To: Michael Noonan TD, Minister for Finance

3rd August 2015

                                    Re: Government Pensions Levy

Dear Minister,

Thank you for your response dated 30th July 2015 to my letter dated 29th May 2015.

You have failed to address the main issue raised in my letter. Whether or not the Trustees of a Pension Fund decide to recover the cost of the Government Levy from Scheme members is not the main trust of my letter. **The inherent injustice of the confiscation of Pensioners savings is the main issue here and the fact that this Government passed this outrageous legislation in 2011 to enable them to raid the savings of a weaker sector of society to the tune of €2.2 billion over a four year period. The raid on Pension Funds will be discontinued at the end of this year but many pensioners, however, are now coming to the realisation that they will pay the levy for the rest of their natural lives. This will be the current Government’s legacy and will be remembered by all who were affected by it.**

To add further insult, the Government are proposing to refund the pension levy on public sector staff and pensioners over the next few years and you have clearly stated in your response that you have no plans to reimburse the levy on private Pension Funds. This inequitable treatment of pensioners as a group is totally unacceptable. You have also targeted the elderly when you introduced measures in Budget 2013 that abolished the telephone allowance for OAP’s and the Bereavement Grant. You have introduced a five-fold increase in prescription charges since entering office and have reduced income thresholds for medical cards twice in that period. The Government have maintained that they have not reduced the State Pension yet since they came into office they have changed the qualifying criteria for the State Pension making it increasingly difficult for individuals to obtain a full pension.

**You have also removed tax relief for private medical insurance premiums, introduced charges in public hospital wards for those with private health insurance, which has substantially increased the cost of private health insurance making it impossible for many individuals to continue with private medical cover.**

These are election issues and I can assure you Minister, that they will be pursued vigorously in the coming months by ESB Retired Staff Association, who represent the interests of the majority of ESB’s 7,500 pensioners. May I also remind you, Minister, of the size of the “Grey Vote”. The CSO’s Population Growth Scenarios have predicted that 24% of the population will be over 60 in 2016, Election Year. This is more than 1 million, which translates to approx 33% of the total electorate of 3.2 million. The over 60’s are a sector of society who do actually vote in General Elections and will have the power to decide the overall outcome of the Election.  Our Association will continue to publicise the real facts surrounding the Levy through our public website [www.esbrsa.ie](http://www.esbrsa.ie) and through a multitude of other channels available to us.

Yours sincerely,

**Tony Collins**

**Chairman National Executive**

**ESB Retired Staff Association**

**Mob 086 8197083**

Our Ref: 15/1854/MF

     30 July 2015

Mr Tony Collins

[Tonycollins1@eircom.net]

Dear Mr Collins,

The Minister for Finance, Mr Michael Noonan TD, has asked me to respond to your correspondence regarding the pension fund levy.

The Minister confirmed in his Budget 2015 speech that the final 0.15% levy will expire at the end of 2015.

The chargeable persons for the pension fund levy are the trustees or other persons (including insurance companies) with responsibility for the management of the assets of the pension schemes or plans. The payment of the levy is treated as a necessary expense of a pension scheme and the trustees or insurer, as appropriate, are entitled, where they decide to do so, to adjust current or prospective benefits payable under a scheme to take account of the levy. It is up to the trustees to decide whether and how the levy should be passed on and who should be impacted and to what extent, given the particular circumstances of the pension schemes for which they are responsible. While the levy itself will expire at the end of 2015 the manner in which the trustees choose to pass it on may entail a longer term but lesser reduction in pension payments. However, should the option of reducing scheme benefits be taken, in no case may the reduction in an individual member’s or class of member’s benefits exceed the member’s or class of member’s share of the levy.

While the final pension fund levy will be ceased as outlined, the Minister has no plans to repay the pension fund levy collected as you suggest. The value of the funds raised by way of the levy have been used to protect and create jobs and this has helped to create the improving financial and economic position of the State. Taxpayers to whom the impact of the levy may have been passed on by the chargeable persons for the levy will benefit from the changes which the Minister began in Budget 2015 and which will continue in future Budgets to reduce the tax burden on low and middle income earners.

Yours sincerely,

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Alex Lalor

Private Secretary