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19 June 2025

Pre Budget Submission on behalf of the Retired Civil and Public Servants Association

Dear Ministers

The Retired Civil and Public Servants Association (RCPSA) welcomes the opportunity to present a Pre-Budget Submission and urges strongly that it be taken into consideration by the Government when preparing the Budget for 2026.

The RCPSA represents approximately 7,000 retired civil and public servants, across twenty-six counties.

As pensioners, our members have much in common with other pensioners but, as public service pensioners, there are also specific issues which affect us in particular.

It is important that the concerns of our members are listened to, understood and addressed. It is essential that our members and all older people, are respected, valued, enabled to live with dignity and have a decent quality of life during their retirement.

The issues of greatest concern to RCPSA members at present are:

- 1 Level and security of income.
- 2 Access to health care.
- 3 Improvements in the Fair Deal Scheme.
- 4 Access to services.
- 5 Being given a voice and a seat at the table.

The recommendations of the RCPSA in respect of these issues are given in the attached submission.

Many of the issues have been raised year after year in correspondence with Ministers and officials with no apparent success. The lack of access to the decision makers is

difficult for a group of people who understand the public service system and who served it throughout their working life.

While working, our members helped to formulate and implement Government policy. They are used to providing solutions and can suggest how our recommendations can be implemented without incurring undue cost. The RCPSA hereby requests and would greatly appreciate an opportunity to meet officials to explain our particular concerns.

Yours sincerely

A handwritten signature in black ink that reads "Cloda Ryan". The signature is written in a cursive style with a large, looping initial 'C' and a long, sweeping underline that extends under the word "Ryan".

Cloda Ryan

Secretary, RCPSA, on behalf of its members



SUBMISSION ON BEHALF OF THE RCPSA FOR CONSIDERATION IN PREPARING THE BUDGET FOR 2026

The Retired Civil and Public Servants Association (RCPSA) was founded in 1945 and represents approximately 7,000 retired civil and public servants, across all twenty-six counties.

The Main Objects of the Association are:

- (a) To promote and to safeguard the pensions of members, and
- (b) To support and to represent the interests of members in relation to financial, health, welfare, security and cultural matters impacting on them.

As pensioners, our members have much in common with other pensioners but, as public service pensioners, there are also specific issues which affect us in particular. Some of the specific issues will be resolved over time (sadly as a consequence of members dying) and as more pensioners are people who were recruited after 6 April 1995 and/or are members of the Public Service Single Scheme, others will not.

It is important that the concerns of our members are listened to, understood and addressed in a timely manner before it is too late for them. It is essential that our members and all older people are respected, valued, enabled to live with dignity and have a decent quality of life during their retirement.

Key Recommendations:

Level and security of income.

- 1 Provide appropriate pension increases across the public service, including continuing to apply pay parity.
- 2 Address as a matter of urgency legacy issues in respect of the pensions and pension increases of retired civil servants and former civil servants affected by the setting up of State Sponsored bodies such as An Post, eir, Coillte, the Irish Aviation Authority, to name just a few. There are members who retired as Civil Servants before the bodies were set up and members who transferred to the bodies under legislation and retired from those bodies. Certain assurances were given in legislation and otherwise which members consider are not being met. In the case of some State Sponsored bodies, the issues have been ongoing for decades. Some legal challenges have been mounted – a route that is expensive

for both parties and largely financially inaccessible to pensioners. An independent review should be carried out as a matter of urgency with the aim of identifying and addressing all the legacy pension issues. Because of time limits and the delays in Internal Dispute Resolution processes, and because of the number of pensioners affected, access to the Financial Services and Pensions Ombudsman is not sufficient to address the difficulties. An additional submission from our An Post Branch is attached as an Appendix, outlining the particular difficulties they are experiencing.

- 3 Remove the anomaly whereby the State Pension is exempt from USC but, for public servants who, because of historic PRSI classes cannot qualify for a State Pension, all of their pension is subject to USC. The anomaly can be removed by providing that pensioners, who do not qualify for any of the current exempt payments, will have the equivalent of the maximum rate of State Pension (Contributory) treated as an exempt payment for USC, plus the maximum rate for a Qualified Adult where relevant.
- 4 Remove, or at least increase, the income limit over which the reduced rate of USC, for persons aged 70 or over, or who hold a medical card, does not apply. The current limit has been in place for over 10 years.
- 5 Make a significant increase in the Age Tax Credit for 2026 and increase it annually.
- 6 Make a further increase in the CAT thresholds and reduce the rate at which the tax is levelled.
- 7 Make provision that public servants who, because of historic PRSI classes cannot qualify for a State Pension, can qualify for the Living Alone Increase, provided they meet the other conditions.
- 8 Apply in full increases in the State Pension to all recipients of the State Pension, even those on a reduced rate.
- 9 Include being in receipt of a public service pension as a qualifying payment for purposes of qualifying for the Household Benefits Package without a means test when aged 66 to 70. This is a further legacy issue which affects not only public servants who, because of historic PRSI classes cannot qualify for a State Pension, but also their spouses.
- 10 Provide more generous terms for means testing for Fuel Allowance.
- 11 Review as a matter of urgency the difficulty encountered by women, who were obliged to resign from the public service on marriage, who re-entered the workforce after a time lapse and who now find that they cannot qualify for a State Pension (Contributory).
- 12 Reintroduce the exemption from the passport fee for applicants aged 65 and over.

