

# Entitlements for Older People @ 2009

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# Topics covered

- State Pensions & Secondary Benefits
- Health Entitlements
- Housing Aid for older people
- Taxation matters

# Social Welfare Pensions

- **State Pension (Transition)**  
*PRSI based & payable @ 65 years*
- **State Pension (Contributory)**  
PRSI based and payable @ 66 years
- **State Pension (Non-Contributory)**  
Means Tested and payable @ 66 years

# Checking your PRSI record

## Apply to:

Central Records Section,  
Department of Social and Family Affairs,  
Gandon House,  
Amiens Street,  
Dublin 1

# State Pension (Transition)

- You must be aged 65 years
- You must be retired from full-time work
- You must satisfy the PRSI conditions
- You must have paid PRSI at Class A, E or H (*Classes F, G, N paid prior to 1979*) will also count

## Rate of State Pension (Transition)

**Maximum Pension at 2009 = €230.30**

*This is paid to persons who have a yearly average of at least 48 PRSI Contributions*

**Minimum Pension @ 2009 = €225.70**

*This is paid to persons who have a yearly average of at least 24 Contributions*

# Payment Details

- You will get a Personal Rate
- You may get extra payments if you have a qualified adult or qualified children

## Your pension will be paid:

- Directly into your Bank/Building Society Account or
- Paid by means of a Book/Swipe Card at your chosen Post Office

# State Pension (Contributory)

## To Qualify:

- You must be aged 66 or over
- Satisfy the PRSI conditions @ Class A, E, H, S (F,G,N)

***Please note that Class S PRSI is paid by self-employed persons who were first admitted into the PRSI system in 1988***



## Other Conditions

- You must have started paying PRSI before age **56**
- You must have at least **260** weeks PRSI paid

***Persons retiring after April 2012 will need 520 weeks PRSI paid***

# Rate of Pension @ 2009

## State Pension (Contributory)

**Maximum Rate** = €230.30

Payable to a person who has a yearly average of at least 48 contributions

## **Qualified Adult Rate**

- Under 66 = €153.50
- Over 66 = €206.30

## Reduced Rates of State (Contributory) Pension

If your yearly average number of Contributions is:

- 10 – 14 =  $\frac{1}{2}$  Rate Pension @ €115.20
- 15 – 19 =  $\frac{3}{4}$  Rate Pension @ €172.80
- 20 – 47 = Reduced Pension @ €225.70
- 48+ = Max. Pension @ €230.30

# Who is a Qualified Adult?

- Your Qualified Adult is normally your spouse or your partner
- You can claim an extra allowance if you are maintaining:
  - Your spouse
  - Your partner
  - Your former spouse

# The Qualified Adult Means Test

In determining whether a Qualified Adult rate will be paid, Social Welfare will assess:

1. All the income of your spouse/partner  
**plus**
2. All the assets of your spouse/partner  
**plus**
3. 50% of assets he/she holds in joint account

# Formula for Means Testing Spouse's/Partner's Assets

- First €20,000 is disregarded
- Next €10,000 @ €1 per €1,000 p.w.
- Next €10,000 @ €2 per €1,000 p.w.
- Balance @ €4 per €1,000 p.w.

**Assets in joint names are split 50/50**

# Qualified Adult Rates

- **Full rate:** When spouse/partner has means of €100 or less per week
- **Reduced rate:** When spouse/partner has means of over €100 but not more than €310 per week

***Assets of €57,500 = Means of €100***

***Assets of €110,000 = Means of €310***

# Means Test on €110,000

**Assets = €110,000**

- Disregard = €20,000
  - Balance = €90,000
  - Next €10,000 @ €1 per €1,000 = €10
  - Balance = €80,000
  - Next €10,000 @ €2 per €1,000 = €20
  - Balance = €70,000 @ €4 per €1,000 = €280
- Assets of €110,000 = Means of €310**



# Who is a Qualified Child?

- A child who is living with you is qualified until the end of the school year after reaching age 18
- A child who is 18 or over is qualified for 3 months after completing 2<sup>nd</sup> level education
- A child in 3<sup>rd</sup> level education is qualified until the end of the academic year after reaching age 22

# Rate for a Qualified Child

- If you are entitled to an increase for a qualified adult (*even at a reduced rate*) you will receive full rate for each qualified child
- If you are not entitled to an increase for your qualified adult you will receive  $\frac{1}{2}$  rate for each qualified child
- **Full Rate = €26**                       **$\frac{1}{2}$ Rate = €13**

# State Pension (Non-Contributory)

## You will Qualify if:

- Aged 66 or over
- Living in the State
- Satisfy a Means Test
- Satisfy the Habitual Residency Rule

# The Means Test

- Any income you or your spouse/partner may have (*excluding your spouse's Social Welfare Payment and the first €200 per week of income from employment*)
- The value of any property you or your spouse/partner may, but not your own home
- The value of capital and investments you or your spouse/partner may have

## Assessment of Assets (single person)

- First €20,000 is disregarded
- Next €10,000 @ €1 per €1,000 p.w.
- Next €10,000 @ €2 per €1,000 p.w.
- Balance @ €4 per €1,000 p.w.

