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

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\begin{align*}
\text{Assets of €57,500} & = \text{Means of €100} \\
\text{Assets of €110,000} & = \text{Means of €310}
\end{align*}
\]
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\textsuperscript{nd} level education.
- A child in 3\textsuperscript{rd} 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 ½ rate for each qualified child.

- **Full Rate** = €26  
  **½ 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 have, 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 @ 1st 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