

‘Tax the over 65s to fund their care’

Chris Smyth, Health Editor
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• NHS Health



National insurance should be ring-fenced, or hypothecated, for the NHS and social care, say experts BURGER/PHANIE/REX FEATURES

Senior doctors and a former head of the NHS say that people over 65 who are still working must start paying national insurance to help to meet the cost of their own care.

National insurance should be ring-fenced, or hypothecated, for the NHS and social care to end the need to use council tax to pay for the needs of the elderly, say experts who want £9 billion in funding over the next three years.

The Liberal Democrats, who commissioned the report, are understood to be sympathetic to the idea of a tax on wealthy pensioners to fund NHS care.

Tax breaks to encourage people to save for their own care needs would also ease a funding crisis for the health system, according to Sir David Nicholson, a previous head of NHS England, and others including Clare Gerada, former head of the Royal College of GPs, and Dinesh Bhugra, former head of the Royal College of Psychiatrists.

During a winter in which more than 50,000 operations have been cancelled because hospitals were overcrowded, calls for long-term rises to NHS budgets have become louder. Half of beds are occupied by patients “stranded” for at least a week, highlighting the effects of cuts on social care that have left 1.2 million older people without help.

Jeremy Hunt, the health secretary, has taken charge of a review into reforming social care after proposals to make people contribute more destabilised Theresa May’s election campaign last year.

People who carry on working after 65 do not pay national insurance but making them pay would raise £2 billion a year. Council tax, says the group, which also includes Nick Bosanquet, professor of health policy at Imperial College London, and Sir Stephen Bubb, chief executive of Charity Futures, should no longer be used to fund social care, but uniting health and care in a single hypothecated tax would make NHS funding more transparent.

117 comments

Thesiger

"Senior doctors and a former head of the NHS say that people over 65 who are still working must start paying national insurance to help to meet the cost of their own care."

Since when did medics become experts on how to raise taxes? Stick to the day job, doc.

Hugh wardle

No, no! Our tax system desperately needs simplification, not more complexity, tax breaks and hypothecation!

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There was a hint in the Tory manifesto towards simplifying tax. Why can't they be really bold here, increasing the tax take in the process (rather than wracking up borrowing).

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Here are some ideas:-

Get rid of National Insurance, Capital Gains Tax and Inheritance Tax (already taxed income). Have two rates on income tax with virtually no allowances except the initial personal allowance. All income (whether earnings, capital gains, dividends, unearned, earnings in kind such as shares) would be taxed in the same way via income tax. This would obviously include the over 65s who currently do not pay NI. If you wanted to be really adventurous, I like the idea of a Basic Income replacing the personal allowance and most benefits, which vastly simplifies welfare and means there are no silly repressive marginal tax rates. It does mean the basic tax rates have to be higher though. Set the rates to whatever level is needed to fund the necessary building and social care programs (the last thing we need is to take the Labour route and massively increase borrowing again). Add to this zero corporation tax and a proper bonfire of red tape and planning restrictions.

Thus business would come to this country, thrive and make lots of profit. Hopefully, some of that profit would then be reinvested, or used to purchase materials and pay wages as the businesses expanded to generate even more tax free profit.

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Hence increased tax take would come from an increase in productivity arising from this reinvestment. This produces more employment (more income tax) and more goods (more sales tax).

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And then of course you need a MASSIVE building program for council houses and first time homes (not the pathetically feeble program announced recently) using some of this increased tax take. This needs to be linked to a large apprenticeship program to produce more brickies, plumbers, electricians and the like to implement this. This again will grow the economy with its Keynesian effect.
At last the government will have the funds necessary to keep us safe, healthy and housed!

[Rushey](#)

Paying NI on earnings after age 65 is a possibility but the chances are that a significant number of them will be low earners who have to work.

However, those over 65s who are big earners eg MPs, Company Directors etc, could pay NICs very easily.

