



**Tithe an
Oireachtais
Houses of the
Oireachtas**

AN COMHCHOISTE UM COIMIRCE SHÓISIALACH

ATHBHREITHNIÚ AR AN BPINSEAN STÁIT (RANNÍOCACH)

IÚIL 2017

JOINT COMMITTEE ON SOCIAL PROTECTION

REVIEW OF THE STATE PENSION (CONTRIBUTORY)

JULY 2017



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CHAIRMAN'S FOREWORD



Early on in our meetings, the Committee identified issues around the State Pension as being of significant importance and deserving of the attention of the Committee. We therefore undertook a series of hearings with relevant stakeholders and we now present our comprehensive review of the State Pension (Contributory).

As people are living longer, the ratio between those of working age continues to alter, from five to one in the 2011 census and projected to fall to half that by 2050. This creates pressure on the existing pension system. There are also current consequences of historic inequity, such as the impact of the marriage bar on the contribution records of affected women.

We commend this review to the Minister for Employment and Social Protection and it is our hope that she carefully considers our recommendations in future policy development and the drafting of the upcoming budget.

I would like to thank all who participated in proceedings before the Joint Committee, as well as those who made written submissions. Their various contributions, together with that of the Committee Secretariat, to the production of this report are gratefully acknowledged.

John Curran TD
Chairman of the Joint Committee on Social Protection

July 2017

REVIEW OF THE STATE PENSION (CONTRIBUTORY)

1. Introduction

1.1 When the Joint Committee on Social Protection (the Committee) adopted its Work Programme in 2016, the issue of pensions was selected as an issue requiring investigation. On 15 December 2016¹, the Committee commenced its consideration of the matter of pensions generally by meeting with the Department of Social Protection (the Department). Subsequently, in the interest of making a timely pre-Budget contribution, the Committee agreed to concentrate in the short term on the matter of contributory State pensions. To this end, it held meetings on 4 May 2017² with Age Action Ireland and on 29 June 2017³ with the National Women's Council of Ireland, Congress and Active Retirement Ireland.

1.2 In the autumn, the Joint Committee will continue and widen its examination of pensions policy, looking at proposals for medium and longer term reform and giving particular consideration to the issue of gender inequality within the pension system.

2. The current position

2.1 The area of pensions policy, as it falls within the remit of the Department, includes the State Pension (Contributory and Non-Contributory); the Contributory and Non-Contributory Pensions payable to Widows, Widowers and Surviving Civil Partners; secondary benefits such as Fuel Allowance, Household Benefits Package and Free Travel; private and occupational pensions; EU law and pensions reform. This report concentrates on the Contributory and Non-Contributory State Pension.

2.2 The State Pension (Contributory) is a payment made to people aged 66 or over (with revisions in train to increase this age), who satisfy certain conditions for social insurance contributions. It is not means-tested, and the maximum weekly personal rate is €238.30 (with effect from 1 March 2017). Those without adequate contributions, who satisfy a means test, may receive the State Pension (Non-Contributory). The current weekly personal rate is €227.00. In recognition of the fact that people who left the workforce for periods caring for children or incapacitated persons had gaps in their contributions records, a Homemakers' Scheme was introduced in 1994 to allow these periods be taken into account in assessing entitlement to the State Pension (Contributory).

2.3 According to the Department, State pensions cost around €7 billion per year. It said there are three major factors driving the ongoing increase in this amount: greater longevity, increased PRSI coverage in the population and increases in rates of payment. Regarding longevity, the Department noted that the 2006 census recorded nearly 468,000 people aged 65 or over. By the 2011 census, this had increased some 14.5% to over 535,000. This changed the ratio between those of working age and pensioners, from five to one in the 2011 census and projected to fall to half that by 2050. When the Old Age contributory pension for 70-year olds was first introduced in 1961, life expectancy at birth was 68 years for men and 70 for women. During the 1970s, eligibility for the pension gradually reduced to 66 years. Ireland is now in the process of increasing eligibility age: it will become 67 years in 2021 and 68 years in 2028.

2.4 In relation to PRSI coverage, the Department referred to the creation of class S in 1988, bringing self-employed people into the system. With respect to increases, the Department said that the steady increases over the decades meant that today's workers and their employers were funding a pension that was now about one-third higher than the one originally introduced, relative to their ability to fund it.

