

News Release

ATTENTION:

News Editors, Social Affairs and Political Staff

Embargoed: 13,00h, Thursday, 6th November, 2024

Benchmark State Pension to 34% of Average Earnings, Advance Pension Reform Bill and appoint Independent Commissioner for Older Persons

- Age Action Policy Advisor tells election candidates in remarks to AGM of RTÉ Retired Staff Association

- Parties urged to fulfil longstanding pledge to benchmark State Pension at 34% of average earnings
- Cumulative inflation for 2020-2025 will exceed 25%
- 7 in 10 older people get at least half their income from Social Protection

- Without greater reform of pensions — including semi-state occupational pension funds — “many more seniors will not have enough money for a comfortable life.”
- Candidates urged to commit to appointing an independent Commissioner for Ageing and Older Persons to challenge ageism.

A leading advocate for older people has criticized the government’s slow response to the cost of living crisis and has urged general election candidates to commit to substantially increasing pensions and strengthening pensioners’ rights.

Dr Nat O’Connor, Age Action’s Senior Policy Advisor, predicted that from 2020 to the end of next year, cumulative inflation will exceed 25%, a figure not experienced here for four decades.

Addressing the AGM of the RTÉ Retired Staff Association Dr O’Connor said one in three voters in the imminent general election will be aged 60 or

older, adding that it makes sense for politicians to pay more attention than ever to that age group's concerns.

During the last general election campaign, Age Action was part of a broad lobby credited with scuttling plans by the minority Fine Gael-led government to raise the state pension age from 66 to 67.

Dr O'Connor reiterated the pre-election call by Age Action and the Irish Senior Citizens' Parliament for political parties to fulfil their longstanding pledge to benchmark the social welfare State Pension at 34% of average earnings. He said this would provide much greater income security in older age.

Citing research which he co-authored last year for Age Action's *Spotlight on Income in Older Age*, Dr O'Connor said 7 in 10 older people get at least half their income from Social Protection, including 3 in 10 who get more than 90% from welfare payments.

GENDER GAP

He said the study also found evidence of the well-known gender pension gap.

“Research by the ESRI finds a 35% gap, with women having lower pensions than men”, he said.

“This is larger than the wage gap, which means that the gender income gap widens considerably in older age. As women are more likely to be widowed than men, older people living alone — and in advanced older age — tend to be women, and they tend to have much lower incomes,” he added.

SECOND LOWEST INCOME REPLACEMENT IN EU

Dr O'Connor noted that a European-wide survey found that Ireland has the second lowest level of what's called “income replacement” in older age in the European Union.

The survey showed that here, pensions replace, on average, 34% of the average current earnings of a person in their 50s.

That was a lot less than the EU average replacement of 58% of the incomes of today's fifty-somethings when they eventually retire, he said.

“When compared to Ireland, most other European countries provide pension systems that replace a lot more income in older age,” he said, adding that “any election promises about pension reform should be viewed in that context”.

OCCUPATIONAL PENSION REFORM

He called on parties to commit to advancing the progress of a Private Member's Bill in the name of Deputy Bríd Smith to give retired persons and, for the first time, their representative associations, certain rights of representation with pension funds and the state's industrial relations institutions. The Bill, which recently moved to Third Stage, would allow for complaints to be raised and pursued beyond the six-month limit imposed on the individual pensioner's right to complain that's enshrined in the Industrial Relations Act of 1947.

“Unfortunately, time is up, and the Bill will lapse when the Dáil is dissolved,” he explained.

“However, the next Dáil will have the power to pick it up again and to continue where the House left off without having to re-introduce it as a new Bill all over again. We want all parties to commit to advancing this law.

He said the Bill is of direct relevance to pensioners who rely on the RTÉ pension scheme for their income in older age.

“As many of you know all too well, class D social insurance that was paid back in the day does not grant any entitlement to the social welfare state pension, so older RTÉ pensioners are entirely reliant on their occupational pension”.

APPOINT COMMISSIONER FOR OLDER PERSONS

He said his organization and the Irish Senior Citizens Parliament have joined forces with other age-sector organizations to demand the appointment of an independent Commissioner for Ageing and Older

Persons with a brief to challenge discrimination against seniors.

He said the proposed office would intervene when public bodies fail to treat older persons fairly.

Dr O'Connor highlighted the "means tests, eligibility rules and other quirks of the system that can sometimes be very unfair" and which, he indicated, the proposed commissioner would investigate. *He pointed to the successes of such commissioners in Wales and Northern Ireland, saying Ireland's commissioner would address the high level of ageism in the general public detected by a professional opinion poll commissioned by Age Action.*

Mr O'Connor said his organization wanted to end Ireland's continuing legalization of mandatory retirement despite the practice being outlawed in Australia, Canada, New Zealand, the USA and the UK.

He complained that Irish and European law allows insurance companies to charge higher premiums to older customers.

“In theory, they have to publish their actuarial analysis to justify this, but that part of European law is rarely enforced,” he observed.

“There is also effective age discrimination when people are forced to go online for banking, to book a holiday or to interact with public services, such as to renew a passport or to book a National Car Test,” he continued.

Highlighting the outgoing government’s promise that its Digital First strategy does not mean “digital only”, Dr O’Connor said Age Action holds ministers to account for this, as many older people do not use digital technology or do not want to make certain transactions online, especially financial transactions.

ENDS

NOTE: Dr Nat O’Connor will address the RTÉRSA’s AGM at 13.00h at the Talbot Hotel, Stillorgan.

Representatives of the news media are welcome to attend at that time.