

**Pensions for Women**  
**Presentation to Irish Women Lawyers Association**  
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Good morning everyone – I would like to extend my thanks to the IWLA for inviting me to speak here to-day on this most important and timely topic.

The issue of women's pensions is one which has been of considerable concern to the NWCi for many years. Pension reform which meets the needs of women and protects their right to economic independence and an older age free from poverty is a key priority for women in Ireland and ever more so in this time of economic downturn. This is evidenced by the hundreds of calls to our office from women (many of whom left work due to the marriage bar) expressing concern for their future and their economic security as they may not now be eligible for a pension in their own right. It is evidenced also by the **(Slide 2)** 12,000 letters signed by women seeking pension reforms for women which we delivered to the then Minister for Finance Brian Cowen's offices in 2005.

In 2007 primarily in response to the Government's Green Paper on pensions the National Women's Council produced our pensions policy involving widespread consultation with our membership throughout the country. Our paper set out to begin a process of engendering the debate about pensions, bringing a much needed and long excluded women's equality perspective to that debate. In producing the paper we are seeking to garner support from all sectors and key players in the pension reform process for the development of a pensions system which places women and their right to economic independence at its core. We are calling for a pensions system which acknowledges, respects and rewards the role that women have played as workers, as mothers as carers and as home makers throughout their lives.

The starting point for our position is the need to place a gender lens on pension policy. Fewer women than men currently have access to pensions in their own right and the amount of money available to

women in their senior years differs from that of men, largely due to the role that women have and continue to play within the family and the fact that women earn less, work fewer hours and withdraw from the labour market more frequently than men. In addition, Women's access to state pensions we point out has and continues to be restricted, largely due to the male breadwinner model of social welfare. This model reinforces the idea of women as dependents, fails to recognise and compensate women's unpaid caring work and ignores the reality of women's participation in the labour market. The homemaker's scheme has gone some way towards acknowledging care work and helping women qualify for an old age contributory pension. It allows people caring for children under the age of 12 or an incapacitated person on a full time basis, to 'disregard' up to 20 years when calculating their pension contributions.

While women form the majority of social welfare claimants, they frequently don't have direct access to their benefits including pensions. The system of 'Qualified Adults' allows an adult receiving welfare support to claim for a 'dependent' adult who is not receiving welfare support. The 'Qualified Adult' receives approximately **70%** of the full adult allowance and this is frequently paid to the primary claimant. The welfare of women is primarily linked to the payment rate for qualified adults due to the fact that women make up **95%** of all 'qualified adults'. The fact that the 'Qualified Adult' payment is made to a woman's husband, means that the qualified adult's economic independence is limited. This puts women in a vulnerable situation. If the relationship is troubled or violent, this dependence can stop women from leaving; women are treated as dependents rather than adults in their own right. In 2008 for a woman to have to be dependent on her husband or partner for her money, is a gross inequality, is archaic to today's society and is completely in conflict with government policy, e.g. the national women's strategy. Reform in the area of the qualified adult rates for pensions is critical for older women who at age 65 have a 41% chance of being below the 60% poverty line.

Clearly any reform of the pensions system will affect women and men differently. What we must ensure however is that these reforms do not

undermine the rights of all women to access a level of economic security in older age which gives them a decent standard of living and keeps them well and truly above that poverty line. Pension policy cannot be analysed or developed out of context, it must be formed within the broader social policy context and cannot be divorced from the socially constructed cycle of women's lives. We do not suddenly arrive at old age; rather aging is a cumulative process and the resources and assets we bring to older age are those that we have cumulatively gathered over a life time of working and caring. A feminist framework to develop a model of pension reform starts with women's cumulative experience of inequality. The cumulative discrimination against women which occurs throughout their lifecycle becomes starkly evident in the outcomes for women from our current pension policy. Any model of state pension provision which ties the pension system more closely to employment, income and earnings will undoubtedly generate further gender inequalities. This, given the employment history and profile of many women in Ireland, the fact that women earn less than men – (the gender pay gap is currently 15%), the fact that women are more likely to work part-time (over 75% of part-time workers are women) and as mentioned, the fact that women provide the majority of informal care work.

A feminist women's equality perspective visions a carer- worker model where both care and paid employment are shared more equally and a higher form of gender equality is achieved. A new policy on pensions requires a greater distribution of resources and a greater distribution of care work between men and women, it should form part of the building blocks used to construct a world of gender equality in work, care, pensions and life.

The recommendations of this report do not solely focus on the state pension system, but what is clear is that it is only in a predominantly state supported system that an ethic of care can be fully integrated and inequality can be compensated for effectively. In order not to reinforce the gender inequality that exists in our society, pension policy must compensate for the cumulative discrimination which has built up for women across their lives.

### **Slide 3 the facts**

So what then is it that we are saying in terms of future pension reform.

### **Slide 4**

There are a number of key concerns which we believe must be addressed. Some of the issues outlined here are acknowledged by Government as needing attention and some are of little or no priority.