- 13 Reintroduce a waiver scheme for waste disposal charges for pensioners on low income.

Access to health care.

- 14 Provide medical cards for all people aged 70 or over, without means testing. [omit re net income for means testing?]
- 15 Expand the Long -Term Illness Scheme to include all illnesses which are deemed to be long-term illnesses by the Medical Profession. Examples are osteoporosis, peripheral neuropathy, cancer, rheumatoid arthritis.
- 16 Include in the Drugs Payment Scheme all medication which requires a prescription from a medical practitioner. The statement by the HSE that “having a DPS card means you or your family will pay a maximum of €80 in a calendar month for approved prescribed drugs and medicines” is misleading. The sting is in the word “approved”. Many of our members are paying significantly more than €80 a month because the medication they need and have been prescribed is not “approved” for refund by the HSE.
- 17 Provide the shingles and Respiratory Syncytial Virus (RSV) vaccinations to older people free of charge, as part of the Government Vaccination Programme. The immunity of older people wanes with age. Shingles and RSV can have particularly debilitating and long term effects on older people. This recommendation is in line with the recommendations of the National Immunisation Advisory Committee.
- 18 Extend access to dental and optical benefits to public servants who, because of historic PRSI classes cannot qualify for a State Pension.
- 19 Improve financial access to mobility aids, including mobility scooters, and other aids to independent living for older people.

Improvements in the “Fair Deal” Scheme.

- 20 Reduce the transfer period of reckoning of business or farm from five years to three years.
- 21 Reduce the 7.5 % levy on own home from three years to two years.

Access to services.

- 22 Require government, financial and other institutions to make adequate and clearly advertised procedures for the provision of acceptable identification by older people who do not have a current passport or driving licence.

- 23 Require government, financial and other institutions to make adequate and clearly advertised provision for access to their services, including ATMs, by people with impaired mobility.
- 24 Require all Government Departments and Offices to provide appropriate alternatives to online access to their information and services, including office based in-person customer services.
- 25 Restore access to the Civil Service Employee Assistance Service (CSEAS) to retired civil servants. This facility was removed, without consultation or notification, when the Service was restructured in 2014. The Service had been of particular benefit to bereaved spouses/partners and family members by providing information and support at the time of the death.

Being given a voice and a seat at the table.

- 26 Provide a specific, recognised, forum in which public service pensioners can raise their concerns and look for them to be addressed. In general, once public servants have retired, they are no longer consulted on changes which affect them in particular, have no negotiating rights and no recognised forum in which their concerns can be raised and addressed. The provision of a specific forum would be more efficient for all parties.
- 27 Review and improve the Internal Dispute Resolution and appeal procedures for public service pensioners, who consider that they have not been correctly treated with regard to their pension. The Minister for Public Expenditure, National Development Plan Delivery and Reform, in a reply to a PQ on 3 October 2024, stated the average time to process appeals was approximately 9 months (range 5 to 13 months) and that, of the 25 appeals on hand, 7 had been under consideration for more than a year. The indicative timeframe given in Circular 16/2020 (Department of Public Expenditure and Reform) is 3 months. Anything longer is totally unacceptable.

APPENDIX TO SUBMISSION ON BEHALF OF THE RCPSA - BUDGET 2026

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. Notwithstanding this commitment, An Post pensioners have had their increases capped at 2% or less depending on CPI, thereby devaluing their pensions, and reducing their expected income by approximately 11% 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. They support a ‘pension accord’ put in place by the company which introduced the concept of “pensionable pay” vs gross pay as a means to cap increases and reduce the future cost of pensions.

2. Abolition of Parity: By re-defining pay, the accord abolished parity between these retired workers and current employees which had been custom and practice during the previous 30 years in the company and prior to that since 1972 in the civil service. 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 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 prior to 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 the 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 the preservation of benefits criteria are being complied with by An Post since it applied a cap to increases in preserved pensions.

5. Recommendation: An Taoiseach stated during Question Time in the Dáil on 12 February 2025 that “*there is a very real issue with regard to the entitlements of retired postal workers*”. 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 - is grossly unfair and inequitable. An independent review of the situation should be carried out as a matter of urgency.