Submission on Budget 2026

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Age Action Summary Recommendations for Budget 2026

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- **National Strategy on Ageing and Older People:** develop a whole-of-government national strategy, built on participation with relevant target groups, with concrete time-framed actions, driven and monitored by a new Cabinet Committee on Ageing.
- **Commissioner on Ageing and Older People:** establish a Commissioner on Ageing and Older People to support government in developing policy and practice, and provide independent information, advice, and investigations for older people.

2. Department of Social Protection

- **Benchmark and index the State Pension:** implement the Pensions Commission recommendations to benchmark and index the State Pension; publish the Department of Social Protection submission on implementing this with the Budget Papers.
- **Support voluntary longer working lives:**
  - Protect the value of the State Pension for workers who chose to defer their claim;
  - Increase the income disregard for the Non-Contributory State Pension to bring it back into alignment with earnings;
  - Develop targeted activation measures to support older workers who wish to remain active in the labour market.
- **An Energy Guarantee for Older People:** create an new energy payment for older people which reflects the energy efficiency of a person's home and is indexed to energy costs;
  - Extend eligibility for Fuel Allowance to older people who do not live alone or with someone on a qualifying payment;
  - Increase the Fuel Allowance payment by €15;
  - Increase the Fuel Allowance income disregard for older people living alone to the level of the couple rate for older people.
- **Target support to older people living alone:**
  - Increase the Living Alone Allowance by €8, and extend eligibility to never married public service pensioners who live alone;
  - Increase the Telephone Allowance to €7.50, to support digital inclusion.
- **Pension equality for carers:**
  - Remove limits on the number of credited contributions for care work as the scheme already has sufficient safeguards on what qualifies as care work;
  - Backdate payments for current pensioners who qualify for a better pension using new schemes to the date of their inception;
  - Develop a tailored activation programme for former carers who wish to reintegrate to the labour market following conclusion of their care work.

3. Department of Finance.....12

- **Institute a standardised rate for tax expenditures:** address deadweight and increase the efficiency of tax reliefs on pension investments and nursing home expenses by making them available at a standardised rate e.g. 30%.

4. Department of Health..... 14

- **Care and Repair:** Provide funding to implement the Programme for Government commitment to roll out Care and Repair on a national basis;
- **Out of pocket medical expenses:** create an new energy payment for older people which reflects the energy efficiency of a person's home and is indexed to energy costs;
  - Medical Cards: increase income guidelines for people aged 70 and older in line with income growth and assess income on a net basis;
  - Drugs Payment Scheme: reduce the maximum monthly expenditure cap for older people living alone.
- **Nursing Home Support Scheme:**
  - Institute a systematic review of the NHSS to ensure it provides a fair deal for older people, including in relation to weekly service charges;
  - Expand coverage of the NHSS to include essential personal care and required medical services, products and appliances.
- **Enhanced Community Care (ECC) programme:** Provide funding sufficient to achieve *Sláintecare 2025+* targets in relation to the ECC programme.
- **HSE Patient and Public Engagement Forum:** Provide funding to establish and staff a HSE National Patient and Service User Participation Office.
- **Enhanced flu vaccines:** Engage in cost negotiations and provide funding to ensure enhanced flu vaccines are available for older people during the next flu season.

5. Department of Rural and Community Development and the Gaeltacht.....17

- **Scheme to Support National Organisations:** Restore the real value of this support in the funding round to succeed the current term, ending in December 2025.

Age Action

We are Ireland's leading advocacy organisation promoting equality for us all as we age.

We are on a journey to create change in Ireland by building an inclusive and age-positive society. We make our vision a reality through advocacy, DIY services in people's homes, and education. Everything we do ensures older people's rights are respected, their voices heard, and their contributions celebrated. We lead the fight in challenging ageism, promoting everyone's agency in older age and finding solutions to the disadvantages we face as we grow older in Ireland.

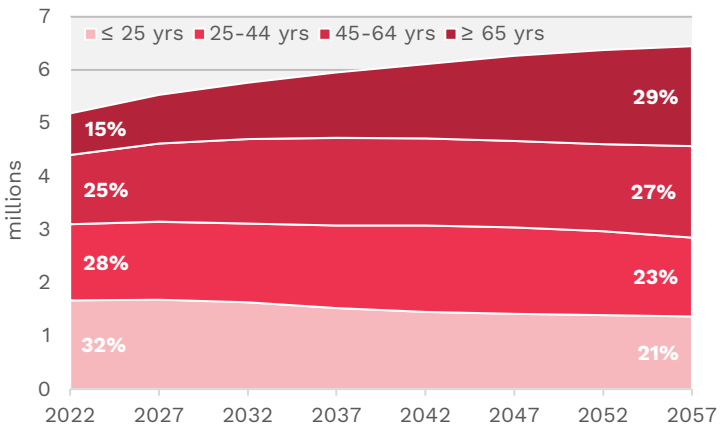
We are a national not-for-profit organisation, servicing the needs of older people in every county in Ireland, with offices in Dublin, Cork and Galway.

The challenges we faces as a society are clear and unavoidable. But the solution is within our grasp.