***Assets of €60,000 = means of €110***

# Assessment of Assets

(married couple)

- All assets are split 50/50 between husband and wife
- Each can earn €200 per week from employment (not self-employment)

# Selling the Family Home

**Up to € 190,500 can be disregarded if:**

- Buy more suitable accommodation
- Rent more suitable accommodation
- Enter a Private Nursing Home
- Move in with a person who is caring for you and who is getting a Social Welfare Carer's Allowance

# Equity Release and your pension?

- If you take out an equity release in your home it will be means-tested against you for the State Pension (Non-Contributory)
- You will not be allowed the disregard of €190,500



# Free Travel

- Available to all pensioners at age 66
- Can travel free on Bus/Dart/Rail
- Your Spouse/Partner can travel with you
- If you are unable to travel alone you can apply for a Companion Pass
- Smartpass: You can travel free in N.I.

# Household Benefits Scheme

- Free Electricity or Free Gas Allowance (worth **€540** per year)
- Free Lifetime Television Licence (**€160**)
- Free Telephone Allowance of **€25.90** per month towards your Landline/Mobile costs

# Household Benefits Scheme

*Who will Qualify?*

1. Persons under 66 years and are on an invalidity type welfare payment and
  2. Persons aged 66 – 70 years who are on a Social Welfare payment
- (The above persons must either live alone or only with certain other qualifying persons)**
3. Persons aged 70 or over - (***no qualifying conditions***)
  4. Persons on Carer's Allowance – (***no qualifying conditions***)
  5. ***Widows/Widowers aged 60 -65/conditions***

## Extra Payments *you may get*

- Living Alone Allowance: € 7.70
- Over 80's Allowance: €10.00
- National Fuel Scheme €20.00
- Smokeless Fuel Allowance: € 3.90
- Offshore Island Allowance: €12.70

# The National Fuel Scheme

- The National Fuel Scheme is intended to help households who are dependent on long-term social welfare/health board payments and who are unable to provide for their own heating needs
- Fuel Allowance = €20 per week
- The Scheme now operates from the end of September to end of April (32 weeks)

# The National Fuel Scheme

Who will Qualify?

- Long-Term Social Welfare recipients who live alone or only with excepted persons and who
- Pass a Means Test

***You and members of your household do not have more than €100 over and above the maximum State Pension or assets of more than €58,000***

# Driving/Passports

- Driving Licence free at age 70 but person now has to provide a certificate of fitness
- Passport is free to all persons aged 65 or over since August 2005

# Medical Cards @ 2009

Medical Cards will now be means tested for all applicants over 70 years. Persons will be means-tested on income & assets

## Means Test on Income

- €700 gross per week if Single/widowed
- €1,400 gross per week if Married



# H.S.E. Means Test on assets

## Single person

- First €36,000 will be disregarded
- Next 10,000 @ €1 per €1,000
- Next €10,000 @ €2 per €1,000
- Balance @ €4 per €1,000

## Health Changes @ 1<sup>st</sup> January 2009

- **Drugs Refund Scheme:** Persons are liable for the first €100 per month of the cost of prescription drugs
- **A & E Charges:** €100
- **In-patient Charge** = €75 per day  
(Max €750)

# Housing Grants for Older People

1. Housing Aid for Older People
2. Mobility Aids Scheme
3. Housing Adaptation Grant

# Housing Aid for Older People

- Maximum grant of €10,500 is available to persons with annual household income of less than €30,000
- Reduced grant available to persons with annual household income of €30,000 - €65,000

# Type of work covered?

- Structural repairs or improvements
- Re-wiring
- Repair or replacement of windows and doors
- Provision of heating
- Provision of water supply
- Cleaning and painting

# Mobility Aids Grant

- **Mobility Aids Grant Scheme** is designed to address mobility problems
- Available to persons where household income is **€30,000 or less**
- **Max Grant = €6,000** and may cover 100% of the cost of the home improvements

# Housing Adaptation Grant

*for people with a Disability*

- Means tested grant for the provision or adaptation of accommodation to meet the needs of people with a disability
- Maximum Grant of €30,000 (or 95% of cost of improvements) available if household income is less than €30,000

# Tax Exemption Limits at age 65+

- Single/widowed = €20,000
- Married = €40,000
  
- Child Number 1 = €575
- Child Number 2 = €575
- Child Number 3+ = €830



# Marginal Relief @ 40%

- Marginal relief @ 40% applies if your income is slightly over your exemption limit

## Example

Income = €41,000

Exemption = €40,000

Marginal relief = €1,000 @ 40% = €400

# Tax Relief on Medical Expenses

- From January 2009 tax relief at the standard rate of 20% will be given in respect of out of pocket medical expenses
- Tax relief on Nursing Home fees will continue at your highest rate until 2010

# DIRT Free Accounts?

- If you are over 65 years and you do not have a taxable income you can apply to have your interest paid free of **DIRT Tax**
- **Taxable Income:**
  - Married = €40,000 exemption limit
  - Single = €20,000 exemption limit