

ALONE Opening Statement to the Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands

March 2024

Thank you to the Chair and the Committee members for inviting us here today.

In 2023, ALONE provided support to over 36,000 older people. 12,000 of those people were new to our service.

The number of support interventions we provided in finance almost doubled in 2023 compared to 2022. Approximately 2,775 people newly assessed by ALONE indicated that they had issues with Finance, and among them, almost half had issues with their benefits and entitlements.

ALONE has actively campaigned for over 10 years to have the state pension and other social welfare payments benchmarked and we were happy to see it included in the Programme for this Government. The lack of progress in delivering it remains frustrating. This is needed for the older people who rely solely on the state pension and live in or at the constant threat of poverty, while their housing and other costs spiral. These people form the majority of whom ALONE works with each day.

Generally, issues with benefits and entitlements mean the person did not know they were entitled to a particular support, and/or needed assistance to fill out the forms to access the support. Often, older people approach us because they are in financial difficulty, and it emerges that they are not receiving all they are entitled to. By the time an organisation like ours supports them to secure these benefits they are often in dire need.

In addition to asking the committee to hold government to account for this promise we will highlight three issues with means testing that prevent older people from accessing vital supports.

These are:

- how means testing and the various eligibility criteria add to the complexity and inaccessibility of the social welfare system.
- the inadequate communication of changing means thresholds for social welfare supports.
- and finally, how household means testing can result in ineligibility for supports people should be entitled to.

Firstly, one of the major impacts of means testing is that **older people simply don't know that they qualify for certain payments, because they are not universally applied**. It is not written on the application for your pension that there may be other benefits you are

entitled to, and you do not receive a letter in the post to tell you when eligibility criteria for supports have changed. Older people often assume they do not qualify for additional supports, even when they are experiencing severe financial difficulty.

The social protection system is not designed with accessibility for older people in mind. In fact, it often throws up barriers to people trying to access support. The range of supports available from the Department of Social Protection and other Departments all require different forms, some have means tests and some don't¹, the means eligibility varies, some are applicable at different ages, and the applications are sent to many different organisations and Government departments. In addition, supports that appear similar to someone not used to them often have very different criteria².

This complexity prevents older people from accessing supports they are eligible for. It most severely impacts older people with lower literacy and numeracy skills, including online literacy, as they are now primarily directed to mywelfare.ie for information. It also severely impacts older people living alone, who may not have family members to advocate or support them with these tasks.

Both of these cohorts are more likely to experience poverty and social exclusion anyway, and they are doubly excluded by the complexity of applying for support.

We are sure that the Deputies and Senators present have seen this at times with constituents in their clinics. Accessing the supports you are entitled to can be an administrative burden to both the older person and to the State, not to mention intermediary organisations such as ours which provide significant support in this area.

Secondly, **when the income thresholds change or increase, it is not sufficiently communicated by the Department of Social Protection.** We saw this for example when the income threshold for the Fuel Allowance was increased. Thousands of older people who were expected to become eligible for Fuel Allowance after these changes are still not claiming it³. Fuel Allowance became even more vitally important to older people in the context of the energy price increases of recent years. It is one of the most frequent interventions we make in terms of entitlements.

¹ Supports that older people may access that require means testing include the non-contributory pension, fuel allowance, medical card, social housing/HAP, housing adaptation grants, the Fair Deal Scheme, supplementary welfare allowance, the blind pension, exceptional needs payments and others.

² To give just two brief examples, for the Household Benefits Package, if you are over 70, you are not means tested. But for the Fuel Allowance, you are means tested, and the criteria are different whether you are under or over 70. The GP visit card is not means tested for people over 70, but is means tested for people under 70. The medical card is means tested.

³ Before the changes to the Fuel Allowance means threshold were brought in, in September 2022 there were 369,000 recipients of Fuel Allowance.

When the changes were brought in in December 2022, the announcement was made that over 80,000 new households would now qualify. Though obviously a rough estimate (and not accounting for other changes), this should have brought the number of recipients up to 449,000. Yet, as of December 2023, there were just over 411,000 households receiving the Fuel Allowance. This leaves 38,000 households who were expected to be eligible but are not receiving it.

Thirdly, means testing is often calculated based on household, rather than individual income. We see the negative impact of this for example in cases where older people have been unable to access the fuel allowance due to adult children moving back into their parents' home, often to save for a house deposit, bringing their household means above the means threshold, even though an adult child may not contribute to the household. This also has knock on effects on access to other supports such as SEAI grants⁴.

In addition, **the means testing for the non-contributory pension for couples significantly impacts individual autonomy and independence in older age, not to mention financial security.** We are working with a woman in her 80s now who lives alone in the west of Ireland.

She cannot access a non-contributory state pension in her own right. Her husband's pension puts her supposed 'income' over the means test, even though a significant proportion of that income now goes to her husband's nursing home fees, where he moved last year. All her life, she worked in her home, raising seven children. She then cared for her husband since his health declined in 2003, receiving carers' benefits for same.

Having applied earlier this year, she has been denied the non-contributory pension, the living alone allowance and the carers' contributory pension. Many of the costs of running her home remain as they did before her husband moved into the nursing home.

This case highlights many issues with the state pension system, including its lack of support for carers, the lack of independence it provides for women who worked in the home, and finally, the unfairness of the means test for the non-contributory pension.

To conclude, if the point of means testing is to limit eligibility and reduce the cost to the State, we cannot imagine this is being achieved significantly through means testing in its current form, due to the substantial administration costs incurred. Furthermore, it is preventing older people from accessing supports they are eligible for, or otherwise should be entitled to.

It is ALONE's view that **streamlining of eligibility criteria and reducing the levels of means testing being used across the entitlements** available from this Department, would have significant impact on older people's ability to know about and access the supports they are entitled to, while **reducing the administrative cost burden.** This can also be achieved through initiatives such as **benchmarking the State pension and ensuring it is universally accessible.**

⁴ Fully funded energy upgrades are not available to all people in receipt of a pension, just to those in receipt of Fuel Allowance or another qualifying payment.

We thank the Committee for your invitation and your time today and are happy to answer any questions.