### **Issues**

**Adequacy** here we are saying as I have mentioned that pension provision must prevent poverty and maintain decent standards of living for everyone keeping older people out of pensioner poverty.

**Structure** – the critical decision we point out in our paper is the relative importance of the first tier state pension. Specifically, the core of the pension system we believe should be an adequate comprehensive pension guarantee for all women and men. The stronger that first tier of pensions is, the lower the level of poverty and the greater the access women have to an independent pension in older age.

**Equity** – for us is an extremely important issue. The current system of tax reliefs for pensions which is a core part of state pensions policy does very little to advance equality between women and men or between those on high and low incomes. There is a certainly a trade off between tax subsidies for private pensions and improvements to the state pension but from a gender equality perspective reforms need to focus on a considerably enhanced state pension in the context of a more limited use of tax allowances for supplementary pensions. Given the current situation with regard to private pension schemes and their current unreliability – this should be an acceptable approach.

**Sustainability** is of course key to any model developed. Current discourse tends to focus on the crisis aging. In Ireland however, the % of elderly in the population is still low by international standards, the eligibility age is high at 65 – 66 and the ratio of the state pension to average incomes is low. This is all reflected in the exceptionally low public spending on old age pensions in Ireland (approx. 2.5% of GNP) (as opposed to 12 – 14% in Austria, Italy, Germany, France and Greece)

The sustainability challenge we believe is to make sure that employment policies a) do not lower fertility and thereby exacerbate population aging in the long term but do recognise, support and facilitate the role of women and men as mothers, fathers, carers and workers to enable maximum labour market participation.

**Individualisation** For NWCI individualisation is key although it is not a central theme in mainstream pensions deliberations despite a political commitment contained in the 2002 and 2007 Programmes for Government to introduce full administrative individualisation for pensions. A commitment which we have welcomed.

**Governance** we consider to be extremely important as women's issues are absent from all policy and decision making structure] s. Pensions are a bigger issue for C&V sector in other countries – not here – needs to be wider. Policy making structures with regard to pensions do need to reflect concerns of women and C& V sector to ensure maximum contribution to the debate and increased transparency.

## **Pension principles**

### **Slide 5**

**Economic autonomy** – Financial autonomy and direct pension rights are a core element of a woman focussed model of pensions.

**Labour Market Equality** – gender inequality in pensions is essentially a function of cumulative labour market inequality. A woman friendly pensions model cannot be developed without measures to address gender inequality in working life.

**Facilitating atypical work** Gender equality in pensions requires a pensions model which recognises and rewards all labour market participation.

**Ethic of Care** No reform can be complete without the development of a system which that enables care work to be facilitated and

respected and that enables women to have pension cover and maintain pension contribution records during key stages of caring.

**Equal sharing of care obligations** – The method of facilitating time spent on caring should not lock women into long term patterns of care. The development of a comprehensive childcare and elder care infrastructure and a parallel policy of promoting men’s full engagement with care obligations involving family friendly policies, paid parental leave and work/life balance policies.

**Retrospective pensions justice** – The pensions model must be able to compensate for the disproportionate amount of time older women have spent in caring in their adult lives (including women discriminated against by the marriage bar).

## Slide 6

**Adequacy** – for a decent quality of life

**Simplicity**, transparency, information – refers to the need for pensions to be structured in a way that allows older workers and pensioners to plan their work, retirement and savings.

**Allow for some provision for income replacement**

## Slide 7

**Enable flexible mobile lifestyles** consistent with high levels of migration

**Enable diversity and inclusion of family formation**

**Respect life style choices in relation to old age**

**Sustainable**

Essentially the model proposed in our paper does not promote tax supported voluntary savings and argues that there are regressive anti-poverty and gender equality outcomes from all private pension savings schemes as they immediately favour only those who can afford to save, that is those who are in relatively secure and well paid employment. The paper does however explore the debate on private pensions and whether these schemes should be mandatory.

## **Slide 8**

From the diagram you can see that we are looking essentially at a 3 tier system with a first tier placing the primary focus on income adequacy and a comprehensive state pension guarantee for all women and men. A second tier with a primary focus on income replacement a mandatory social insurance model with a well developed care and gender dimension and a third tier if considered necessary for income replacement purposes or to incentivise national savings.

## **Slide 9 – 12 read from slides**

The pensions debate is happening in a new era socially and economically. From a women's perspective we need now to completely to look at a new way forward. Clearly private pensions are not the answer, we cannot depend on the private market and high level bodies including the NESC and Trade Unions are calling for state intervention and a universal pension guarantee. The challenge is to ensure that the role and contribution of women in Irish society throughout the decades is rewarded with economic independence and a decent standard of living in older age.

I would just like to finish by reading some of the comments from women who wrote letters to us describing their situation. Their comments are included in our paper and also in our publication "Forgotten Women".