2.4 Pointing out that there is no statutory retirement age in Ireland, the Department noted that an interdepartmental group had recently convened to consider the issue of encouraging people to work for longer, and the Workplace Relations Commission was developing guidelines for employers encouraging them to consider re-negotiating contracts of employment containing mandatory retirement ages. In the meantime, those employees required to retire at 65 years may claim alternative working age payments, such as Jobseeker's Benefit or Invalidity Pensions, for a year until they reach 66 years.

¹[Joint Committee on Social Protection - 15/Dec/2016 Department of Social Protection](#)

²[Joint Committee on Social Protection - 04/May/2017 Age Action](#)

³[Joint Committee on Social Protection - 29/Jun/2017 \(Resumed\)](#)

2.5 The Department referred to changes to the “yearly average” bands of the contributory pension, introduced in 2012 when savings were required. It said the Government decided to re-structure the bands rather than decrease rates generally, which would have hit all pensioners including those of limited means. The outcome of the changes was that a yearly average of 20 contributions now attract a contributory pension of 85%. The Department said that, in many cases, the person will instead claim a non-contributory pension at a higher rate. This is up to 95% the maximum rate of the contributory pension, and over 70% are paid at the full rate, after the means test. If there is very significant household income, it may instead be more advantageous to claim an Increase for a Qualified Adult, at a rate of 90%, as this is based on the means of the Qualified Adult, and income and capital in their spouse’s name is not considered in that means test.

2.6 The Department said that it estimated that the cost of a return to the pre-2012 structure would be a minimum of €50 million in 2017, and rise at a rate of about €10 million per year. It suggested that this would not benefit less well-off pensioners, who are either on a non-contributory pension, or a full rate contributory pension if they have the contributions and any Budget which introduced such a change would have to find the resources from somewhere. If it came from money ear-marked for pension increases, this would be to the detriment of the poorest pensioners.

2.7 Regarding future development, the Department said that since 1961, when contributory pensions were introduced in this State, the ‘yearly average’ contributions test has been used in calculating the rate of pension entitlement. Entitlement is banded, with the maximum rate payable to those with a yearly average of 48-52 contributions, and the minimum rate payable to those with a yearly average in the range of 10-14 contributions per year. The Department is actively working on the development of a total contributions approach (TCA) to pension qualification will replace the yearly average contributions test for State pension (contributory). The aim of this approach is to make the rate of contributory pension more closely match contributions made by a person. An important factor in the final design of the scheme will be the treatment of homemaking and caring periods.

3. Age Action Ireland

3.1 Age Action said that less than half of those aged between 20 and 65 have a private pension⁴. For those aged over 65, on average, public transfers, of which the State Pension is the most important, make up 63 per cent of their gross income⁵. It said this figure is higher for women pensioners, those living in rural communities and particularly so for those in the lowest socio-economic group.

3.2 Age Action noted that the rate of the State Pension was not changed, causing some commentators to claim that older people were insulated from the effects of austerity. However, it pointed out that the secondary income supports of many older people, like the Fuel and Telephone Allowances, were cut or abolished. Its calculation is that between January 2009 and January 2015 the weekly incomes of older people dependent on the State Pension and secondary income supports (Household Benefits Package and the Fuel Allowance) fell by €13.18 per week, while costs were rising due to the introduction of new taxes and levies on the family home and on prescriptions⁶.

3.3 Age Action said it was seeking a reversal of the 2012 change to the eligibility criteria for the Contributory State Pension, pointing out that those entitled to a full pension were unaffected, but many of those who would have been eligible for smaller pensions lost out. As an example, a person with an average of 20 contributions would have been entitled to €228.70. This had now dropped to €198.60, a cut of more than thirty euro each week. Research commissioned by Age Action showed that this change, combined with the averaging rule used to calculate contributions, punished women who took time out of

⁴ [QNHS Module on Pensions Q4 2015 - CSO - Central Statistics Office](#)

⁵ [Survey on Income and Living Conditions - CSO - Central Statistics Office](#)

⁶ https://www.ageaction.ie/action_priorities_for_budget_2016.pdf

work to care for their children⁷. Figures provided by the Department as part of that research indicated that of the 36,000 people affected by these changes by June 2016 more than 62 per cent were women. They will continue to be affected in the years to come, receiving smaller pro-rata increases in the State Pension.

