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27 August 2020

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**RCPSA Submission for Budget 2021 - Summary**

**Issues Specific to Retired Public Servants**

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2. Pension Increases
3. Household Benefits Package for those aged 66-70
4. Universal Social Charge anomaly
5. Hard copy of Pension slips or alternative
6. Restoration of the Employee Assistance Service to retired civil servants.

**General**

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2. Formal representation for and consultation with Older People
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10. Age Exemption-Income Tax
11. Restoration of €500,000+ threshold of Inheritance Tax from parent to child
12. Retention of Capital Gains Tax Exemption for disposal of Principal Private Residence
13. Climate Change/Energy Conservation

Explanatory details are attached.

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***Ann Walsh, Honorary Secretary***

**RCPSA SUBMISSION FOR BUDGET 2021 - DETAILS**

The RCPSA (Retired Civil and Public Servants Association) represents approximately 8,500 retired civil and public servants on behalf of whom this pre-Budget submission is being made. The Association also has strong links with a number of organisations, including the Alliance of Retired Public Servants, the ICTU Public Services Committee, Trade Unions, Representative Associations and organisations representing the interests of pensioners.

**ISSUES OF PARTICULAR INTEREST TO PUBLIC SERVICE PENSIONERS**

**1 FEMPI**

The FEMPI legislation has done what it set out to do and should now be removed from the Statute books. The remaining unwinding of FEMPI reductions should be completed without further delay.

**2 Pension Increases**

The RCPSA calls on the Government to ensure parity/linkage between serving grades and pensions. This is a matter of great concern to members.

**3 Household Benefits Package for those aged 66-70**

The Household Benefits Package is paid to those aged 66 and over who are in receipt of certain benefits, including the State Pension (Contributory). However, public service pensioners who were recruited before April 1995 do not qualify for the Household Benefits Package until they reach the age of 70 (unless they satisfy a means test). In addition, a person, who would qualify for the Household Benefits Package at age 66 as a recipient of the State Pension (Contributory), will not qualify if their spouse is a public service pensioner who does not have a State Pension also. However, if they are living with another adult (not a spouse or partner), even one who is actively employed, they can qualify. In the interests of equity, the RCPSA is seeking that the Household Benefits Package be paid to all public service pensioners on reaching the age of 66. The value of the Package is currently €580 a year.

**4 Universal Social Charge Anomaly**

There is an anomaly with regard to how USC is levied. The anomaly negatively and disproportionately affects public service pensioners. USC is not payable on the State Pension (Contributory) or the State Pension (Non-Contributory). Separate to that, there is an income limit below which USC is not payable (currently €13,000). When both those features are combined, it means that a person with an annual income of €25,910.60 does not pay any USC when that income is made up of the State Pension (Contributory) (€12,911.60) and an occupational pension of €12,999. If, however, the person is a retired public servant who was recruited before April 1995 and whose income derives solely from their public service occupational pension, they will pay USC of €473.70 (or €338,03, if aged 70 or over) on the same income of €25,910.60. The gap widens in cases where a person on a State Pension (Contributory) is getting an increase for a Qualified Adult. In that instance, they can have a combined income of €37,480.60 on which no USC is payable, whereas a public service pensioner on the same income (paid solely by their public service pension scheme) will pay €994.35 (or €569.43 if aged 70 or over). The RCPSA calls on the Government to address this iniquitous anomaly without further delay.

**5 Hard Copy of Pension Slips or alternative**

The RCPSA has repeatedly sought access to hard copies of pension slips when needed for proof of income purposes. The request has been refused for cost reasons. The RCPSA continues to request that hard copies of pension slips be made available if required. If that request is not granted, then suitable alternative arrangements which are acceptable to financial and State institutions should be put in place. In addition, the RCPSA asks that access to online pension slips be made more user friendly.

**6 Restoration of the Employee Assistance Service to retired civil servants**

When the civil service Employee Assistance Service was restructured as the CSEAS in 2012, retired civil servants were removed from its remit, without any consultation or notification.

The EAS was often of particular assistance to retired civil servants and to the bereaved spouses of retired civil servants. The RCPSA is mandated to seek the resumption of this service to retired civil servants.

**ISSUES OF INTEREST TO OLDER, RETIRED PEOPLE IN GENERAL**

**7 & 8 Appointment of a Minister for Older People / Commissioner for Older People**

**Formal representation for and consultation with Older People**

People over the age of 65 represent over 13% of the population and number well over half a million people. There are many voluntary groups (such as the RCPSA) representing the interests of older people, but what is needed is a formal structure where those interests can be expressed and represented. The interests of our young people are looked after by the Minister for Children and Youth Affairs, the interests of the working population are looked after by various Ministers, but no Minister has a brief to look after the specific interests of older, retired people. In short, older people need a voice on all matters of public policy which affect them directly or indirectly.

The RCPSA agrees with the conclusions from Irish Longitudinal Study on Ageing (TILDA), *Health and Wellbeing: Active Ageing for Older Adults in Ireland 2017* that most older adults in Ireland, far from being reliant on social supports, are net contributors to their extended families and the communities in which they live, by means of volunteerism and contributing to the economy by payment of direct/indirect/property taxes. In this way older people provide a positive contribution to health, education, transfer of resources, job creation, the redistribution of income. Notwithstanding this contribution, measures taken by Government (such as pension cuts via FEMPI, restructuring of various pension schemes, USC) resulted in decreases in disposable income, leaving older people in a weaker financial situation. Older people, including our members in the RCPSA, were not given the opportunity to be consulted on these measures.