[Roger King](#)

[@Rushey](#)

The big earners will just get the tax payer to pay (MPs, local authority managers) or the customers to pay (CEOs) so the poorer people will pay.

[whatsgoinon](#)

How about the 35 years I've paid NI and been lucky enough hardly to have to use the NHS. Certainly no one has told me I was paying too much when I was younger, that would seem conveniently overlooked.

[Anthony Tysome](#)

Yeah ... let's hit the over-65s with more tax -- because we'll never be that old ...

[jedflorex](#)

Get real. "Live for today, let the next generation pay..." has been the UK motto for decades. Time for those living 20/25 years longer to pay towards the medical upkeep of all their longer lives if they receive enough pension to pay income tax...

[Ian Tinn](#)

[@jedflorex](#) If that's been the motto for decades, it follows that the over-65s have already paid.

[jedflorex](#)

[@Ian Tinn @jedflorex](#) When they started paying most would have been considered lucky to see 72. The game has changed, so have the prices. Want to live longer? Time to pay longer...

[jedflorex](#)

Not only should people over 65 who are still working and paying tax should start paying national insurance, but also over 65's not working and receiving so much in pensions that they are taxed, should also pay it....

[Laura Kluge](#)

Stop paying some of the private consultants exorbitant fees Cornish work and the nabs might just have some money. A lot of over 65's are forced to work as they get peanuts for a state pension.

[Lindsay Jenkins](#)

More money for the NHS to waste? When I see root and branch reform I will back paying more. Until then I pay to go privately because what is available locally is poor, that is if you can get an appointment at all.

[David Michael](#)

As the old people of this country have become such a burden on every organisation why doesn't someone organise a mass cull or mass suicide at Beachy Head , if all these comments are to be beleived these old foggies will to drunk to realise what they are doing. Shame on the people who are advocating that all the blame lies with our older members of society. Once again the destination of our Foreign Aid money comes into question, Dfid hasn't a clue how the money is spent, and more to the point they don't care. Clegg and Cameron have much to answer for !

Helios

@David Michael Don't forget some of these old people including my 91 year old father fought the Nazis in WWII. Without their contribution, the complaining younger generation would not have their liberty and freedom. It's very sad many young people can't be bothered to vote.

jedflores

@David Michael Interesting idea, but they will have to wait while all the BREXITEER lemmings take their leap off the cliffs first....

BARBARA BROOKS

It's not fair to make people with good health habits pay extra because many disregard basic health habits. People need to associate their bad health habits with higher taxes for medical care. Why not tax unhealthful items, such as tobacco, liquor and junk food (like soda or candy), with the taxes going directly to medical care? And put a weight tax on the overweight, according to how overweight they are? Perhaps these taxes will result in a decrease in unhealthy behavior over time. If the above measures are insufficient, then implement further general taxes to fund the NHS.

VH-EAH

@BARBARA BROOKS

An accountant showed me a tax rate calculator last year. The premise was entering how much you drink, drive, smoke, how often you get the car serviced, or the boiler, or utility bills, tax code etc etc. The result was given to you in the format of how many months of the financial year you have to be working before actually getting anything for yourself after the tax man's taken his slice.

Starting on April 1st, I wasn't actually earning anything for myself until mid December - the exchequer took the rest one way or another.

How much more tax would you like me to pay, exactly?

Do the exercise for yourself and see if you still agree with the concept of increasing taxes.

beatleboy

@BARBARA BROOKS Well said; lifestyle choices, or more precisely a lack of good ones, is a huge burden on the NHS. Let the people who are causing the problem pay for the cost of treating it.

anitawales123

Just a quick estimation to illustrate the sums involved here, and how the government spends our money.

There are roughly 10.8 million pensioners in the UK, and around 3.5% (400,000) of those will be in a care home. Costs of care homes run at around an average of £30,000 per year if no nursing care is provided, and around £40,000 per year if nursing care is provided.