1. Adapting to demographic transition

Historically, Ireland had a relatively young population, but that is changing rapidly. We are having smaller families and living longer, these changes are transforming our demography: older people account for a growing share of our population.

Figure A: Projected demographic change, by age group



The CSO [1] predicts that the share of older people will double over coming decades, from 15% in 2022 to 29% by 2057. This has significant implications for public policy: for example, ensuring income adequacy in retirement, equipping our health and social care system to meet changing need, and ensuring we have the right mix of housing, and adequate public transport.

1.1. National Strategy on Ageing and Older People

Creating an age positive society, where we can all live full and – to the greatest extent possible – independent lives, requires a strategic approach. While the importance of planning to adapt is recognised[2], we don't have a plan to deliver the structural change required. Government last published a National Positive Ageing Strategy in 2013 – over a decade ago; without clear commitments it has not equipped Ireland for demographic transition. A new, National Positive Ageing Strategy is an imperative.

The Strategy should:

- Be developed with the participation of people who are ageing and those who are currently older, to enable us all to age well in our communities;
- Set out clear, time-framed actions across government, and monitor progress;
- Assess costs, and a set out a plan to ensure fiscal sustainability;

Age Action recommends establishing a Cabinet Committee on Ageing to drive this process and monitor implementation.

1.2. Commissioner on Ageing and Older People

Age Action is also calling for the establishment of a Commissioner on Ageing and Older People – as has been in place in Northern Ireland for many years. The Commissioner could be a resource to Government in preparing for demographic transition and could provide older people with a valuable independent source of information and advice, particularly in the context of often complex decision making in relation to financial and health matters. A Commissioner on Ageing and older people could:

- Inform older people of their rights and investigate failures to provide for those rights;
- Review policy, services and legislation, to support evidence-based policy and practice;
- Provide Government with strategic advice on implementing an age positive society.

Age Action recommends Budget 2026 provide funding to scope the remit and staffing requirements of establishing a Commission on Ageing and Older People.

2. Department of Social Protection

2.1. Benchmark and index the State Pension to 34% of average earnings

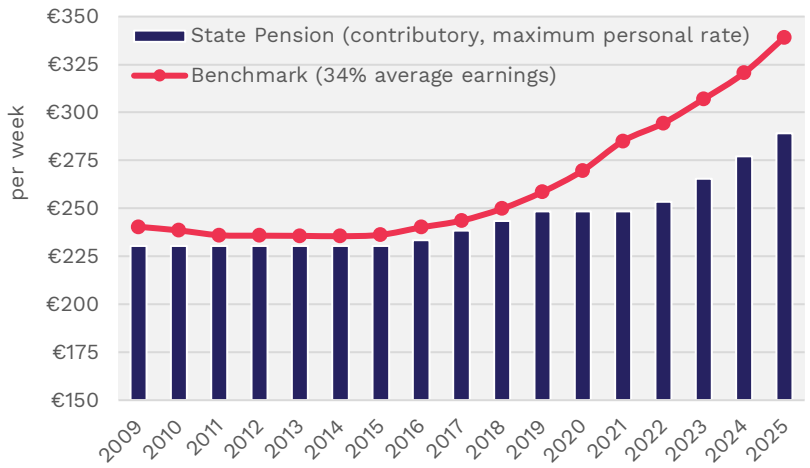
The Pensions Commission (October 2021) called for the immediate introduction of a 'smoothed earnings' system to benchmark and index the value of the State Pension, to:

- Ensure that the State Pension continues to prevent poverty;
- Provide certainty about the State Pension level for current and future pensioners;
- Support the fiscal sustainability of the State Pension system[3].

The Commission recommended the establishment of a statutory, independent, standing body to advise Government on pension rates, like the Low Pay Commission, and to review the benchmark to ensure the State Pension remains effective in preventing poverty. The Commission would also have a role in identifying the cost of providing an adequate State Pension, something we need to start preparing for now. This recommendation would bring Ireland into line with other OECD countries.

Since 2021, the gap between the maximum rate of the State Contributory Pension and 34% of average earnings has increased by 36% – a trend since wage growth recovered in the wake of the global financial crisis.

Figure B: Pension rate compared to 34% average earnings[4]



It should be noted that the proposal to exclude irregular and overtime earnings from average earnings runs counter to the way the risk of poverty is calculated. Poverty thresholds are calculated as a proportion of all income, irrespective of source. Irregular and overtime earnings account for a growing proportion of total earnings: 8% (€59) of average weekly earnings in 2008, but 11.5% (€118, double the 2008 figure) by 2025. A State Pension effective in preventing poverty should be benchmarked to total earnings, and not a portion thereof.

Despite having expressed its commitment to benchmarking and indexing the State Pension, the previous government decided not to implement these Pensions Commission recommendations. Instead, the Department of Social Protection is requested to submit a calculation of the rate in its budget submission.