3.4 In the medium to long term, Age Action submitted that the State Pension system must be reformed, including by putting in place a system to govern increases in the pension to ensure they are fair, but also sustainable. Ireland is unusual in setting the pension rate in the budget every year without using any particular formula. In Britain, for example, the Triple Lock system is in place whereby the State Pension increases annually by the highest of the rate of inflation, earnings growth or 2.5 per cent. Age Action noted the Government commitment in the National Pensions Framework to seek to sustain the value of the State Pension at 35 per cent of average weekly earnings⁸. Preliminary figures from the CSO for the fourth quarter of 2016 indicate that the average weekly earnings in Ireland is €716.07. Accordingly, the State Pension, currently €238.38 at the top rate, should be €250.62. Age Action submitted that this 35 per cent target should not be aspirational, but should be used, and supported in legislation, as the minimum benchmark for the State Pension.

3.5 Age Action said it was also essential to examine the gender disparity in pension income and, particularly, the failure to backdate the 1994 Homemaker's Scheme. The refusal to do so, combined with the 2012 pension cut and the averaging out approach, mean that hundreds of thousands of pensioners, mostly women, face far smaller incomes in their old age. The contribution these carers made to Irish society, whether by raising a family or stepping in to provide care to a loved one where the State was unable to do so, must be recognised by our State Pension system.

3.6 Age Action referred to discussion in the Department about the introduction of an auto-enrolled, mandatory, second-tier pension, and said it supported any initiative which would help to deliver a secure income in retirement for older people but had concerns about the potential for this to affect the State Pension system. Firstly, investing this money in a private pension scheme involved a privatisation of risk. Individuals will see the value of their pension rise and fall with the market while, presumably, being obliged to pay fees to private pension companies. Secondly, it had a concern about the sustainability of the State Pension. It said most accept that there will need to be some sort of increase in the social insurance contributions made by employers, among the lowest in the European Union. If employers are already making payments under the auto-enrolment scheme, such increases would be doubly unpalatable.

3.7 Age Action submitted that the objective of national pensions policy should be to ensure that growing old in Ireland does not mean growing poor. It said that allocation of resources should be re-examined to determine if they are being spent in the best way. As an example of this re-examination, Age Action said that the State spends approximately €2.39 billion per annum in private pension tax relief. In 2014 the top 20 per cent of income earners received 73.6 per cent of this tax relief compared to 0.6 per cent for the bottom 20 percent. Age Action pointed out that the National Pensions Framework declared that tax relief on private and occupational pensions should be set at 33 per cent, and that in response to a parliamentary Question former Minister Noonan had estimated the savings to the Exchequer of such a move to be approximately €180 million. Age Action suggested that if tax relief was to be reduced to 33 per cent the savings thus achieved could be used, for example, to pay the bulk of the €290 million estimated by the Department as the cost of backdating the Homemakers' Scheme.

4. National Women's Council of Ireland

⁷ https://www.ageaction.ie/towards_a_fair_state_pension_for_women_pensioners.pdf

⁸ <http://www.welfare.ie/nationalpensionsframework>

4.1 The National Women's Council of Ireland (NWCI) said that gender-sensitive pension reform is a priority. It published a comprehensive report in 2008 presenting a model of pensions that would work for women and have advocated for that model since. Women predominately rely on State Pensions to provide an income in their older years, but for a number of reasons, women continue to have less access to State Pensions than men. Currently 84% of those receiving a full State contributory pension are men; women continue to rely on reduced means tested pension payments or remain as dependents on their husband's pension. The fact that only 16% of women receive the full Contributory State Pension reflects both the legacy of the marriage bar and a system poorly designed to support individual entitlement or recognise the care work which women carry out. NWCI said time spent caring must be recognised and credited, both for people currently in the workforce and those who are now of retirement age who have spent a large portion of their lives caring.

4.2 NWCI said that recent changes have impacted disproportionately on women. Budgetary decisions over the period of recession have resulted in an increase of the gender pension gap in Ireland, which rose from 35% in 2010 to 37% in 2012⁹. While the State Contributory Pension payment was protected during the recession, the Non-Contributory Pension, on which the majority of women rely, has been steadily eroded. In 2012, changes made to the eligibility criteria for the State Contributory Pension effectively made it more difficult for those without a full-time, long-term working history to qualify for the maximum weekly payment. NWCI said it and others clearly signalled the potential disproportionate impact on women of these changes in advance of their introduction.