Other policy changes of a more general nature (such as fees for refuse collection, removal of the free passports/3-year passport for those over 70, decisions on public transport, carbon tax, the introduction of PSD2 authentication) can have a disproportionate affect on older, retired people, which could be mitigated by understanding the issues and making appropriate accommodation and/or financial provision.

The RCPSA considers that the overall issue of representation/consultation could be addressed by:

* Appointing a Minister for Older People and/or a Commissioner for Older People
* Putting in place formal mechanism(s) for consultation on matters affecting pensions and on policies affecting older people (directly or indirectly)
* Re-defining the definition of worker to include retired workers.

The RCPSA has been mandated by its members to seek to be included in all relevant negotiations.

**9 Full Medical Cards for over 70s/abolish Prescription Charges**

The RCPSA has been mandated by its members to seek the immediate restoration of Full Medical cards for pensioners over 70 years of age and the abolition of prescription charges.

**10 Improve Home Care Supports/access to Residential Care**

The RCPSA calls on the Government to address the inadequacies currently found in the provision of home care supports for older people. This includes increasing the funding available for Housing Adaptation grants and mobility grants and increasing the funding for Home Care Packages to enable people to stay in their own home if they so wish.

For those who wish to or need to move to residential care, the RCPSA calls on the Government to simplify the application process for the Fair Deal Scheme and to reduce the waiting lists.

**11 Speedy Access to Health Care**

The RCPSA calls on the Government to take steps to reduce the waiting lists and improve the services in public hospitals, particularly for older people who may require frequent attendance.

With regard to private Health Insurance, RCPSA members find that many available plans have the effect of over insurance and cover for situations not applicable to pensioners. Government regulation is required to facilitate coverage suitable to needs.

**12 Dental Benefit Scheme**

Many older people cannot afford essential dental treatment. This in turn impacts on their general health. The RCPSA is seeking the full restoration of benefits previously provided under the Dental Benefit Scheme to include routine dental care (such as cleaning and check-ups).

**13 More appropriate arrangements by banks/financial institutions regarding acceptable ID, access to electronic services and provision of alternative non-electronic services**

Many older, retired people no longer have a valid passport or driving licence. Those who are living in residential care do not have utility bills. The absence of such documentation can cause numerous difficulties when dealing with banks or other financial institutions (including the State Savings Agency). It is appreciated that the ID requirements can be driven by legislation, but the RCPSA seeks a review of the requirements to consider the specific needs of older people.

Likewise, since the introduction of PSD2 authentication, some institutions (for example the EBS) require a smart phone app in order to access one’s account online. If a customer has a standard phone, or a smart phone which is not a recent model, they can no longer use the online services. Other institutions meet the PSD2 requirements by means of standard text messages which are more readily available.

The RCPSA also calls upon the Government to require financial institutions to retain some telephone and counter access for customer services.

**14 Reinstate free Passports for the over 65s**

Access to passports has become significantly more expensive for older people. The availability of free passports for all those over the age of 65 was withdrawn in 2011. Passports are required not only for travel purposes, but also for proof of identification when dealing with financial and other institutions. The RCPSA calls on the Government to reintroduce free passports for those over 65.

**15 Adequate Staffing for Customer Service Function in Government Departments**

Many older people may be losing out on entitlements due to difficulties in accessing Government Departments. This can be due to poor broadband coverage, difficulties with interactive technology, IT literacy, disabilities. The RCPSA is requesting the restoration of a personalised Customer Service in all departments. The RCPSA welcomes the inclusion last year of non-geographic numbers in standard phone packages.

**16 Age Exemption - Income Tax**

The RCPSA supports the use of exemptions from tax for the purposes of redistribution. The association sees exemptions for older people as recognising the additional financial demands of advancing years and financial hardships from increased healthcare. The RCPSA considers that it is now time to increase exemption figures.

**17 Restoration of higher threshold of Capital Acquisitions Tax (CAT) for Group A**

The threshold for paying CAT for people Group A (eg child inheriting from parent) was over €500,000 in 2008 and 2009. It currently stands at €335,000. The RCPSA calls on the Government to restore the higher threshold.

**18 Retention of Capital Gains Tax Exemption for disposal of Principal Private Residence**

When an individual transfers/sells a property that was their main residence while it was owned (including land of up to one acre) an exemption to Capital Gains Tax applies. The RCPSA supports the retention of this exemption.

**19 Climate Change/Energy Conservation**

The RCPSA supports the efforts to deal with Climate Change and to promote recycling and energy conservation. There can, however, be particular challenges for older people with regard to these issues. The RCPSA calls on the Government to require waste disposal companies to simply, clarify and streamline their information regarding sorting waste. At present, different companies have different lists for what can and cannot be recycled and, in some instances, the same company has different lists for different counties. In particular, it is essential that the collection of domestic glass bottles and jars for recycling be made available by all companies in all areas. It is extremely difficult to recycle glass if one has mobility/strength issues and/or does not have access to a car.

The cost of lawfully disposing of waste can be high. The RCPSA calls on the Government to reintroduce the waiver for refuse collection fees for those on low incomes and to reintroduce the granting of tax credits for payments to authorised refuse collection contractors.

The RCPSA also calls on the Government to continue to give supports to tackle energy conversation in older housing stock and to provide a free advisory service to older people who want to improve the energy efficiency of their homes (having due regard to levels of disruption involved and the shorter time for financial pay-back).