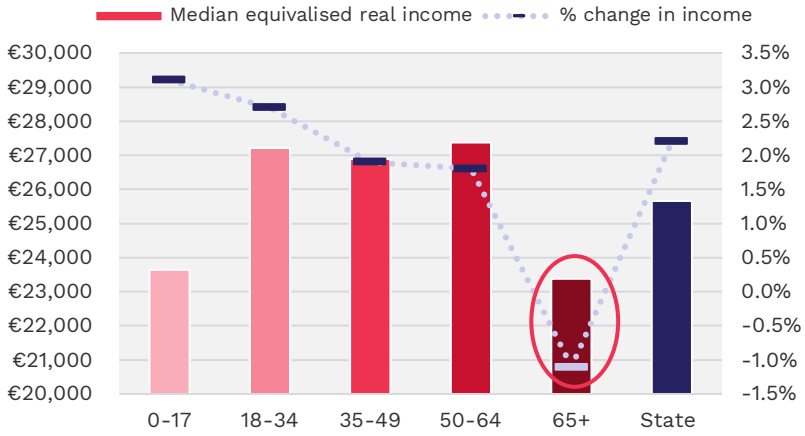
This process fails to address the issues of transparency, certainty, and fiscal sustainability highlighted by the Pensions Commission.

The European Commission's 2024 Pensions Adequacy Report highlights that "Ireland is unusual in not having pension payments linked to any formal indexation rule. Almost all countries in Europe have a formal rule linking payments to changes in prices and/or wages", as a consequence, analysis by the Irish Fiscal Advisory Council notes that "after adjusting for demographics, Ireland still spends significantly less on old-age social protection – 2.3% of national income below the European average in 2023", and reports that "Irish pension payments per recipients are low compared to other high-income European countries after adjusting for prices". Increases in State Pension rates in the early 200's produced a fall in poverty among older people which was "unique in Europe", however in recent years, the share of older people who are at-risk-of-poverty has risen above the European average.[5]

Recent budgets have (largely) addressed the issue of pension adequacy by means of one-off payments, which Government has said will not be made this year, leaving older people – particularly those without other income sources – very concerned that their incomes will shrink substantially as a result.

The most recent SILC data shows that older people's incomes were the lowest of all age groups, and had decreased in real terms, while that of other age groups had increased.

Figure C: Median equivalised real income 2024, % income change 2023-4, by age group[6]



Age Action will continue to campaign for implementation of the Pensions Commission recommendations on the State Pension rate, and the establishment of a statutory body to ensure that the benchmark remains adequate in preventing poverty. To inform planning and provision for future pension adequacy in the context of a larger older population, Age Action recommends that Government:

- Set out a strategy for progressive realisation of the benchmark;
- Publish the calculations submitted by the Department of Social Protection as part of the Budget papers to support broader engagement with sustainability issues.

Implementation of a National Living Wage has been delayed to 2029; to ensure that the incomes of older people do not continue to fall behind, 2029 would also be an appropriate target for achieving the 34% benchmark for pension adequacy.

Recommendation:

Age Action calls for an increase of €20 in the personal rate of the State and Widow/er's/Surviving Civil Partner's Pensions (Contributory and Non-Contributory), as a contribution to closing the increasing gap between the current rate, and the recommended benchmark, and to compensate for the loss of one-off payments made in previous budgets, with proportionate increases for adult partners and children. In addition, we recommend that the rate of Benefit paid to people who retire at age 65 be aligned with that of the State Pension.

To inform fiscal planning for pension adequacy for our growing population of older people, we recommend that Government publish pension benchmark calculations as part of the Budget Papers, as part of setting out a strategy to progressively realise that goal.

2.2. Supporting longer working lives

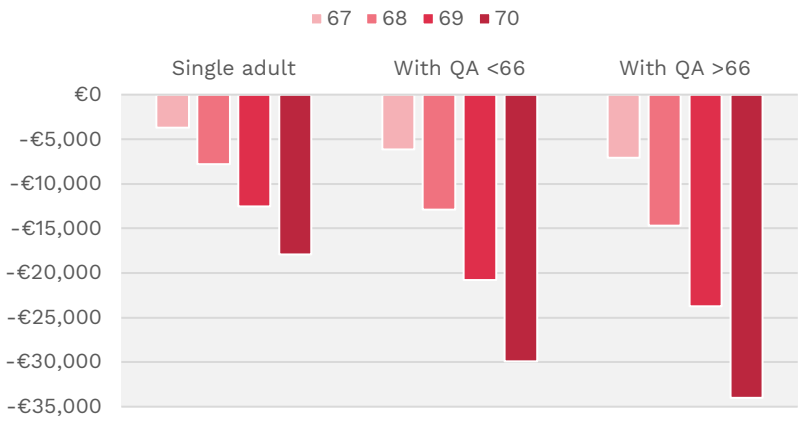
Deferred State Pension claims

The option to defer the age at which a person claims their State Pension is intended to support longer working lives, and enable people to qualify for a contributory pension, and/or qualify for a higher rate of payment than they would have been entitled to at age 66.

This facility may be important for people like carers who may not have sufficient paid contributions to qualify for an adequate pension.

However, the rates at which deferred pensions are paid effectively penalise older people who continue working, and paying tax and PRSI contributions, when calculated at average life expectancy (currently age 83).

Figure D: Estimated loss in total State Pension value by deferring claim past age 66



Based on current rates, by age 83 a single adult could lose almost €18,000 in State Pension payments by deferring their claim to age 70, while a couple (both over age 66) would stand to lose over €34,000, in comparison to claiming their State Pension at age 66.