4.3 NWCI said that one of the key issues of concern for women is having access to pension entitlements in the first instance; many women remain reliant on their spouse for access to pension entitlements. The Q4 2015 Quarterly National Household Survey found that "almost one in ten (9%) female workers expected their spouse/partner's occupational or personal pension to be their main source of retirement income, compared with 2% of males." Under the current system, women are hampered from building up sufficient contributions across both the private and public pension systems as a result of the pay gap, precarious and low-paid work, carrying out unpaid caring, and being excluded from the labour market for long periods over the course of their lives as a result of the prohibitive cost of childcare. Women who have worked on family farms and in family businesses also do not have social insurance coverage, which means that they are totally reliant on their husbands in older age

4.4 NWCI noted that the Homemakers' Scheme makes it easier for people who stop working for a period to take care of children or adults to qualify for pensions. However, it has not been of equal benefit to all women as only those who took career breaks after 1994 are covered by this scheme. NWCI recommended that it be applied retrospectively by the State immediately, in order to ensure equitable access to the state pension and benefit older women. NWCI said that the National Pensions Framework made a commitment to replace the Homemakers' Disregard with credits for new pensioners, but there is yet to be official confirmation of when this will happen. NWCI proposed that this should be a key priority for Budget 2018, with the credit made applicable for up to ten years and applied retrospectively to 1973. It said this practical recognition of the social and economic contribution of care should also serve as a Re-Entry Credit, ensuring that those looking to re-enter the workforce after a period spent caring can access training, educational or employment supports.

4.5 NWCI submitted that women are not likely to be in an equal position to men with regard to their pension entitlement for the foreseeable future as they continue to carry out the majority of care and are more likely to be in part-time and low paid work. A private pensions system is therefore not the sustainable answer for the vast majority of women to secure a decent income in their older years nor is a state system that doesn't fully recognise care work. NWCI said that pension reform must ensure as far as possible that everyone can equally establish an entitlement to an adequate pension, and proposed that the time has come to move to a universal pension system which gives both women and men equal access to a

⁹ [European Institute for Gender Equality](#)

comprehensive pension guarantee. This pension must be at a payment rate to provide a decent standard of living for all. Budget 2018 should initiate the introduction of universal pension and to phase it in over an agreed number of budgets.

5. Congress

5.1 Congress said that the state pension continues to be an extremely important social transfer payment and for many retired people it is their only income. Equally because the number of people, currently in work, who have no occupational or second tier pension, is close to 50%, it will continue to play a critical role in reducing the risk of poverty amongst older people for a considerable period in the future. It said it had particular concern in three areas: the rate of the State Pension, eligibility criteria and

5.2 Congress said it has consistently argued that one of the main planks of budgetary policy should be to insulate the most vulnerable groups in Irish society against the effect of price inflation, and it suggested that the rate of the old age pension should be increased so that it continues to have at least the same purchasing power as it currently has. If the rate is not increased in line with at least the rate of inflation we run the risk of reducing the living standards of a large group of older people whose only income is the state old age pension.

5.3 Congress referred to the 2012 measures changing the eligibility criteria for the old age pension. It said that these changes to PRSI qualification bands for pensions discriminate against women and should be immediately reversed. This was a grossly unfair decision that had the effect of reducing by €1500 per annum the Contributory Pension of those with an average of 29 annual contributions, more than two thirds of whom are women. It said there was no political debate, no public consultation and no cost benefit analysis of the measure. There was no consideration given to the issues of fair play, equity or minimising hardship to those worst affected. Congress cited a recent study by Mercer that found that the gap in retirement income between men and women could be as high as 40%, and said the 2012 changes must be reversed if the gender pension gap in Ireland is to be reduced¹⁰.

5.4 Congress noted that another recent policy change was an increase in the age at which people become entitled to the state pension. In 2014, it became payable at age 66 and further changes are planned with the applicable age changing to 67 in 2021 and 68 in 2028. Congress said that this decision was also made without any public engagement, and in its view without any real consideration of the implications for working people. Congress proposed that the planned age should be suspended to allow space for a proper and more inclusive discussion about the implications of such a policy change.

6. Active Retirement Ireland

6.1 Active Retirement Ireland proposed that Ireland is not, contrary to popular portrayal, facing a 'demographic timebomb'. It said Ireland has the youngest population in the EU27, and in 2015 had the highest birth rate, the second-lowest death rate and the fifth-highest rate of net inward migration. It said Ireland has the highest effective retirement age in Europe, due largely to not having a mandatory retirement age, but rather a pensionable age.

