



Pre-budget submission to Department of Social Protection

Older & Bolder 2nd September 2011

Please find below Older & Bolder's response to the invitation to send in a brief written submission on issues relevant to the formulation of the Budget which are within the remit of the Department of Social Protection.

While people think that older people have escaped unscathed from recent cuts this is not the case. Recent decisions have eroded older people's resources, including those dependent on the most modest of incomes.

A 2% cut on the income of those dependent on the State Pension was imposed when the previous Government suspended the **Christmas Bonus**.

The means tested **Fuel Allowance** has been standardised to €20 per week. The smokeless full allowance has ended with a €3.90 per week cut to the 150,000 people who previously qualified for the smokeless fuel allowance.

The **Electricity Allowance** is being cut from 2400 to 1800 units a year (25% reduction), the equivalent rate of the electricity cash payment is being cut from €43.80 to €35.80 per month (18% reduction), the annual value of the **Gas Allowance** is being cut from €489 to €393 (20% reduction), the bottled Gas Refill Allowance is being cut from €40.70 to €33.70 (20% reduction).

While those whose sole income is from a Social Protection payment, e.g. the State Pension, will be exempt from paying the new **Universal Social Charge**, people with even the most modest income in addition to the State Pension will have to pay this regressive charge.

The **prescription levy** for medical card holders has resulted in a 50c charge on each item of prescribed drugs bought.

Furthermore, any reductions in frontline **Health and Social Care services** will pose huge challenges for older people who find themselves struggling to address those needs from reduced personal resources.

The **phased abolition of modest age-related income tax exemptions and credits** resulted in the age exemption limits being reduced by €2000 from 1st January for a single person and by €4,000 for a married older couple. Age credits and exemptions for people aged over 65 will be abolished completely over the next four years. This will worry older people on low, fixed incomes who are currently trying to bridge deficits in health, social care and transport services from their own limited resources.

However, Department of Social Protection supports like the State Pension, Household Benefits Package, Medical Card, Free Travel Pass and National Fuel Scheme continue to be greatly valued by older people. These supports have a huge impact far beyond their monetary value. Along with preventing and reducing the risk of poverty these supports assist older people to maintain independence and dignity, manage their health, stay socially connected and to continue to support their families and communities. Older & Bolder would urge the Department of Social Protection to maintain these supports that have a positive impact for so many citizens.

National Positive Ageing Strategy: The Programme for Government commits the Government to completing and implementing the National Positive Ageing Strategy *“so that older people are recognised, supported and enabled to live independent full lives”*. Furthermore, the Terms of Reference for the NGO Liaison Group to the National Positive Ageing Strategy outlines that *“The Strategy must be developed within the constraints posed by the present fiscal situation”* and emphasises *“the need for efficient allocation of resources”*. We can expect progress on the National Positive Ageing Strategy in 2012 and we know that a successful strategy will require cross-departmental participation, ownership and responsibility as well as cross-sectoral working at national, local and national-to-local levels. In what way is the Department of Social Protection planning for and anticipating its shared role in ensuring greater cross-departmental and cross-sectoral working and ultimately in implementing the National Positive Ageing Strategy?

State Pension: The Irish State Pension and related supports provides a vital safety net that we all contribute towards and rely on. It is effective in that it protects 88% of older people from risk of poverty (EU SILC 2009). Older & Bolder urges the current Government to continue to maintain this fundamental cornerstone of our society which we should all be able to rely on.

Free Travel Pass: Accessible and affordable local transport is a lifeline that many older people rely on to link with family and community, visit banks or shops and access health and social services. Access to public transport systems not only promotes older people’s independence and participation, it also supports local and rural economies and communities. The Free Travel Pass and the **Rural Transport Schemes**, where available and working well, are greatly valued by individual citizens and are essential for linking families and communities.

National Fuel Scheme: Older and Bolder is concerned at the Government’s decision, earlier this year, to cut fuel, electricity and phone allowances in the absence of the appropriate and promised planning framework, the **Fuel Poverty Strategy**. These cuts come into effect at a time when fuel prices are rising and we are experiencing colder winters which leaves older people much more vulnerable to illness and, for a small number, premature death. It is vital that the Government publishes and implements its Fuel Poverty Strategy to ensure that we are dealing with this issue in a considered rather than ad-hoc way.

Advocacy Service: The Citizens Information Board, funded by the Department of Social Protection, amongst other services offers an advocacy service for those who may experience difficulty dealing with a public body due to literacy or a physical or mental disability. Older & Bolder urges the Department to consider extending this advocacy service to older people in general, many of whom experience difficulty when seeking information from agencies in relation to health care and welfare supports. Extending the advocacy service to include all older people would be of great assistance to those trying to discern

eligibility criteria and trying to access services they need (e.g. home care packages, home help) especially when such supports are provided on a discretionary basis.

Older & Bolder welcomes and looks forward to the opportunity to make an oral presentation at the Department of Social Protection's Pre-Budget Forum on Friday 16th September 2011.