A *de facto* pension penalty contradicts the aim of supporting longer working lives.

Recommendation:

Age Action calls for adjustments in the rate at which deferred State Pensions are paid to ensure that older people who extend their working lives do not receive a lower total pension payment.

Means assessment for non-contributory State Pension

92% of recipients of the State Pension (Non-Contributory) declare earned income – whether from employment or private pension. The disregard for this income was last increased in 2007. Since then, average earnings have increased by over 40%. An increase in the income disregard, to realign its value in relation to earnings, is long overdue.

Activation supports for older workers

Age Action is contacted by many older people who want or need to continue working past pension age, to provide an adequate income in older age, and to support their ability to meet larger expenses such as home adaptations or care at home should their health decline.

However, many of these workers have been retired from jobs they worked in for many years. Earning an income requires them to engage in work search activities they haven't undertaken for a long time, in a hiring market which has changed very substantially since they last had

to look for work. A tailored activation programme for these older workers would be valuable in helping to reorient them to the demands of the current labour market.

Age Action also increasingly receives requests from recruiters and employers seeking to attract older workers to address labour shortages. A dedicated activation programme would not only support older people in securing their incomes but could also help to address a supply constrained labour market.

Recommendation

Age Action recommends that the income disregard for the Non-Contributory State Pension be increased by €75 to begin realigning it with average earnings.

We also recommend a new tailored suite of activation supports to enable older workers, who have been retired from their previous careers, find new labour market opportunities.

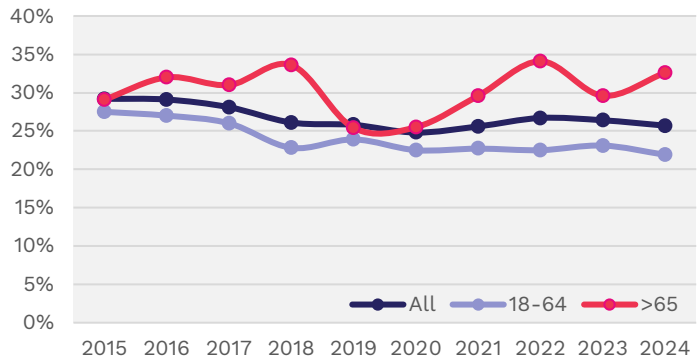
2.3. An Energy Guarantee for Older Persons

The energy needs of older people are distinctive:

- Many older people live on low fixed incomes; their incomes have decreased when those of other age groups have increased, leaving them with the lowest real income per head of all age groups (Figure C above);
- Older people are more likely to live alone, in older, poorly insulated homes, reliant on inefficient heating systems;
- Older people spend more time in their own homes, increasing their energy costs;
- As we age, we lose the ability to retain body heat and need to keep our homes warmer. Health management and devices can increase energy consumption.

Inadequate heating has been found to have material impacts on health in older age[7]: ensuring that older people can stay warm increases their quality of life and reduces avoidable demands on the health service.

Figure E: At risk of poverty rate after deducting housing costs by age[8]



While it is preferable to ensure that older people's homes are energy efficient, logistical challenges make this a medium to long term goal. Improvements in the Fuel Allowance payment in recent years are welcome, but there are several issues which limit its effectiveness in supporting older people to meet their energy needs:

- As a flat rate payment, it doesn't take account of the home energy inefficiency challenges many older people face – for example, the MESL Research Centre has estimated that the cost of heating an energy inefficient home can be 3½ times that of heating an energy efficient home[9].
- Older people who live with others are ineligible for Fuel Allowance. The people they live with may provide care (but not qualify for a Carer's payment), they may be their own children, who are now adults, and unable to afford independent housing due to the housing crisis. Older people would be better able to age in place were this restriction removed;
- The Fuel Allowance means assessment threshold for a single adult is 65% of that for a couple (both aged over 66), even though their fuel needs are unlikely to be significantly different to that of a couple.

Age Action has proposed an Energy Guarantee for Older People, a cash transfer for people aged 70 and older which:

- Takes account of the lower energy efficiency of an individual's home, and
- Is indexed to energy costs.

It targets older people living in poorly insulated homes, and who have low incomes, with a tiered payment structure to provide more help to those with greater needs and removing the 'cliff edge' for those who lose entitlement to the Fuel Allowance.

Recommendation:

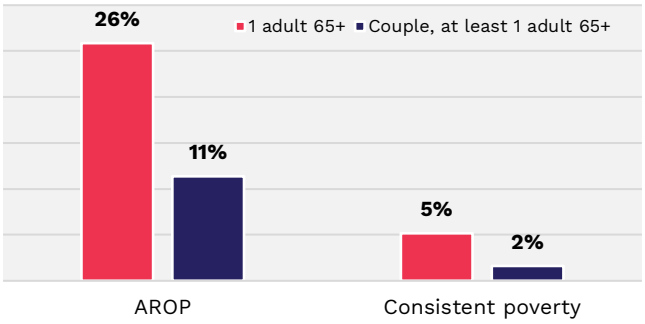
Age Action calls for the introduction of an Energy Guarantee for Older People. Pending the introduction of a better targeted support for older people's energy needs, we recommend:

- Extending eligibility for Fuel Allowance to older people who do not live alone or with someone on a qualifying payment;
- Increasing the rate by €15 to compensate for the absence of one-off energy payments made in recent budgets;
- Equalising the income disregard for people aged 70 or over who are living alone to that of the rate for a couple both aged 66 or over.