6.2 Active Retirement Ireland acknowledged that Ireland had a pensions problem, but said it's not a demographic issue. It said uptake of third pillar, private pensions is low compared to OECD average – 12% in 2015, and second pillar occupational pensions account for 31%, but this figure includes all public/civil servants. The first pillar, the social safety net, picks up a lot of the slack in the system.

6.3 Active Retirement Ireland contended that treating the State Pension (Contributory) like any other social transfer devalues the social contract. After forty years' employment and paying tax and PRSI, the last

¹⁰ <http://uk.mercer.com/ailure-to-narrow-substantial-gender-pension-gap-risks-long-term-problems.html>

thing an older person needs is insecurity around income. It said the State Pension may be seen as generous when compared directly to other EU or OECD countries, but not when stress tested for adequacy, and submitted that €238.30 per week is less than the ideal replacement rate, and leaves many older people consistently deprived. Active Retirement Ireland called on the Government to guarantee that the State Pension will rise by a minimum of either 2.5%, the rate of inflation or average earnings growth, whichever is largest, and said this should not be seen as a cost, but rather an investment to bring us in line with best international practice.

6.4 It was Active Retirement Ireland's contention that the Irish pension system has glaring holes, and it said that during the Celtic Tiger boom years, pension reform tended to lag far behind general improvements in living standards. As more people rose out of relative poverty at the turn of the century, more older people fell below the threshold.

6.5 It said that recent reforms on the funding of the system have disproportionately affected anyone with a non-traditional employment history, for example those with large gaps between periods of employment due to duties of care. These are mostly women, many of whom still have no pension rights in their own names (but rather as 'qualified adults' or widows).

6.6 Noting that the Department has been working on a Total Contribution Approach since 2014, Active Retirement Ireland said that if the scheme was 'opt-in', it would fail. If we aim to maintain a social contract and make certain that a social safety net exists, we need a universal citizens' pension (UCP), which should replace the contributory and non-contributory State Pensions. The UCP could be funded entirely by standard-rating tax relief on private PRSAs – a move that would realistically affect only the top 10-20% of pensions.

7. Conclusions and Recommendations

7.1 The Joint Committee is of the view that the current averaging system is inequitable and a new type of contribution system should be devised. The Joint Committee notes that the Minister is considering the introduction of a Total Contribution System to replace the averaging system. However, the Joint Committee believes that proposals should be developed for a universal pension payment to replace the State Pension (Contributory and Non-Contributory). Any future development must be subject to gender and equality proofing

7.2 Recognising the prospective introduction of a new pension system, the Joint Committee considers that the 2012 changes - specifically, the increase in the number of bands and the doubling of the minimum number of required contributions - are demonstrably inequitable and have had a disproportionate negative impact on women, and should be suspended immediately.

7.3 The introduction of caring credits must be examined to ensure no person suffers a loss of pension entitlement because of a caring role. The Minister should review the operation of the Homemakers' Scheme and the Homemakers' Disregard to enable recognition and compensation of the large cohort of women with inadequate contribution records due to historic inequities such as the marriage bar.

7.4 In the longer term, the Joint Committee recommends that the Government produce an action plan on ways to close the gender pension gap and ensure a fair pension for women.

7.5 The Joint Committee recognises that pension recipients deserve to have a feeling of stability and security about their incomes, and urges the introduction of some form of indexation of pension rates. The Joint Committee recommends the installation of a triple-lock mechanism to ensure that pension rates rise annually by 2.5%, the rate of inflation or to maintain equality to 35% of average earnings, whichever is the greater.

7.6 The Joint Committee regrets the abolition of the pension transition payment which had been available to persons required to retire at age 65, and for whom the State pension would not become available until age 66 and ultimately age 68. This has led to the position whereby the largest demographic in receipt of Job Seeker's Benefit is retired persons aged over 65 years. The Minister should review the disparity between retirement age and pension age, and the proposed increases in pensionable age should be suspended.

7.7 The Joint Committee considers that mandatory retirement age should be abolished. No employee should be contractually obliged to retire based on age if they are willing and able to remain at work.

