



Budget 2022

SIPTU Retired
Members Pre-Budget
Submission

2021

FAIRNESS

AT WORK

JUSTICE IN

SOCIETY

Introduction

The Services Industrial Professional and Technical Union (SIPTU) is Ireland's largest trade union. SIPTU represents the interests of members, their families and communities across a broad range of industries in both the public and private sectors.

SIPTU has a large and active Retired Members Section the work of which is overseen by our National Retired Members Committee from all over the country.

SIPTU believes that a secure retirement with dignity and not poverty should be the basis for the third phase of life for each older person in Ireland. The different aspects of the third phase of life highlighted in this pre-budget submission can be understood as the policy areas where government can make real social change that benefit all older and retired people. These areas include income adequacy, affordability, fuel poverty, transport, communications and care.



Providing **income adequacy** for all State Pension

People over the age of 65 depend on social protection for more than three-quarters of their income. For many older people, the State Pension is often their only source of income. The State Pension should be the primary poverty prevention tool of the state in relation to older people.

The National Pensions Framework of 2010 dictates that what can be termed the 'social welfare pension' should be sustained at 34% of average weekly earnings. This measure should frame discussion on income adequacy, starting with the non-contributory state pension.

Using data in the CSO's Earnings and Labour Costs Annual 2019, taking the 'social welfare pension' to 34% of average weekly earnings would have raised the payment by €785 for the year 2019. This is a significant amount of money.

SIPTU calls on government to implement its own benchmarking and indexation policies in respect of ensuring the income adequacy of the state pension and increase the pension rates in Budget 2022 up to the benchmarked level of 34% of average weekly earnings.

SIPTU believes that the qualifying age for the State Pension should remain at 66 years and the previous plan to increase the pension age to 67 years and then 68 years should be scrapped for good. In a Red C poll for the Sunday Business Post in February of this year, 66% of all those polled stated that they wanted the pension age maintained at 66 years. For many workers there is a gap between when they retire from work and when they qualify for the pension. SIPTU believes that the Transition Pension should be restored and should replace the Benefit Payment which is currently in place for 65 year olds. In addition, a piece of legislation should be introduced to prevent mandatory retirement from work before State Pension age.

The term 'cumulative inequalities' has been used by civil society organisations in Ireland and the term indicates how health and income security outcomes are actually exacerbated in later life. The non-contributory pension should ensure an income floor above the poverty line provide dignity in retirement for all.

The Vincentian Partnership for Social Justice estimates each year a core budget of components that enables a person to achieve a Minimum Essential Standard of Living (MESL). The lone pensioner was estimated to have a core budget providing a MESL that cost 80% of the core budget of a pensioner couple in the year 2018.

Living Alone Allowance

The living alone allowance was increased to €19 from €14 in budget 2021. This allowance needs to be properly assessed because of it being a crucial benefit for certain groups of pensioners. Most lone pensioners are women therefore older women are disproportionately at risk of poverty when living alone. There are also large differences in living costs between urban and rural areas.



The state property tax has a disproportionate impact on retired people because most live in their own home. The census of 2016 shows that 81% of retired people have paid off their mortgage. But it is their income that should be the focus. The property tax should be means-tested.

Making a **secure retirement** affordable for all

Housing

The improvement of housing can greatly benefit health and well-being. The Housing Aid for Older People Scheme provides grants of up to €8,000 to assist older people living in poor housing conditions to have necessary repairs or improvements carried out. The category of works that qualify as eligible should be broadened. The Housing Aid Scheme can be difficult for those on low income to access as they are required to make a co-payment, and in some cases, to pay the costs upfront before reimbursement from their Local Authority. In the context of achieving an effective allocation of Housing Adaptation grants, the Housing Aid for Older People budget should be restored to 2010 levels. There should also be better access to grants for disadvantaged older people.

The need is still there for a fuel allowance increase and with broader eligibility because it constitutes a significant amount of older persons' expenditure.



Fuel Allowance

The reality of there being 'fuel poverty' in developed countries has been acknowledged by the World Health Organisation (WHO). The estimate is that spending more than 10% on fuel on a fixed income will mean fuel poverty. There are also measured adverse health effects from experiencing the trauma of fuel poverty.

