

The Retired Civil and Public Servants Association (RCPSA) was founded in 1945 and represents approximately 7,200 retired civil and public servants. The Association has strong links with like-minded organisations. The Objects of the Association are:

* To promote and safeguard the pensions of its members, and
* To support and represent the interests of members in relation to financial, health, welfare, security and cultural matters impacting on them.

We welcome this opportunity to present this Pre-Budget Submission that is based on feedback received from our members and are seeking that consideration be given to the following matters in Budget 2025.

As the costs of living and energy spiral, our members face uncertainty with regard to their incomes. RCPSA is asking that the forthcoming Budget takes on board the following in the relevant policy areas with a view to ensuring that older people are respected, valued, enabled to live with dignity and have a decent quality of life during their retirement.

RCPSA is requesting that Government to incorporate the following into Budget 2025:

1. Income adequacy delivers security for pensioners. Hence, how future pensions are determined is of paramount importance to retirees, especially those on low incomes.
2. In addition to pensions income, supports and benefit entitlements for older people adds to their quality of life.
3. The establishment of an effective independent forum where issues regarding pensions can be addressed outside of the current statutory six months post-retirement for all pensioners.
4. Restoration of access to the Employee Assistance Service (EAS)
5. Refund of ASC and PRD Contributions in appropriate cases.
6. Personalised customer service facilities to be made available for older people having difficulty with technology / automated systems operated by public bodies.
7. Improvements in Taxation, Tax Credits and USC.
8. Put in place a restoration process for retirement lump sum paid to public sector pensioners retiring post 29/2/12.
9. Review by the Minister for Public Expenditure, NDP Delivery & Reform of the devaluation of the pensions of ex-civil servants transferred to An Post – see Appendix
10. Continue to support older people with energy subsidies during the winter and early Spring.

**Pensions Related Matters:**

1. For pensioners income security and the certainty on how future pension is determined is a high priority. Knowing how one’s future pension is determined is crucial as we grow older. When many of our members retired, they understood their pension would be linked to the pay of serving staff in their grade or equivalent grade. We consider this long-standing practice has to be followed through by Government and factored into all future public service pay agreements. This is recognition for the input and the loyalty that retirees gave during their working careers.

**Income supports and benefit entitlements for older people:**

1. RCPSA considers that the expansion of income supports to public service pensioners are essential to their quality of life in their twilight years. In this regard our priorities are:

* The restoration of full Medical Cards (to include dental, optical and aural treatments) for all pensioners over 70 years and the abolition of prescription charges for the medical card holders.
* Older people, whose immunity has waned with age, are infected by Shingles and Respiratory Syncytial Virus (RSV). The result of these infections can have debilitating and have long term side effects. We are seeking that both the shingles and RSV vaccinations be given to older people as part of the Government Vaccination Programme. This is in line with the guidelines and recommendations of the National Immunisation Advisory Programme (NIAC).
* Streamlining to simplify the means test for the granting and renewal of medical cards.
* Full implementation of Slaintecare.
* Expansion of the Household Benefits Package to everyone over 66 years of age.
* Addressing the anomalies in USC.
* Extension of Living Alone Allowance to retired Civil and Public Servants (employed pre 1995), and to individuals whose status is regarded as single and are currently ineligible for an allowance of this nature.
* Streamlining of all means testing systems currently in place for various medical schemes and benefits.
* Reform of the current system of Home Care so that resources are made available to the HSE (and not outsourced) to deliver a service based on the user needs with inbuilt supervision of the quality of service provided.
* Provision of resources and funding to provide suitable respite places required for older people.
* Retention of the existing Housing Aid for Older Peoples Grants.
* Records show that many landlords in private rental accommodation have decided to sell up. For older people on low and fixed income increasing rents, lack of security of tenure and shrinking stock available in this sector is a cause of concern. We are asking for supports to be put in place for older people dependent on this type of accommodation.
* Restoration of the exemption from the passport fee introduced in 2005 and withdrawn in 2011 for applicants over 65 and over.

**Access to an independent forum that is impartial, fair and free service addressing complaints from pensioners and older people:**

1. It is only after retirement that many pensioners notice complaints on issues regarding their pension must be raised with pension providers within six months of the individual’s retirement date. Furthermore, employees need to be deemed as a ‘worker’ for their complaint to be considered. RCPSA is seeking the establishment of:

* An independent forum where pension issues can be raised by pensioners and their representatives outside of the six month statutory time limit.
* The appointment of a Commissioner for Older People. Older people need an independent advocate for their rights that can provide legal support in appropriate cases and investigate how service providers deliver services to older people.

**Restoration of access to Employee Assistance Service (EAS) to retired civil servants:**

1. Many of our members, including bereaved spouses/partners, benefited by having access to the Civil Service Employee Assistance Service.That service is no longer available to pensioners. We are asking that access to this service be restored. The passing of a retired public servant frequently leaves a surviving spouse in a position of not knowing to whom they can turn to for support.

**Refund of ASC and PRD Contributions in appropriate cases:**

1. Annual Superannuation Contributions (ASC) was introduced 1/1/2019 and is a permanent contribution in respect of pensionable remuneration. It is only chargeable on pensionable remuneration. ASC replaced Pension Related Deduction (PRD). RCPSA is seeking a refund of contributions for which no benefit arises made after 40 years’ service and contributions.