7.8 The Department should review the adequacy of the Living Alone Allowance.

APPENDIX 1: TERMS OF REFERENCE OF THE JOINT COMMITTEE

DÁIL ÉIREANN
THURSDAY 16 JUNE 2016

Establishment of Select Committees: Motion

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty):   I move:

- (1) That Select Committees as set out in column (1) of the Schedule hereto are hereby appointed pursuant to Standing Order 84A.
- (2) Each Select Committee shall perform the functions set out in Standing Order 84A in respect of the Government Department or Departments listed in column (2) opposite each Committee (in anticipation of the coming into effect of the necessary Government Orders in relation to names of Departments and titles of Ministers and transfer of Departmental Administration and Ministerial Functions).
- (3) The number of members appointed to each Select Committee shall be seven.
- (4) Each Select Committee shall have the powers defined in Standing Order 85 (1), (2) and (3).
- (5) Each Select Committee shall be joined with a Select Committee appointed by Seanad Éireann to form a Joint Committee to carry out the functions set out in Standing Order 84A, other than at paragraph (3) thereof.
- (6) Each Joint Committee shall have the powers defined in Standing Orders 85 (other than paragraph (2A) thereof), 114 and 116.
- (7) The Select Committee on Justice and Equality shall have the powers defined in Standing Order 115(1)(b).
- (8) The Order of the Dáil of 10th March, 2016 in relation to the Standing Order 112 Select Committee is hereby rescinded and the Committee is accordingly dissolved.

SCHEDULE

	(1) Committee	(2) Department(s)
1	Select Committee on Agriculture, Food and the Marine	Agriculture, Food and the Marine
2	Select Committee on Children and Youth Affairs	Children and Youth Affairs
3	Select Committee on Communications, Climate Change and Natural Resources	Communications, Climate Change and Natural Resources
4	Select Committee on Education and Skills	Education and Skills Finance Public Expenditure and Reform
5	Select Committee on Finance, Public Expenditure and Reform, and Taoiseach	Taoiseach Foreign Affairs and Trade
6	Select Committee on Foreign Affairs and Trade, and Defence	Defence

7	Select Committee on Health	Health
8	Select Committee on Housing, Planning and Local Government	Housing, Planning and Local Government
9	Select Committee on Jobs, Enterprise and Innovation	Jobs, Enterprise and Innovation
10	Select Committee on Justice and Equality	Justice and Equality
11	Select Committee on Regional Development, Rural Affairs, Arts and the Gaeltacht	Regional Development, Rural Affairs, Arts and the Gaeltacht
12	Select Committee on Social Protection	Social Protection
13	Select Committee on Transport, Tourism and Sport	Transport, Tourism and Sport

Question put and agreed to.

Standing Orders: Motion

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty):  I move:

1. Standing Order 81 is hereby amended by the insertion of the following paragraph after paragraph (2):
'(2A) The rules as to procedure in Select Committees shall apply, as appropriate, to procedure in sub-Committees of such Committees.'

2. Standing Order 84 is hereby amended by the insertion of the following subparagraphs after paragraph (2)(b):

'(c) it shall not consider any matter which is being considered, or of which notice has been given of a proposal to consider, by the Committee of Public Accounts pursuant to Standing Order 186 and/or the Comptroller and Auditor General (Amendment) Act 1993; and
(d) it shall refrain from inquiring into in public session or publishing confidential information regarding any matter if so requested, for stated reasons given in writing, by--
(i) a member of the Government or a Minister of State, or
(ii) the principal office-holder of a body under the aegis of a Department or which is partly or wholly funded by the State or established or appointed by a member of the Government or by the Oireachtas:
Provided that the Chairman may appeal any such request made to the Ceann Comhairle, whose decision shall be final.'

3. The following additional Standing Order is hereby adopted:

'84A. (1) The Dáil may appoint a Select Committee to consider and report to the Dáil on—

(a) such aspects of the expenditure, administration and policy of a Government Department or Departments and associated public bodies as the Committee may select, and

(b) European Union matters within the remit of the relevant Department or Departments.

(2) A Select Committee appointed pursuant to this Standing Order may be joined with a Select Committee appointed by Seanad Éireann for the purposes of the functions set out in this Standing Order, other than at paragraph (3), and to report thereon to both Houses of the Oireachtas.

(3) Without prejudice to the generality of paragraph (1), a Select Committee appointed pursuant to this Standing Order shall consider, in respect of the relevant Department or Departments, such--

(a) Bills,

(b) proposals contained in any motion, including any motion within the meaning of Standing Order 187,

(c) Estimates for Public Services, and

(d) other matters as shall be referred to the Select Committee by the Dáil, and

(e) Annual Output Statements including performance, efficiency and effectiveness in the use of public monies, and

(f) such Value for Money and Policy Reviews as the Select Committee may select.

