



**Submission to the Department of Social Protection on Development
of the Department's Strategy for 2016-2019**

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1. Introduction

Age Action was established in 1992 as the voice for older people and Ireland's leading advocacy organisation on ageing issues.

We act both as a network of organisations and individuals, including older people and carers of older people, and a service provider, assisting tens of thousands of older people every year.

Our mission is to empower all older people to live full lives as actively engaged citizens and to secure their rights to comprehensive high quality services according to their changing needs.

A central feature of our work is raising awareness about the lived experience of growing old in Ireland. This includes advocating for changes in policy that benefit older people.

Since our establishment we have worked tirelessly with, and on behalf of, our members to shape better policies and services for older people.

We have promoted positive ageing, challenged negative stereotyping of older persons as dependent and in need, and mobilised and empowered older people.

Our work has increasingly begun to highlight not only the reality of growing older in Ireland but the importance of planning for future generations of older people.

We welcome the opportunity to input in to the development of the department's strategic plan for 2016 to 2019.

2. Planning for an Ageing Society

The proportion of our population aged 65 and over is set to increase substantially during the coming decades. The CSO estimates that one-in-five of our population will be over 65 by 2036. In order to ensure that services and supports for older people can adequately provide for this growing population, it is imperative that government departments and agencies start to plan. Ireland still has time to prepare for the

coming demographic changes, but this needs to start now, if we are to avoid sleep walking into a crisis.

The two departments that provide the most supports for older people are the departments of Health and Social Protection. In 2014, one third of the Department of Social Protection's budget was spent on the State Pension alone¹. This also equated to more than 13 per cent of gross current expenditure². To ensure the maintenance of the current State Pension system, one which needs reform and investment, costs an additional €200 million per annum³.

Age Action welcomed the publication by the Government of the National Positive Ageing Strategy in 2013. The strategy sets out a blueprint for what government departments and public agencies need to do in order to ensure that Ireland becomes the best place in which to grow old.

The strategy sets out its vision as follows:

Ireland will be a society for all ages that celebrates and prepares properly for individual and population ageing. It will enable and support all ages and older people to enjoy physical and mental health and wellbeing to their full potential. It will promote and respect older people's engagement in economic, social, cultural, community and family life, and foster better solidarity between generations. It will be a society in which the equality, independence, participation, care, self-fulfilment and dignity of older people are pursued at all times (National Positive Ageing Strategy, p. 3).

There are four goals underpinning this vision with specific actions under Goals one and three directly attributed to the Department of Social Protection.

Goal 1 of the strategy aims to:

'Remove barriers to participation and provide more opportunities for the continued involvement of people as they age in all aspects of cultural,

¹ Department of Public Expenditure (2013) Expenditure Report: 2014 – available at www.per.gov.ie/wp-content/uploads/Expenditure-Report-2014.pdf

² Op.Cit.

³ <http://www.per.gov.ie/en/spring-economic-statement-speech-by-the-minister-for-public-expenditure-and-reform-mr-brendan-howlin-t-d/>

economic and social life in their communities according to their needs, preferences and capacities⁴.

Objective 1.1 of this goal addresses the issue of developing options for employment and training for older people as well as removing barriers that prevent longer working lives. The Department of Social Protection is jointly charged with the Department of Jobs, Enterprise and Innovation with dealing with the issues of gradual retirement and pre-retirement planning.

Goal 3 is also relevant to the department as it states:

'Enable people to age with confidence, security and dignity in their own homes and communities for as long as possible'⁵.

Objective 3.1 says that this is to be achieved by providing 'income and other supports to enable people as they age to enjoy an acceptable standard of living'⁶, with specific actions in relation to pensions, secondary income supports, poverty reduction and occupational and private pensions. Responsibility for these actions is assigned solely to the Department of Social Protection.

Ensuring that future generations of older people have enough money to grow old with dignity cannot be left to when the individual reaches retirement. Less than half of those aged between 15 and 64 have a private pension. For those over 65, up to three-quarters of their income is made up of public transfers⁷.

Essentially the broad goal should be that the system ensures sufficient post retirement income for all pensioners, to prevent poverty and to enable them to live full, active lives within their communities.

Recommendations:

1. Ensuring that future generations of older people are guaranteed an adequate State Pension cannot be achieved over three years. It is imperative that the department develops a longer term strategy for the State Pension during the

⁴ Department of Health (2013) *National Positive Ageing Strategy* p. 19 – available at http://health.gov.ie/wp-content/uploads/2014/03/National_Positive_Ageing_Strategy_English.pdf

⁵ Op.Cit.

⁶ Op.Cit. p.35

⁷ OECD (2015) *Pensions at a Glance:2015* – available from www.oecd.org

lifetime of its next strategy.

