ie\)](#)

According to energy regulators, those least likely to switch electricity or gas providers are older people, despite significant potential savings. A portion of Carbon Tax receipts should go towards a public information campaign encouraging older people to switch energy provider.

Budget 2022 should increase Fuel Allowance on a proportionate basis to entirely cover increases in the market cost of fuel and the added cost of Carbon Tax increases in line with the principles of climate justice.

Budget 2022 should restore Fuel Allowance to cover 32 weeks of the year and widen eligibility for the payment.