2.4. Older people living alone

Over a quarter of people aged 65 or older live alone – just over a fifth of older men, and 30% of older women. Living alone as an older person substantially increases poverty risk – older people living alone had more than twice the rate of poverty as older couples. The share of older people at risk of poverty increased by 10.5 percentage points in 2024 – the biggest increase across all household types – compared to 3 points for older couples, while single older adults saw an increase in their incidence of consistent poverty of 2 percentage points, compared to 0.7 points for couples.

Figure F: Poverty rates for older people, single adults and couples 2024[10]



Living Alone Allowance

The Living Alone Allowance is clearly inadequate to addressing the poverty risk for older people who live on their own. This is another area in which one-off payments were provided instead of increasing the rate of payment; in the absence of another 'one-off' payment this year, we may anticipate further increases in poverty among older people living alone.

The Allowance is paid to people in receipt of certain qualifying payments. Retired public sector workers who began public service before 1995 are not entitled to a State Pension and are therefore not entitled to the Living Alone Allowance, while those who joined later are. Pre-1995 public servants can be in receipt of a Widow's/Widower's/Surviving Civil Partner's Pension and receive the Living Alone Allowance that way. But a pre-1995 public servant who never married and lives alone is excluded, even though they may be living on a low pension. The numbers affected by this anomaly are likely to be relatively small, and extending eligibility to them would help them combat poverty.

Telephone Support Allowance

The Telephone Support Allowance, paid to those who qualify for both the Living Alone Allowance and Fuel Allowance, has not been increased since its introduction in 2018. In addition to cost increases, the growing requirement to conduct business online makes an internet connection a necessity, rather than an optional extra. Government has set out its intention to continue increasing digitalisation of public services, and private sector services often provide little alternative to conducting business online. To combat digital exclusion of older people, the Allowance should be increased and made available to all pensioners. In recognition of the drive for digitalisation, it would make sense to rename this payment as a Digital Allowance.

Many of the current older population find increasing digitalisation extremely challenging; Age Action provides training – Getting Started – to equip older people to be more confident about using online services. However, many older people do not wish to change how they manage their affairs in this later stage of life: they can be particularly vulnerable to online scams and wish to conduct their business in a way that protects them from these risks, and with which they are comfortable. While successive generations of older people will likely be more familiar and comfortable with online services, it is important that the current generation of older people continue to have access to person-to-person support, hard copy information and application forms.

Recommendation:

Age Action recommends that the Living Alone Allowance be increased by €8 per week, to compensate for the loss of last year's one-off payment and reduce the poverty risk for older people living alone. We also call for the Living Alone Allowance to be extended to never married public service pensioners who live alone.

We recommend that the rate of the Telephone Support Allowance be increased to €7.50 per week and renamed as a Digital Allowance, as a measure to help combat digital exclusion among older people.

2.5. Pension equality for carers

Recent reforms to recognise the contribution of carers and support their qualification for a State Pension are long overdue. People who forgo paid employment to do care work provide an invaluable service not only to the person receiving care, but to society as a whole. We have recently witnessed the appalling failures in care which can occur in institutional settings; the contribution made by carers should be seen in that light.

Given the high thresholds which both the Long-Term Carers Contributions and the HomeCaring Periods schemes use to determine the level of care which qualifies e.g. providing full time care, restrictions on paid employment, limits in relation to children's ages, these should provide sufficient assurance that the care being provided is necessary. In that context, limits on the number of credited contributions provided under these schemes are harder to understand. For example, a child with severe disabilities may continue to need a high level of care well into adulthood, and a parent providing that care will do so for longer than 20 years. As the scheme eligibility conditions confirm that the care is necessary, it is not clear why there is a limit on the number of credited contributions which can be provided.

Current pensioners who are entitled to a better pension based on these schemes are limited to a maximum of six months' back payments. Given the information deficits which are common in this area, back-dating to the date of inception of these schemes would be fairer.

The HomeCaring Periods scheme requires applicants to have ten years of paid contributions to access credits. For people who have provided extended periods of care, reintegrating to the labour market can be a very challenging task. A programme of tailored activation supports for this cohort could enable former carers to develop careers after an extended period of care work.

Recommendation:

Age Action recommends that limits on the number of credited contributions which can be provided for care work be removed: if the care work meets the terms of the schemes, it is warranted and deserving of credited social insurance contributions.

Current pensioners who qualify for a better pension through use of these schemes should have their payments backdated to the inception of the schemes, rather than limited to a maximum of six months.

A tailored activation programme for former carers should be put in place to support them to reintegrate to the labour market.

3. Department of Finance

3.1. Tax reliefs available at marginal rate

A key rationale for tax expenditures is that they subsidise costs incurred by individuals incurred in socially desirable ways – for example, investment in a pension, or paying for healthcare.

