How Pensioners Have Been Hit by Austerity

The Government has reminded us on many occasions that they had preserved and never reduced the State Old Age Pension during the height of the cutbacks. The Government did, however, change the qualifying criteria for the State Pension making it more difficult for many pensioners to get a full pension. Some pensioners have lost up to €30 per week or more in some cases as a result of this stealth measure.

Pensioners have been hit by over €1,200 annually in direct cuts to payments and tax increases, including the Local Property Tax and Water Charges. In addition they have seen cuts to services, increased charges and stealth taxes. For many pensioners this will amount to over €1,000 in lost income.

Direct Cuts and Increased Taxes and Charges:

2011	Fuel Allowance season reduced by six weeks X €20:	€120
2011	Fuel Allowance reduced by €3.90 a week where smoky coal is banned:	€125
2011	Free Electricity and Gas units reduced by 25%:	€96
2011-13	Telephone allowance abolished:	€322
2014	Local Property Tax based on home valued at €225,000, band 4:	€405
2015	Water Charges (based on two people, nett €100 grant):	€160
	Total:	€1,228

Stealth Taxes:

- Prescription charges have gone up from 50c to €2.50
- Carbon tax has been imposed on coal, turf and home heating oil. This adds another €130 cost to a household that goes through two bags of coal a week for half a year.
- The levies (4x0.6% + 0.15%) on private pension funds has taken €2.4 billion from peoples retirement savings. This has resulted in reduced pensions for many pensioners for the rest of their lives.
- Waivers for refuse collection have largely been abolished as the service has been privatised.
- For older people who don't qualify for a full medical card the threshold for the state drugs payment scheme has been increased from €120 a month to €144.
- Tax Relief for Medical Insurance premiums has been restricted to the first €1,000 per adult insured and the first €500 per child insured. Many will have to pay €500 extra to maintain their premiums and many may have been forced to reduce cover to a lower level or abandon Health Insurance altogether.
- There has been increases in the cost of using public hospitals to health insurers. This has been a huge factor in the 50% increase in medical insurance in the last three years and it keeps rising.
- There was an average 10% increase in motor tax in 2013 and further increases in 2014.
- A 2% levy has been imposed on all home and motor insurance policies. This is to look after Mr. Quinn (on top of existing PMPA and ICI Insurance Levies).
- DIRT Tax increased to 41% and if you qualify 4% PRSI =45%.
- USC tax introduced in 2011.
- VAT Increased to 23%
- Stamp Duty on cheques has gone from 30c per cheque to 50c
- Septic Tank charges have been introduced.

Other Cuts to Social Protection Payments and Services:

- The income threshold for the over 70's medical card has been reduced massively with thousands losing their medical cards as a result. The doctor only card goes nowhere near meeting the medical requirements for this age group. They will now have to pay for prescription drugs up to €144 per month but they will also lose other services such as home helps and domiciliary care. etc..
- Eligibility for State Pension has been restricted, particularly impacting on women.
- Christmas Bonus cut by 75%. Will reduce to 25% cut for Christmas 2015.
- The Respite Care grant has was reduced by €325 per annum.
- Hundreds of Thousands of home help hours have been lost.
- The contribution to the Fair Deal scheme from a person's assets was increased to 7.5% annually.
- The €850 bereavement grant was abolished.
- Housing Aid, housing adaption, mobility aids grants have all been reduced.
- Frequency of the Grant for Hearing Aids has been changed from two to four years and the maximum grant for one hearing aid has been reduced from €760 to 500 and from 1520 to €1000 for two.
- Dental Refunds and Optical Benefits have been virtually eliminated.

Lets recap on the effects of the government pension levy on your pension and your pension fund.

And we ask you to lobby your TDs in support of the following:

- Undertake to return at least some €2.4 Billion taken from our pension fund over a 5 year period, in line with the return of money to public sector pensioners, now underway (taken from them under emergency legislation).
- Undertake that there will be no repeat of this levy and rescind the relevant legislation.
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The effects on your pension of the government pension levy

As an ESB Pensioner you have not had an increase in your pension since Jan 2009, almost 7 years ago. Over that period your pension has been reduced due to actions of the current Fine Gael / Labour Government, through the application of the Government pension levy. **When you hear government ministers telling you this temporary levy is no more, remember that the levy has permanently reduced the size of the superannuation fund and has permanently reduced your pension / surviving spouse's pension.**

Government maintains that the levy, taken from all private pensions schemes, was required to fund the government's jobs initiative (9% VAT Rate for the hospitality industry). You will continue to pay this contribution for the rest of your life, long after the jobs initiative has disappeared. Your pension fund has paid over close to €100 million to date to government as a result of the Levy.

The Levy amounts for years 2011 and 2012 were paid over to government in years 2012 and 2013. Your pension was reduced in Nov 2012 and again in Nov 2013, a total reduction of 1.2%.

Whether or not a pension reduction applied to your pension in any relevant year, the fact remains that your pension fund, already in deficit, has been pushed deeper into deficit as a result. **This increases the risk that at some future time your pension will be further reduced and/ or will delay the application of any pension increase.**

This levy may not be the end of pension levies. There is a risk that the cost of insuring schemes against default may be imposed on private pension funds rather than on the employers as is commonly the case in other EU countries.

Please - make your concerns known to your TDs. It is in your interests to do so.