In Budget 2021 the rate of fuel allowance was increased by €3.50 for over 375,600 households. But it was also reported that the carbon tax increase would add 90 cent to a bag of coal and 20 cent to a bale of peat briquettes. The fuel poverty aspect of the carbon tax must be properly assessed given its relation to the fuel allowance for older people.

The eligibility criteria for receiving the fuel allowance should be broadened to acknowledge that it is a central component of expenditure. It is estimated that up to 70% of pensioners do not receive the allowance. It is essential for health and well-being among older people.

Transport

Project Ireland 2040 provides the strategic framework for the land transport programme as distinct from aviation and maritime. It receives considerably more investment. In Budget 2021 the Department of Finance stated that "the aim of this programme is to develop and manage transport infrastructure by providing for the delivery of public transport infrastructure and services and the maintenance and upgrade of our road network."

The land transport programme must acknowledge the essential nature of public transport for most older people. It is reported among civil society as often being a key determinant of whether a person can maintain independence. The land transport programme must plan for public service obligations.

All bus and rail services should accept the Travel Pass and all private carriers that operate on Irish roads must be obliged to accept the travel pass.



Budget 2022 should acknowledge the increasing importance of our public transport network.

Communications – Staying Connected

The telephone support allowance should be supplemented by a digital allowance. The opportunity for older people to stay connected to family and friends is now even greater. The Covid-19 pandemic and lockdowns clearly demonstrated the importance of communications and connectivity for people's health and wellbeing. This is particularly the case for older people and those living alone. There are also many other reasons why it is useful for older people to have telephone and digital access.

Healthcare, homecare and nursing home care

The Sláintecare report on the Future of Healthcare was published in May 2017. The report includes a cross party commitment to deliver on a universal health and social care system where everyone in Ireland will be entitled to high-quality, affordable services based on need rather than ability to pay.

It is vital that Sláintecare is well resourced by government so that it can improve access, entitlement and affordability of health care. The early promise of this vision must have commitment. The proposed Home Care Scheme element of the Social Care Strategy needs attention. Staying in the home is the preferred option of many older persons.

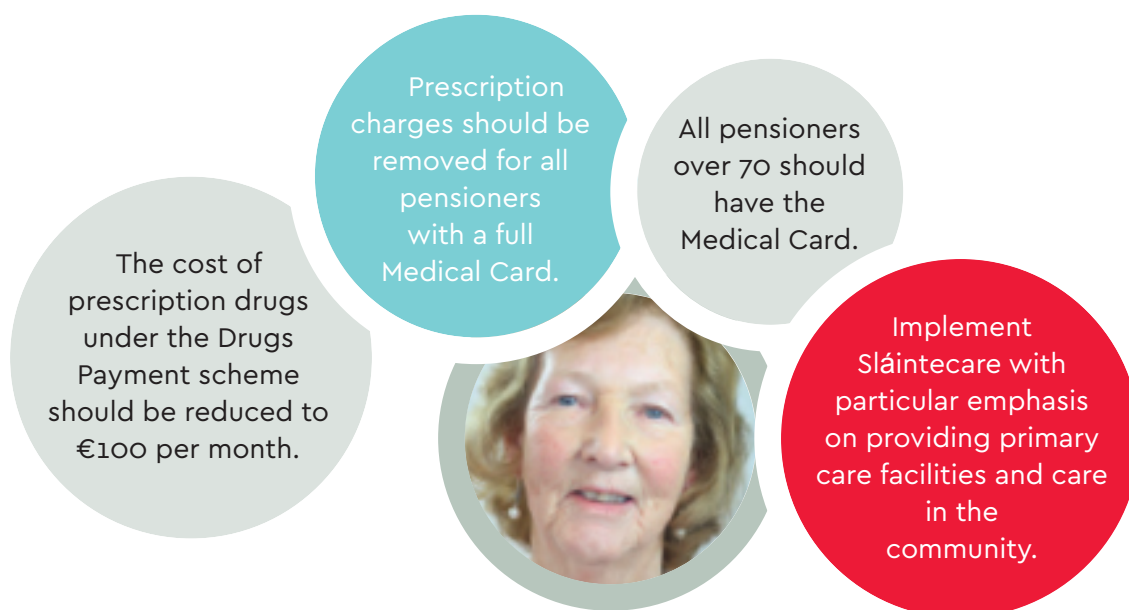
The current equivalent scheme is the Housing Supports Scheme. The funding for this scheme needs to be brought closer to the Nursing Home Support Schemes funding. The current disparity of expenditure must be addressed, with the ambition being that the option of home care is made available to all who prefer this option.