**Personalised Customer Services:**

1. Many of our members encounter difficulties in accessing Government Departments and commercial services due to poor internet coverage, disability, limited knowledge of Artificial Intelligence (AI) etc. We have noted that stress levels among our members have increased immeasurably at the lack of a face-to-face service being available to them. There is a belief among a number of them that personal and confidential matters are better handled by means of direct dealing with a person. RCPSA is seeking that this be addressed by the restoration of personalised Customer Service facilities in Government Offices and the provision of upskilling to older members of society.

**Tax Credits, USC and Taxation:**

1. RCPSA agrees that equity in the tax system is crucial and is seeking in Budget 2025:

* The increase personal tax credits for individuals with ‘single status’ to that of married couples (as energy and other costs in the running of a house increases.)
* The full restoration of tax credits for private medical insurance.
* Address the anomalies in USC which is a tax payable on gross income. Currently all payments received from the Department of Social Protection (DSP), including the State Pension (Contributory), are exempt from USC. Individuals with an income less than €13,000 are exempt from USC. Retired public servant whose total income is derived from a public service pension may be paying USC on their full pension. RCPSA is asking that this anomaly against retired public servants needs to be addressed.
* RCPSA seeks the restoration of the special USC treatment which pertained in 2011 and 2012 for individuals over 70, as older people, in that they paid it at the reduced rate, irrespective of the level of their income, OR, at least, to increase the threshold of €60,000 which has been in place since the beginning of 2013, in line with the Consumer Price Index.
* Capital Acquisitions Tax (CAT) is a tax on gifts and inheritances. RCPSA is calling on Government to restore the exemptions to CAT to the levels in place from 01/01/2009 to 07/04/2009 (i.e. Group A €542,544, Group B €54,254, and Group C €21,700) and reduce the rate of CAT to 30%.
* RCPSA asks that Department of Finance/Department of Public Expenditure, NDP Delivery and Reform to arrange for USC deductions to be included on all payslips issued.

**Lump Sum Monies paid to Public Servants on Retirement:**

1. Many of our members purchased added years and paid considerable amounts of monies for which they received little or no benefit. We ask that the Minister for Public Expenditure, NDP Delivery and Reform compensates for the losses suffered.

**Review by the Minister for Public Expenditure, NDP Delivery & Reform of the devaluation of the pensions of ex-civil servants transferred to An Post.**

1. See Appendix

**Winter Subsidies – Energy Credits, Fuel Allowance etc**

1. RCPSA welcomes the approach taken by Government in recent years in providing Energy credits to households during the winter and early spring months. We seek the continuation of these credits to all who are surviving on pensions.

**RCPSA Budget 2025 Submission Appendix**

**Devaluation of the Pensions of Ex-Civil Servants Transferred to An Post**

**1**. **Devaluation of Pensions**: Civil servants transferred to An Post in 1984 with a statutory guarantee and written Ministerial commitment of “not less favourable conditions” in their future pensions than had they remained in the civil service have had their increases capped at 2% or less depending on CPI, thereby, devaluing their pensions, and reducing their expected income by approx. 10% amidst escalating cost of living increases.

The devaluation resulted from a re-interpretation of the statutory guarantee by An Post supported by its shareholders - the Minister for Communications and the Minister for Public Expenditure, NDP Delivery and Reform - who support a ‘pension accord’ put in place by the company which introduced the concept of “pensionable pay” vs gross pay as a means to reduce the future cost of pensions.

**2. Abolition of Parity:** The accord abolished parity between these retired workers and current employees which had been custom and practice during the previous 30 years and prior to that since 1972 in the civil service under successive Regulations made under the Pensions Increase Act, 1964. The accord (collective agreement) was applied to pensions in payment and to deferred pensions which appears contrary to case law and an adjudication by the Workplace Relations Commission (ADJ-00033361) which states that collective agreements “relate to current employees only”.

**3. The Impact of Class D PRSI on Pensioners’ Income**: The Minister for Social Protection extended the Class D PRSI rate to An Post. That resulted in very significant financial savings for the company in its contributions to the Social Insurance Fund, whilst those pensioners, and others employed by the company until April 1995, are now not eligible for the benefits associated with the state pension or for dental or optical benefits, and their spending power has been reduced by the devaluation of their occupational pension since the imposition of the pension accord.

**4. Preservation of Benefits in Deferred Pensions:** Section 37(1) of the Pensions Act, 1990 provides that pension schemes (mainly in the public sector) may be exempted from the preservation of benefits requirements of Part III of the Act if the retirement benefits provided under such schemes, and the provisions pertaining to the preservation of those benefits, are no less favourable than those required by the Act. The An Post Main Superannuation Scheme 1990 was so exempted. It is unclear if those preservation of benefits criteria are being complied with by An Post since it applied above cap to increases in preserved pensions.

RCPSA calls on the Minister for Social Protection to ensure that the criteria for the exemption granted is being complied with by An Post.

**5. Recommendation:** This treatment of this large cohort of pensioners that involves pension poverty for many on low pensions - some well below the level of the state pension for an individual with an adult dependent - is grossly unfair and inequitable.

RCPSA calls on the Minister for Public Expenditure, NDP Delivery & Reform to investigate this situation.