2. The department's strategy must address the commitments assigned to it under National Positive Ageing Strategy.

3. Reforming the State Pension

Age Action supports the department's efforts to examine the feasibility of introducing a Universal Retirement Savings Scheme but we believe a far greater emphasis must be put on the need to protect, reform and improve the State Pension system.

The vast majority of workers will be solely or mostly dependent on the State Pension in retirement and the focus on introducing a new second-tier pension may distract from the more important and more urgent work necessary to reform the State Pension.

It is important that pensioners and workers have confidence that the State Pension will provide them with sufficient income to live full, independent, lives.

We would urge the department to examine the creation of a legislative benchmark for the State Pension to ensure a secure income for Ireland's pensioners and to guarantee its long-term sustainability.

The effectiveness of the State Pension in addressing issues of gender inequality must also be examined. A 2015 EU Commission report identified a gender pension gap in Ireland of 35 per cent.

In recent years this was worsened by the cut in the State Pension introduced in 2012 through changes to the number of contributions required for different payment rates. The failure to backdate the Homemaker's Scheme also means many women pensioners lose out.

Eligibility for the State Pension should also be made more flexible. The reality is that the working lives of someone engaged in heavy manual labour and one in an office environment are very different.

A number of other European countries including Italy, France and Austria facilitate workers to obtain the full State Pension earlier if they work in what are defined as

arduous conditions and the merits of a similar approach in Ireland should be investigated.

The department must also, as a matter of urgency, address the anomaly created by the raising of the pension age to 66 without addressing the problem created by the common mandatory retirement age of 65.

This has led to a substantial increase in the number of 65-year-olds on Jobseeker's Benefit – more than any other age – at a substantially lower rate than the State Pension.

In the medium to long term, the most appropriate response is to abolish mandatory retirement ages but in the meantime the department should re-examine the decision to abolish the transition pension.

Recommendations

3. Clearly recommit to the target contained in the National Pensions Framework that the State Pension will be set at 35 per cent of average earnings and examine ways to enshrine this in legislation.
4. Prioritise reforms of the State Pension that address the gender pension gap including reforming the homemaker's disregards into credits and backdating the scheme.
5. Examine the costs and benefits of introducing a scheme similar to the French model allowing workers in identified industries where arduous labour is required to obtain the State Pension at an earlier age.
6. Support the abolition of mandatory retirement ages and, pending this being completed, restore the transition pension to address the needs of workers forced out of their jobs at the age of 65 but unable to claim the State Pension until they turn 66.

4. Engagement with Community and Voluntary Sector

As Ireland's leading older people's advocacy organisation, Age Action regularly engages with a number of government departments on a wide range of issues impacting on older people.

The levels of engagement vary but we welcome the fact that the Department of Social Protection undertakes the most comprehensive level of engagement with organisations in our sector.

This includes facilitating requests for meetings with the department officials and the Minister for Social Protection, as well as initiating publicly arranged events such as the Pre-Budget Forum and the Social Inclusion Forum.

We also participate in formal consultation processes as well as bi-annual bilateral meetings with the department alongside other members of the Community and Voluntary Pillar.

In our experience the department leads the field in its open and transparent approach to engaging with stakeholders and we believe this is an example that could usefully be emulated by other departments and public bodies.

Recommendations:

7. Engaging with the community and voluntary sector should remain central to the delivery of the department's strategy over the next three years.
8. The department should share its expertise in consulting with the community and voluntary sector and highlight the benefits to other government departments. This should include encouraging other departments to undertake similar processes of engagement (e.g. the annual Pre-Budget Forum).

5. Recognising the importance of Community Employment programmes in supporting organisations in the community and voluntary sector

It is important that the department continues to recognise the importance of work placement programmes both to the individual participating on the programme and to the host organisation.

Age Action has been running a Community Employment (CE) Programme since 1994. During this time we have supported 892 people on the programme. Progression from the programme for these individuals has been extremely positive

with 45 per cent moving on to employment and a further 33 per cent to further education. This is higher than the stated 40 per cent combined progression target⁸.

The CE programme has not only helped the individuals working under it but participants have extended and improved our work with older people in all our programmes through their commitment and the quality of their work.

Their lasting legacy is demonstrated by the number of former participants who have continued to support our work as volunteers and members.

One issue that we are aware of with the programme is the restriction in relation to the upper age limit which prevents those qualifying for the State Pension from participating.

Recommendations:

9. Continue to recognise the importance of work placement programmes in supporting community and voluntary sector organisations along with supporting individuals to progress to mainstream employment.
10. Ensure that older participants on CE are provided with a choice around continuing to participate on the scheme.

6. Conclusion

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⁸ <https://www.kildarestreet.com/wrans/?id=2015-11-17a.273>