The term social foundation is used in economics to describe a floor beneath which no member of society should fall. The growing segment of older persons in Ireland must also have their own particular needs addressed. Civil society reports that in 2018 the country had returned to 2009 levels of weekly income supports for older persons.

Care is a critical aspect of growing older with dignity. We need to look again at the goals of the National Positive Ageing Strategy and other related strategies.

In Budget 2021, monies were allocated among a list of expenditure items under the heading "Implementing National Strategies & Expert Reviews."

These expenditure items were: National Positive Ageing Strategy, Housing Options for our Ageing Population and the National Carers Strategy.



The National Positive Ageing Strategy

National Goal 1 Remove barriers to participation and provide more opportunities for the continued involvement of people as they age in all aspects of cultural, economic and social life in their communities according to their needs, preferences and capacities.

National Goal 2 Support people as they age to maintain, improve or manage their physical and mental health and wellbeing.

National Goal 3 Enable people to age with confidence, security and dignity in their own homes and communities for as long as possible.

National Goal 4 Support and use research about people as they age to better inform policy responses to population ageing in Ireland.

The preference of most older persons is to remain independent and to age in place. The resources to participate in what is the norm for others should be provided through the income adequacy and affordability matters discussed earlier. In this document the care factor is its own topic alongside income adequacy and affordability. It can be crucial to quality of life and helping towards a lived experience that is positive. The government needs to provide the right type of care that respects all.

In Budget 2021 the government stated its intention of "reducing our dependence on the hospital centric model of care and supporting capacity in the community." But of the 95% of older persons living at home, only 8% were receiving home care services. It cannot be known how long it will take to roll out this service while shifting the emphasis away from nursing home care.

A submission by the SAGE Advocacy group to the government's 'COVID-19 Nursing Home Expert Panel' in 2020 provides ideas for improving care provision. It is worth looking at the core elements of its proposals in the covid submission. The group suggests "a continuum of care".

The key short-to-medium aim is to "develop a single tier integrated statutory system of long-term support and care covering domestic homes and nursing homes, and a much wider variety of options in between."

The system should be deliberately biased towards home, which is where the vast majority of people want to live, and to die. Plans for a standalone statutory system for home care separate from the Nursing Home Support Scheme (NHSS) should be dropped."

SIPTU is calling for the integration of all nursing homes -both private and public- into the wider framework of health and social care, ensuring clear responsibilities for regulation, oversight and inspection over all congregated care facilities for older people.

Climate Action – Carbon Tax and Older Person's Waiver

It is argued that a carbon tax system can be designed to protect lower income households. This tax could actually reduce income inequalities. A recent ESRI report supports this view and recommends a progressive, targeted mechanism towards less affluent households to be administered through the tax and welfare system.

Special assistance should be provided to pensioners to inform and advise them on what steps they might take in order to mitigate the effects of climate change. These people are a key constituency that as a whole can greatly influence opinion. A carbon tax waiver and reinstated waste collection waiver for older persons will not damage our efforts on climate change. In fact, it can help create a positive consciousness on climate action that will encourage the wider changes. As the cost of retrofitting older housing can be substantial and pensioners may not be able to afford substantial outlays or have access to loans or capital, targeted action, financial assistance and advice for this group should be forthcoming from the Department.



Older people depend on public transport as a means of freedom from isolation. It gives older people the independence and freedom to live a normal existence when it comes to shopping, medical appointments and social interaction. Investment in our transport infrastructure must address regional accessibility and local connectivity. This will bring about a better network and increase the travel options available to older persons. It will also improve the network for all other users.



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