Where these expenditures are available at the marginal rate of tax, they provide a larger subsidy to higher earners than to lower earners, which is both regressive, and carries significant deadweight: those better able to afford the expenditure, and who are likely to incur it whether a subsidy is available or not, get the biggest subsidies; those least able to afford it, and who will avoid incurring the expenditure if at all possible, get the least subsidy.

This represents an inefficiency in the deployment of tax expenditures. A fairer system would make tax relief available at a standardised rate for all claimants.

Tax relief on medical expenses

The cost of long-term care in older age can represent a very significant proportion of a fixed income. While most medical expenses are standard rated at the lower rate of tax; nursing home expenses are available at the marginal rate.

For those on the highest incomes, this means they can choose the most expensive care, and get a 40% subsidy on those expenses, while older people on the lowest incomes receive no tax relief when faced with such costs.

In practice however, the high cost of long-term residential care will reduce the income of many higher rate taxpayers to the standard rate, leaving them with less support than they had anticipated, to meet a very significant cost. As the Pensions Commission noted, certainty around incomes is very important to older people, as most live on a fixed income, with almost no opportunities to raise additional funds.

Pension tax relief

The sectors of the population least likely to have a supplementary or occupational pension are those who are lower paid. Younger workers at the start of their career are also more likely to be low paid, and to face significant expenditures such as housing and/or childcare.

When auto-enrolment eventually begins, it will increase the proportion of people with some pension coverage, but not necessarily an adequate pension: automatically enrolling people in pension schemes does not mean they have the disposable income to invest appropriately.

In the context of the demographic transition Ireland is undergoing, encouraging investment in supplementary pensions can play an important role in ensuring income adequacy in retirement.

Figures G and H below illustrate the nature of the problem: workers in lower paid economic sectors and/or occupations are least likely to be covered by a supplementary pension, while those in better paid sectors and roles have much higher levels of coverage.

Figure G: Pension coverage among employed people aged 25-60 by economic sector[11]

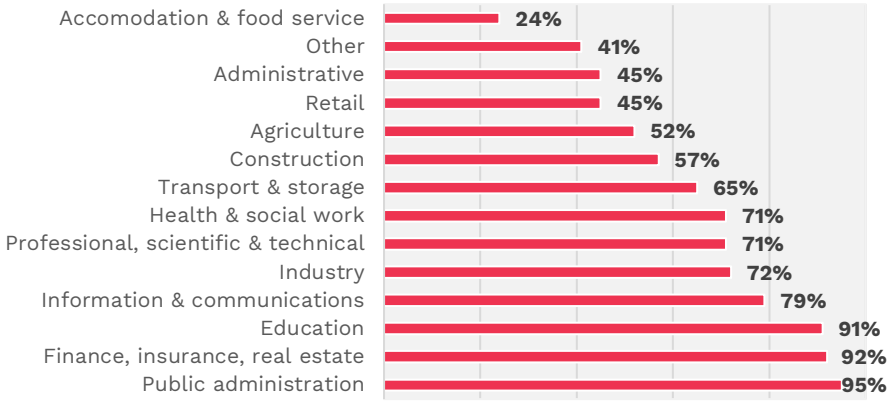
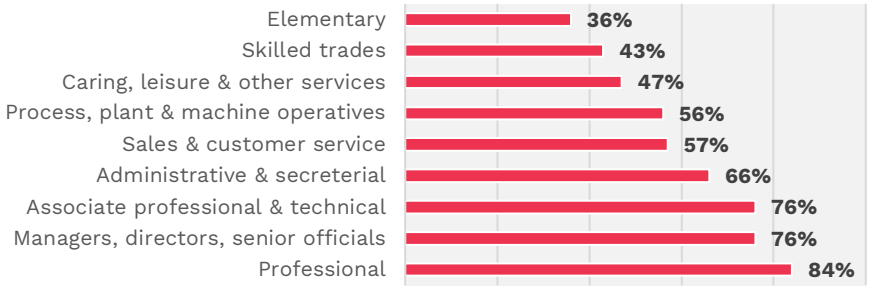


Figure H: Pension coverage among employed people aged 25-60 by occupation[12]



Recommendation

Nursing home expenses represent a very significant draw on the incomes of older people who must incur them. There is no policy rationale for providing a higher level of subsidy to higher earners than those managing on much lower incomes. Tax relief on this expenditure should be provided at a standardised rate.

Encouraging investment in supplementary pensions can play an important role in ensuring income adequacy in retirement. Those least likely to be able to afford such investment receive a subsidy at half the rate of those best able to afford the investment, and most likely to do so in the absence of an incentivising subsidy.

Age Action recommends that these expenditures should be made available to everyone at the higher rate of tax, regardless of the marginal rate applying to each tax unit. A positive step in this regard would be to provide a standard rate of relief, above the standard rate, such as 30%.

Department of Health

This year we have seen further damning evidence of a failure to provide for quality care and respect the rights of older people living in long-term residential care. It is imperative that care at home is made available to older people to provide them with the dignity and quality care they need.