(4) Without prejudice to the generality of paragraph (1), a Select Committee appointed pursuant to this Standing Order may consider the following matters in respect of the relevant Department or Departments and associated public bodies:

- (a) matters of policy and governance for which the Minister is officially responsible,
- (b) public affairs administered by the Department,
- (c) policy issues arising from Value for Money and Policy Reviews conducted or commissioned by the Department,
- (d) Government policy and governance in respect of bodies under the aegis of the Department,
- (e) policy and governance issues concerning bodies which are partly or wholly funded by the State or which are established or appointed by a member of the Government or the Oireachtas,
- (f) the general scheme or draft heads of any Bill,
- (g) any post-enactment report laid before either House or both Houses by a member of the Government or Minister of State on any Bill enacted by the Houses of the Oireachtas,
- (h) statutory instruments, including those laid or laid in draft before either House or both Houses and those made under the European Communities Acts 1972 to 2009,
- (i) strategy statements laid before either or both Houses of the Oireachtas pursuant to the Public Service Management Act 1997,
- (j) annual reports or annual reports and accounts, required by law, and laid before either or both Houses of the Oireachtas, of the Department or bodies referred to in subparagraphs (d) and (e) and the overall performance and operational results, statements of strategy and corporate plans of such bodies, and
- (k) such other matters as may be referred to it by the Dáil from time to time.

(5) Without prejudice to the generality of paragraph (1), a Select Committee appointed pursuant to this Standing Order shall consider, in respect of the relevant Department or Departments--

- (a) EU draft legislative acts standing referred to the Select Committee under Standing Order 114, including the compliance of such acts with the principle of subsidiarity,
- (b) other proposals for EU legislation and related policy issues, including programmes and guidelines prepared by the European Commission as a basis of possible legislative action,
- (c) non-legislative documents published by any EU institution in relation to EU policy matters, and
- (d) matters listed for consideration on the agenda for meetings of the relevant EU Council of Ministers and the outcome of such meetings.

(6) The Chairman of a Joint Committee appointed pursuant to this Standing Order, who shall be a member of Dáil Éireann, shall also be the Chairman of the Select Committee.

(7) The following may attend meetings of a Select or Joint Committee appointed pursuant to this Standing Order, for the purposes of the functions set out in paragraph (5) and may take part in proceedings without having a right to vote or to move motions and amendments:

- (a) Members of the European Parliament elected from constituencies in Ireland, including Northern Ireland,
- (b) Members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
- (c) at the invitation of the Committee, other Members of the European Parliament.'

4. Standing Order 85 is hereby amended by--

- (a) the insertion of 'oral presentations and' before 'written submissions' in paragraph (2);
- (b) the insertion of the following paragraph after paragraph (2):
'(2A) power to send for persons, papers and records';
- (c) the deletion of all words after 'new legislation;' in paragraph (4);
- (d) the insertion of the following paragraphs after paragraph (4):
'(4A) power to examine any statutory instrument, including those laid or laid in draft before either House or both Houses and those made under the European Communities Acts 1972 to 2009, and to recommend, where it considers that such action is warranted, whether the instrument should be annulled or amended;
(4B) for the purposes of paragraph (4A), power to require any Government Department or instrument-making authority concerned to submit a Memorandum to the Select Committee explaining any statutory

instrument under consideration or to attend a meeting of the Select Committee for the purpose of explaining any such statutory instrument: Provided that such Department or authority may decline to attend for stated reasons given in writing to the Select Committee, which may report thereon to the Dáil;'; and

(e) the insertion of the following paragraphs after paragraph (6):

'(6A) power to require that a member of the Government or Minister of State shall attend before the Select Committee and provide, in private session if so requested by the member of the Government or Minister of State, oral briefings in advance of meetings of the relevant EU Council of Ministers to enable the Select Committee to make known its views: Provided that the Committee may also require such attendance following such meetings.

(6B) power to require that the Chairperson designate of a body or agency under the aegis of a Department shall, prior to his or her appointment, attend before the Select Committee to discuss his or her strategic priorities for the role.'

