



Making positive ageing a reality

Pre-Budget Submission

2008

Introduction

Budget 2008 presents the Government with the first opportunity to deliver on the extensive commitments made to older people in the Programme for Government.

The level of commitments made were unprecedented. This reflects the fact that Ireland's population is ageing and so its needs are changing. The Government must begin its response to those changing needs now, or face much greater problems in the future.

Within this context, Budget 2008 must provide the means of supporting older people and enabling them to continue to play an active and fulfilling part in Irish society.

Pensions

The Programme for Government states that the basic State Pension will increase “to at least €300 by 2012”. In the light of the fact that one-in-five pensioners are at risk of poverty Age Action is seeking this increase to be front-loaded, i.e. instead of €20 a year increase each year for the five years, we want to see larger increases in the earlier years of this government .

Recommendation

Increase the State Pension (Non-Contributory) by €35 with a pro-rata increase in the State Pension (Contributory).

Recommendation

If the Government is serious about tackling pensioner poverty it must link the State Pension to the Gross Average Industrial Earnings (€14.44 per week) and aim to reach a target of 50% of GAIE by 2016.

Recommendation

The State Pension (Transition) payment should be abolished as it hinders workers who wish to continue in employment at the age of 65. The State Pension (both contributory and non-Contributory) should be paid at 65.

Recommendation

In keeping with the Government's commitment in the Programme for Government to complete the provision of a personal pension payment for spouses in receipt of the Qualified Adult Allowance, Age Action is calling on the Government to increase QAA rates equal to the level of the full State Pension (Non-Contributory) level.

Other financial support

The Government has stated its commitment to making it easier for older people to stay in their own homes. This can be done by providing those on low income with the financial support they need. Age Action is seeking:

Living Alone Allowance

Research published last year by the Vincentian Partnership for Social Justice (Minimum Essential Budget Standard for Six Household Types) highlighted the obvious additional cost for an older person living alone, compared to a two-person household. It found that the cost of maintaining a sustainable lifestyle on State benefits for a single woman aged over-70 resulted in a weekly shortfall of between €47 and €90. In contrast, the same situation for couples who faced shortfalls, they ranged from €9 to €62 per week.

Despite this evidence, the Living Alone Allowance has remained static at €7.70 for under-80s and €10 for over-80s since its introduction in 1996.

Recommendation

Age Action is calling for the basic Living Alone Allowance to be increased to €20 per week, with pro-rata increase for those aged over-80.

Aged 80 Allowance

Recommendation

Increase the Aged 80 Allowance by €6 to €16 per week.

Fuel Allowance

Against a backdrop of the rising cost for all fuels, it is essential that older people have sufficient income to enable them keep their homes at a safe temperature, without worrying about the cost of the fuel being used.

Recommendation

Increase the fuel allowance by €10 per week to bring it to €28, in light of the spiralling cost of fuel over the last 12 months.

Waste Charges

The additional expense for pensioners associated with waste collection charges is an issue of equality as well as an issue affecting those on low income. Taxpayers can get some tax relief on local authority charges, while the situation regarding waivers for older people depends very much on where they live.

Recommendation

Introduce a waiver on waste charges that is available nationally to all those on low income.

VAT on Utility Bills

Recommendation

The removal of VAT from utility bills and medical aids for unwaged pensioners.

Household benefits package

The household package of supports provides valuable financial assistance to enable older people afford essential services. However, it should be expanded in recognition of the changing needs of older people – especially those who are house-bound.

Recommendation

The household package for pensioners should be extended to include a credit for multi-channel TV services and broadband services.

Social Insurance

There are many older people who are now disadvantaged because in the past they could not pay full PRSI contributions – including those affected by the marriage ban pre-1974 and those not covered by the homemakers scheme, pre-1994.

Recommendation

Social insurance credits (rather than disregards) be provided to those who have had breaks in their working lives, especially those who have been absent from the workforce because of caring responsibilities.

Recommendation

Provision should be made to enable those without full PRSI contributions to buy back contributions retrospectively. This would bring state pension contributions into line with occupational pensions.

Supporting older people to remain in their own homes

The Government has committed itself to continuing to work to support older people living in their own homes. The issues which need to be addressed include greater support for carers, home help support and isolation.

Rural Transport

Social isolation is a particular problem for older people living in rural areas. Social changes such as rural depopulation have added to the problem.

Recommendations

- **Expansion of the Rural Transport Initiative to all rural areas not currently serviced.**
- **Where no public transport is currently available at present, a voucher scheme for older people should be put in place so they can avail of private transport.**

Carers

Measures have been introduced by the Government in recent years to recognise the tremendous support which carers provide. Without them a considerable number of older people would be forced into residential care. However, carers are still struggling to cope with the huge financial and physical sacrifices involved.

Recommendations

- **Age Action recommends that abolition of the means-test requirement for the Carers Allowance. This payment should be based on medical need of the person being cared for, not the financial means of the carer.**
- **The application form for the allowance is currently 15 pages long and should be simplified.**

Home care packages

Progress has been made in recent years, but much greater investment is needed to meet the needs of those currently receiving home care packages and to expand these services.

Recommendation

The expansion of the home care package scheme must be continued. A nation-wide review should be undertaken to ensure that the resources are reaching those most in need of them. The “Slan Abhaile” scheme should also be extended nation-wide nationwide to provide a national system of home care support.

Education

As part of the commitment in the Programme for Government to support the education and retraining of older people, Age Action believes a practical measure would be financial assistance for pensioners who wish to attend courses.

Age Action recommends:

Free access for pensioners to adult and community education courses.

Employment

Older workers have a key contribution to make to Ireland's economy. The number of people aged over-65 is expected to increase by over 60% over the next 20 years. Currently just 8% of people aged over-65 are still working. If the government is to deliver on its commitment to the education and retraining of older people, the it must be more active in supporting older people who wish to remain at work and those who wish to return to work.

Recommendations

- **The Government must introduce a coordinated package of incentives and supports for older people wishing to remain at work, and those who wish to return to work;**
- **Abolish the upper age limits on occupational pension schemes.**

VAT relief for charities

Many services and supports for older people are currently being provided by non-government organisations, such as Age Action. Funding continues to be a problem for many organisations. The Government could assist the work of registered charities by allowing them reclaim VAT.

Recommendation

Allow registered charities to reclaim VAT.

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