

Budget 2016 – AOEP Comment. Your comments welcome

Like many other Pensioners Associations and organisations we make pre-budget submissions based on motions passed at our Annual Meeting to various Government Departments and Ministers.

Our submissions, pre-budget 2016, covered many issues such as Universal Social Charge, Health, Pension Levy, Living Alone Increase, Local Property Tax, Household Communication Tax, Household Package, Water Charges, Change of qualification calculation method for the Contributory State Pension for persons who qualify after 2012, Pension Levy Refunds and finally a motion for the restoration of the Group A Inheritance Tax Free Allowance for the transfer of property to family members following the death of the property owner.

So what happened in Budget 2016 to improve the fate of Pensioners?

Income Tax: The marginal tax rate is down to a maximum of 49.5% for those earning less than €70,000 per annum. No benefit to pensioners on very low income who don't pay income tax.

Christmas Bonus: This year pensioners who qualify for the Christmas Bonus will receive 75% of the weekly amount. Many of our Eircom pensioners will not qualify for this.

The State Pensions: (Contributory, Widows, Widowers increase by a meagre €3 per week. However there is no increase in the Contributory Pension for Widows/Widowers under 66 years of age and no increase in the Non-Contributory Pension for Widows/Widowers of all ages – very strange and most unfair.

Contributory Pensions for those who qualify after January 2012: There has been no movement to rectify the method of calculation used in determining the level of Contributory Pensions for those who qualify after January 2012.

Respite Care Grant: After much outcry by many groups this grant has been restored to €1700

Universal Social Charge: The Association has been campaigning for movement in this area in our pre-budget submissions since our formation. Budget 2016 shows some movement which will be of benefit.

The three lower rates of USC will fall:

The 1.5% rate will fall to 1%

The 3.5% rate will fall to 3%

The 7% rate will fall to 5.5%

Workers will pay USC from €13,000 up from €12,012.

There is no benefit in this for those whose income is less than €13,000.

Fuel Allowance: Increases by €2.50 per week to €22.50 per week. Sufficient to buy just 11 peat briquettes!

Capital Acquisitions Tax: The increase in Capital Acquisitions Tax group A threshold increases from €225,000 to €280,000 is welcome but it is still far short of the 2008 level of €542,544. This only applies to transfers to son/daughter. There has been no improvement to transfers to sister/brother or any other person. We as an Association must continue to seek improvement to this threshold and also in the punitive rate of 33% tax on the excess which is by far one of the highest in the OECD. This is of extreme importance to pensioners considering that a three bed semi-detached house in Dublin and some other areas can now fetch €600,000 on the market.

Pension Levy: While the levy has been discontinued the association must continue together with other associations to press the government for the refund of the monies taken from private pension funds as the economy improves.

Summary: Budget 2016 provided very little comfort for pensioners in general considering that pensioners associations estimate that pensioners are worse off now by approx. €700 per annum as compared to 2008. Overall Budget did very little for the homeless and the very poor while high earners could benefit to the amount of almost €2000 per annum.

IT'S ONLY

Pensioners Beware of the **IT'S ONLY**

IT'S ONLY is the new **SPIN**

The Property Tax	IT'S ONLY €6.10 per week
The Water Tax	IT'S ONLY €4.83 per week
The Bin Tax	IT'S ONLY €7.36 per week
The Toll Road Tax	IT'S ONLY €3.10 per trip
The Prescription Tax	IT'S ONLY €2.50 per item

What happens the people who don't have the **"IT'S ONLY"**