How we best respond to the challenges and opportunities of an ageing population

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Who are we?

- Founded in 1992 to provide a voice for older people.
- Ireland's leading advocacy organisation on ageing issues.
- Make Ireland the best country in the world in which to grow old.
- **Find out more at www.ageaction.ie.**

We're not the problem

"**This is not a demographic crisis, it is a policy crisis.**"

-- Colm McCarthy

Failing to prepare

- National Positive Ageing Strategy
  - Published 2013. No implementation plan.
  - "By 2041 there will be an estimated 1.4 million people aged over 65…representing 20-25 per cent of the population."

- Draft Programme for Government 2016
  - Citizen's Assembly to discuss "future needs of, and the possibilities and opportunities for, our ageing population".

Focusing on two key topics

- An adequate income for older people

- Mandatory retirement

Why do we have a State Pension?

- A fair State Pension enables older people to age with **dignity** and with **independence**, keeping them out of **poverty**.

- "The hope behind this statute is to save men and women from the rigors of the poor house as well as the haunting fear that such a lot awaits them when journey's end is near."
   -- Justice Benjamin Cardozo

Importance of State Pension

- For those over 65, three-quarters of their income is made up of public transfers.

- At Risk of Poverty Rate line is **€11,863.**

- Full State Pension is **€12,391.60.**

- State Pension for those with an average of 39 or fewer contributions is below the at risk of poverty rate.

Importance of State Pension

- 2013-2015 show increases in 'at risk of poverty' and 'consistent poverty' rates for over 65s.

- **Approximately 95,000 older people experienced deprivation in 2015 – 15.4%**

- Only 50 per cent of people have a private pension.

The impact of austerity

- Between 2009 and 2016 an older person on the State Pension and Household Benefits Package lost **€13.18 a week**.

- Telephone Allowance abolished; Fuel Allowance cut, Christmas Bonus cut, Electricity payment cut

- Changes to State Pension eligibility in 2012

- At the same time, 500% increase in prescription charges, property tax, rising energy and medicine costs

Voices of older people

I worry about cold winters and the cost of my funeral.

"I'm on a survivor's pension. All it allows me to do is to survive."

I could not survive without the support of family

"I am absolutely terrified of what charge will be introduced next"

Aftermath of austerity

- **Two consecutive increases in State Pension**

- Partial restoration of secondary income supports

- Incomes for older people on State pension still **less** than in 2009 while facing increased costs.

State Pension and Gender

- Women forced out by marriage bar; gave up work to care for family
- Broken contribution record
- Homemaker's Scheme – but only since 1994
- Changes to pension system in 2012 hit women pensioners hardest
- **Gender Pension Gap stands at 37%**

"I was so shocked, angry and annoyed when I first heard the amount I was to be awarded. It brought back the anger I felt in 1972 when I had to leave my job. I believe I am being penalised for caring for my children."

Future of the State Pension

- **Legislative benchmark** for the State Pension
  - "In order to maintain this aim of preventing poverty for older people" National Pensions Framework sets target of 35% of average earnings. Currently at 32.3%.
  - Average earnings of €723.08 in Q1 2017 gives a State Pension equivalent of €253.08.
  - Taoiseach has suggested link to inflation but buying habits of older people very different

Sustainability

- Measured as percentage of GDP or total taxation, Irish PRSI rates are among the lowest in the EU (EUROSTAT, 2014)

- "If Irish employers' PRSI were increased to just the EU average, it would raise an additional €8 billion." -- Michael Taft

- Retirement age already set to rise

- Future of private pension reliefs – worth €2.4 billion – must be part of the debate

Abolish mandatory retirement

- No official 'State' Retirement Age – decision entirely in the hands of the employer
- 'Traditional' Retirement Age of 65 now disconnected from Pension Age of 66 & rising
- **More 65-year-olds on Jobseekers Benefit than at any other age**

Voices of older people

"I work as a dental nurse for the HSE. It makes no sense for a skilled, competent and widely experienced dental nurse to be asked to cease employment based on a mere number on the calendar."

"I was trying to pay a mortgage to the bank and a loan to the credit union at the same time. It was very difficult to keep going. I had to cut right back."

"I am sure I will be replaced by someone on a lower wage and with a zero-hour contract."

Isn't this age discrimination?

- EU Framework Employment Directive – law in Ireland since 2005

- Discrimination okay if "*objectively and reasonably justified by a legitimate aim*"

- Promotion prospects, make room for younger workers

Does it benefit younger workers?

- *We could not observe any positive link between early retirement and youth employment. (IMF)*

- *Reducing the employment of older persons does not provide more job opportunities for younger persons. (IZA)*

- *...the claim that fewer jobs for older workers results in more jobs for younger workers, though unfounded, is proving especially stubborn. (OECD)*

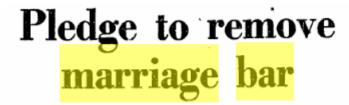- Iceland, New Zealand, Sweden and Norway - top ten older and younger

Is this a bit familiar?

RESIGN-ON-MARRIAGE RULE ABHORRED

Men back female cause

By Donal Musgrave

Pledge to remove marriage bar

It's going to end – why not now?

- 637,567 people over the age of 65 in Ireland – up 19.1 per cent since 2011
- 73 per cent of people in Ireland believe people should be allowed to work past the official retirement age (Eurobarometer 2012)
- Older population will continue growing
- Empower older workers to contribute, to build, to create

One last slide

The most important recommendation…

Thank you.