The Irish Fiscal Advisory Council[13] notes that private sector funding plays a larger role in the health system in Ireland than elsewhere. The efficiency of Irish health spending is poor, for a variety of reasons. Key reforms to increase efficiency, while improving the quality of care, are to increase investment in community-based care for older people, reduce the number of avoidable admissions to hospitals, and enable older people to receive care in their own homes and communities, which is the preference of all of us as we age.

3.2. Care and Repair

The Programme for Government commits to rolling out Age Action's Care and Repair programme on a national basis. This service does small DIY jobs for older people to help them maintain their homes and their independence.

There are three strands to the Care and Repair service; older people who are being discharged or have recently been discharged from hospital are prioritised for the service, to enable timely hospital discharge, enabling them to return to their own homes to recuperate, which is their preference. Our prevention strand reduces admissions from e.g. accidents in the home by ensuring that homes are safe for older people.

Hospital-related	Prevention	Community Care
•Facilitates timely discharge and makes homes safe for people recently discharged	•Health & safety work to prevent a crisis that could lead to hospital admission.	•Supports older people to live well at home.

We have provided detailed costings for the roll out of the programme nationwide and are eager to embark on this expanded programme of work.

Recommendation:

Provide the required funding to implement the Programme for Government commitment to roll out the Care and Repair programme on a national basis.

3.3. Out of pocket medical expenses

Medical costs can form a very significant portion of the expenditure of an older person. While people aged 70 or older benefit from access to a GP Visit Card, they still face costs for:

- Prescribed drugs and medicines;
- Hospital services and medical appliances;
- Dental, eye and ear tests;
- Public health nursing, social work services and community care services.

These costs can represent a significant burden for older people, many of whom may be unaware that their unaware that the level of their medical expenses may qualify them for a full Medical Card. Drug costs for example can represent a significant draw on weekly income: older people are more likely to prescribed medications, and more likely to have multiple morbidities, requiring multiple prescriptions, the cost of which can account for over 7% of income where a person has two medical conditions, rising to nearly 10% for three or more conditions[14].

Medical Card income guidelines for people aged 70 and over haven't been increased since 2000, twenty-five years ago. In addition, income for people over 70 is assessed gross, in contrast to the assessment for younger people, which assesses income on a net basis, taking account of payment of tax and USC.

Over a quarter of people aged 65 and older live alone – 30% of older women, and just over a fifth of older men. Older women are more likely to be reliant on the lower non-contributory State Pension, largely because of undertaking unpaid care work. Older people who live alone are persistently reported to have among the highest at-risk-of-poverty rates among all groups.

Because the Drugs Payment Scheme is calculated on a per household basis, older people living alone pay a higher share of their income for prescribed medicines than couples do, exacerbating the poverty risk of older people living alone.

Recommendation:

Age Action recommends

- Increase Medical Card income guidelines for people aged 70 and over in line with income growth over the last twenty-five years;
- Assess income net, as for other Medical Card applicants.
- Reduce the maximum monthly payment on drugs for older people living alone

3.4. Review the Nursing Home Support Scheme

In the context of a commitment to develop a Statutory Home Care scheme, a review of the operation of the Nursing Home Support Scheme (NHSS) is warranted. From the perspective of residents, the mandatory charges imposed by private nursing homes for services not covered by the NHSS often leaves them considerably less disposable income than the 20% envisaged by the scheme. Residents have little to no capacity to negotiate these charges.

Although long term residential care is supposed to be home for its residents, they are charged unregulated amounts for essential personal services as they are deprived of the ability to choose their service provider. While social enrichment is essential to a decent quality of life, nursing home residents are charged for social activities, irrespective of whether they reflect their own choices, or whether they participate in them. These weekly service charges are in practice not optional: if residents don't agree to pay them, the facility will not agree to accept them. These charges appear to be unregulated, leaving older residents – who cannot 'shop around' without basic consumer protections.

Many important aspects of medical care are not covered by the scheme, such as chiropody, physiotherapy, occupational and speech and language therapy; the cost of incontinence products is also excluded.

Many residents are left with so little disposable income that even paying the €80 per month not covered under the Drugs Payment Scheme would leave them with no income at all.

It is unacceptable that older people who need care are left dependent on friends and family for basic needs or must go without if they don't have others who can provide for them. The objective of the scheme seems to be primarily to support the providers, and not those living in them.

Recommendation:

Expand coverage of services funded by the Nursing Home Support Scheme to include essential personal care and required medical services, products and appliances.

Review the scheme to ensure that weekly service charges do not leave older residents with little to no disposable income.

3.5. Resource expedited roll out of the Enhanced Community Care programme and Integrated Care Programme for Older People programmes

Most older people do not want to live in long term residential care, particularly in the context of the horrific practices revealed on the *RTÉ Investigates* programme earlier this year.

Age Action welcomes the commitment to deliver a statutory home care scheme. We also welcome the *Sláintecare 2025+* ambition of increasing by 46% the number of patients seen through the Enhanced Community Care programme in 2025, with the aim of fully staffing the programme's operational teams §by 2027.

We note that *Sláintecare 2025+* signals that this progress is dependent on the required funding being allocated in Budgets 2026 and 2027, along with the availability of suitably qualified staff[15]. We further note the growing reliance on the use of agency staff in the provision of health services for older people (these services account for the second highest share of expenditure on agency staff in 2024, with a growing reliance on temporary agency staff)[16]. A high reliance on agency staff is a patient safety risk.