5. Standing Order 95 is hereby amended by the substitution of the following paragraph for paragraph (1): '(1) The member of the Government in charge of the relevant Department shall be an *ex officio* member of a Select Committee appointed pursuant to Standing Order 84A for the purpose of consideration of the matters referred to in paragraphs (3)(a), (b) and (c) of that Standing Order, and shall be entitled to vote in Select Committee proceedings: Provided that such member of the Government may nominate another member of the Government or a Minister of State to act in his or her stead for that purpose.'

6. The following additional Standing Order is hereby adopted:

'97A. (1) Unless otherwise provided by these Standing Orders or by Order of the Dáil, the quorum of a Select Committee or of a sub-Committee thereof, shall be three.

(2) A member of Dáil Éireann attending pursuant to Standing Order 95(3) shall not be counted for the purposes of determining a quorum.

(3) A member of the Government or Minister of State attending pursuant to Standing Order 95(1) shall be counted for the purposes of determining a quorum.

(4) The quorum of a Joint Committee shall be the combined quorum of the two Select Committees of which it is comprised, minus one: Provided that for the purposes of determining a quorum, at least one of the members present shall be a member of Dáil Éireann and one a member of Seanad Éireann.'

7. Standing Order 114 is hereby amended by--

(a) the insertion of the following proviso to paragraph (3)(c):

'Provided that the Dáil may substitute, add to or otherwise vary, the reasoned opinion set out in the Committee's report by way of amendment to the motion tabled by the Chairman under this paragraph;'; and

(b) the substitution of the following for paragraph (3)(d):

'(4) Where the Dáil agrees a motion tabled pursuant to paragraph (3)(c) of this Standing Order, either with or without amendment, the Ceann Comhairle shall cause a copy of--

(a) the Resolution agreed by the Dáil,

(b) the reasoned opinion agreed by the Dáil, and

(c) the report of the Committee referred to in paragraph (3)(c),

to be sent to the Presidents of the European Parliament, the Council and the Commission.'

8. Standing Order 186 is hereby amended by the insertion of 'Standing Order 85 2A) and' before 'Standing Order 88' in paragraph (4)(a), and the deletion of 'twelve' and the substitution therefor of 'thirteen' in paragraph (9)."

Question put and agreed to.

Final Report of Committee of Selection: Motion

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty):  I move:

That Dáil Éireann:

(a) approves the First Report of the Standing Committee of Selection in accordance with Standing Order 27F, copies of which were laid before Dáil Éireann on 15th June 2016, and appoints members to Select Committees accordingly; and

(b) pursuant to Standing Order 93(2), appoints the following members as Chairs of Committees:

Deputy Caoimhghín Ó Caoláin - Chair of the Committee on Justice and Equality

Deputy John McGuinness - Chair of the Committee on Finance, Public Expenditure and Reform, and Taoiseach

Deputy Fiona O'Loughlin - Chair of the Committee on Education and Skills

Deputy Maria Bailey - Chair of the Committee on Housing, Planning and Local Government

Deputy John Curran - Chair of the Committee on Social Protection

Deputy Brendan Smith - Chair of the Committee on Foreign Affairs and Trade, and Defence

Deputy Peadar Tóibín - Chair of the Committee on Regional Development, Rural Affairs, Arts and the Gaeltacht

Deputy Michael Harty - Chair of the Committee on Health

Deputy Pat Deering - Chair of the Committee on Agriculture, Food and the Marine

Deputy Hildegarde Naughton - Chair of the Committee on Communications, Climate Change and Natural Resources

Deputy Brendan Griffin - Chair of the Committee on Transport, Tourism and Sport

Deputy Mary Butler - Chair of the Committee on Jobs, Enterprise and Innovation

Deputy Jim Daly - Chair of the Committee on Children and Youth Affairs.

Question put and agreed to.

APPENDIX 2: MEMBERS OF THE JOINT COMMITTEE

Member	Party / Group
Deputies:	
<u>Maria Bailey</u>	Fine Gael
<u>John Brady</u>	Sinn Féin
<u>Joe Carey</u>	Fine Gael
<u>Joan Collins</u>	Independents 4 Change
<u>John Curran</u>	Fianna Fáil
<u>Gino Kenny</u>	Solidarity - People Before Profit
<u>Willie O'Dea</u>	Fianna Fáil
Senators:	
<u>Catherine Ardagh</u>	Fianna Fáil
<u>Ray Butler</u>	Fine Gael
<u>Alice Mary Higgins</u>	Independent
<u>Kevin Humphreys</u>	Labour