Recommendation

Provide funding sufficient to achieve the target of having a fully staffed ECC operational teams in place by 2027, in line with targets in *Sláintecare 2025+.*

3.6. Resource the Patient and Public Engagement programme

Realising the ambition of *Sláintecare 2025+* to "make patient engagement a fundamental cornerstone of healthcare, ensuring that patients' voices are heard and respected in the design, delivery, and evaluation of healthcare services"[17] requires resourcing with staff dedicated to building the participation of patients in a meaningful way, and disseminating and embedding learning to change healthcare practice.

Recommendation:

Provide funding to establish and staff a National Patient and Service User Participation Office within the HSE, including staffing required to support regional Participation Councils.

3.7. Provide older people with access to the enhanced flu vaccine

Enhanced flu vaccines are designed to provide better protection for older people from severe illness and can reduce avoidable admissions to hospital. HIQA's Health Technology Assessment for this enhanced vaccine confirmed that it could reduce the impact of the flu on older people.

The state should ensure value for money when purchasing vaccines and drugs, however it appears that the tender process for the enhanced flu vaccine for the 2024-5 flu season was cancelled without any attempt to secure a lower price, or to reduce the cost by restricting the vaccine to older people with health conditions, for example. This decision is very likely to have resulted in avoidable hospital admissions, and possibly deaths.

Recommendation:

Engage in cost negotiations with providers of enhanced flu vaccines for older people and provide funding to ensure these are available for the next flu season.

4. Department of Rural and Community Development and the Gaeltacht

4.1. Scheme to Support National Organisations

Age Action, along with other national NGOs, endeavours to support the development of effective public policy by working with the people we represent and contributing their experience, views and recommendations to public policy and service development and delivery processes.

The Scheme to Support National Organisations (SSNO) is a critical support which enables us to do that work, in support of Government's strategic aim of encouraging a cooperative approach between public bodies and the community and voluntary sector.

The funding allocated to the Scheme to Support National Organisations has decreased in real terms over the course of recent years. Age Action calls for the real value of SSNO funding to be restored in Budget 2026.

Recommendation

Restore the real value of funding provided under the Scheme to Support National Organisations in the funding round to succeed the current term, ending in December 2025.

Notes:

[1] CSO (2024) *PEC23 Projected population from 2022*, moderate scenario.

[2] See for example, briefing papers for National Economic Dialogue 2025

[3] The Pensions Commission recommended that:

- Government should im1mediately implement the smoothed earnings approach to benchmarking and indexation to provide a State Pension that prevents pensioner poverty, and to provide certainty in relation to State Pension payments for current, upcoming and future pensioners.
- Increases in payment rates should apply to all State Pension schemes.
- An independent, statutory body be established to advise Government on pension rates, analogous to the Low Pay Commission, and periodically review the benchmark in relation to effectiveness in preventing pensioner poverty, across household types.
- The statutory body (State Pension Rates Commission) would address concerns about the transparency of the calculation, and would provide advice in relation to implementation on a cost neutral basis, to support fiscal sustainability.

[4] CSO (2025) EHQ03 *Average Earnings, Hours Worked, Employment and Labour Costs*. Average earnings calculated as an average of Q2 in current year and previous 3 quarters; Q2 earnings for 2025 assumed at the same level as Q1.

[5] Conroy, N. (2025). *Boston or Berlin? How does Ireland's tax and spending compare?*. Irish Fiscal Advisory Council Working Paper Series No. 26. Dublin (p.14-16). Available at: https://www.fiscalcouncil.ie/occasional-research/#WPs

[6] CSO (2025) SILC Table 3.1c: *Median equivalised real disposable income by demographic characteristics & year*

[7] Orr et al Orr et al (2016-10) *Housing conditions of Ireland's older population – Implications for physical and mental health.* The Irish Longitudinal Study on Ageing, p. 20: https://tilda.tcd.ie/publications/reports/pdf/Report_HousingConditions.pdf

[8] Eurostat (2025) ilc_li45: *At-risk-of-poverty rate after deducting housing costs by age & sex*

[9] O'Carroll (2023-11) *The cost of adequately heating the home*. MESL Research Centre: https://www.budgeting.ie/download/pdf/the_cost_of_adequately_heating_the_home.pdf

[10] CSO (2025) SILC Table 5.1: *At risk of poverty, deprivation and consistent poverty rates by demographic characteristics & year*

[11] CSO (2025) PMQ06: *Pension coverage in the State for persons in employment (ILO) aged 20 to 69 years*

[12] CSO (2025) PMQ07: *Pension coverage in the State for persons in employment (ILO) aged 20 to 69 years*

[13] Ibid p.19-

[14] Larkin J, Walsh B, Moriarty F, et al. (2022) *What is the impact of multimorbidity on out-of-pocket healthcare expenditure among community-dwelling older adults in Ireland? A cross-sectional study*. BMJ Open, 2022

[15] *Sláintecare 2025+*, p.15

[16] Response to Parliamentary Question 38140 25

[17] *Sláintecare 2025+*, p.20