The government spent £13 billion on the Foreign Aid Budget last year. £13 billion divided by the approximate 400,000 in care homes would fund each of them for £32,500 each and every year.

I'm not advocating that the whole of the Foreign Aid Budget be abolished, as some of it goes to very good causes. I am also not advocating that very wealthy pensioners who could easily afford it, should not contribute to their care (as likely happens anyway).

But I would advocate that perhaps half of this £13 billion could be spent on social care here in the UK, even temporarily, instead of being used to feather the nests of despots, or fund completely ridiculous projects. If we can afford £1.5 billion to support coconut farming in the Caribbean, airports that no one can use and dance projects in Tanzania, we should surely be able to afford to properly look after our own.

<http://www.telegraph.co.uk/news/2016/12/14/aid-department-failed-taxpayers-st-helena-airport-cant-take/>

<https://www.standard.co.uk/news/uk/uk-foreign-aid-spent-on-yoga-in-india-coconuts-and-dance-project-a3693651.html>

<https://www.spectator.co.uk/2014/01/why-aid-fails/>

Grumpy Old Git

And tax the under 65s for their drunken visits to A&E

Yes But

@Grumpy Old Git and all the other age groups of course, let's have a p***ed tax! Even(especially) the students

David

I think I read a ToL article that said that NHS staff thought that the drunk issue was being exaggerated in the media.

Hare tale

I don't know of any doctors or senior NHS managers who have worked beyond 60 let alone 65.

There again they do have rather good pensions.

Joannah Yacoub

@Hare tale There are many who would like to continue but have a problem getting professional insurance, especially if they are surgeons. It isn't always a matter of choice.

Torquemada

@Joannah Yacoub @Hare tale Not in the NHS, it is only in the private sector where doctors have to take out indemnity cover.

Joannah Yacoub

But they don't like them in practice after a certain age, because the NHS covers the liability and the people who insure the NHS (the Government) are reluctant. I know 2 senior doctors who were asked to retire because of their age and who would have been happy to continue. Some do voluntary work. Some are happy to see the back of it all.

Ian Bignell

Two thirds of pensioners sole taxpayers income is the basic state pension. £7,500 per annum approx. Not enough to qualify to pay the basic stamp if they were in employment. I know the Lib Dem's are not very good at figures, but I'd like to know how much they think the average pensioner can afford on £155 per week ,approx to live on?

David

In employment you have to earn above about £8.3k before NICs are paid. Then the employer pays 13.8% and the employee pays 11% making a total of almost 25%. Above £11.85k BRT is paid making a total marginal rate of almost 45% for quite low earners.

Philip Cormack

This is a long term situation. Been in the making for a very long time. It is not pensioners that are to blame, but governments for kicking the can down the road.

Also obesity has a lot to do with care of the elderly. Stop looking to

blame pensioners and get something more constructive done about the issue.

Yes But

why not increase NI contributions for parents whose kids aren't paying into the system yet whilst we are at it? seems just as fair...more so really as at least most pensioners have made contributions and paid taxes for a number of years...

Bob Hamilton

If the NHS want their funding ring-fenced and adequate I think it is time for a consultation with the British taxpayers on the exact scope of the care and services that should be free at point of use. I see no difficulty with the concept of the NHS raising extra funds by charging for services that fall outside this scope.

JC

This is all very well, however, not everyone is on the very comfortable pensions provided to the advocates of this suggestion - after all it always seems to be the a certain type of person who is blinded by their own 'position' and expects others to make the sacrifices. Also seem to recall some in the medical profession refusing to back suggestions on checking for 'health tourists' to make them pay!

<https://www.theguardian.com/society/2016/nov/22/doctors-threaten-to-boycott-plan-for-patients-to-show-id-for-nhs-care>

In many cases those over 65 go out to work don't do it for fun but rather because of necessity to top up an already meagre state pension and to hit them with another charge would be grossly inequitable - and if an additional charge reduced the benefit of working (familiar story) they how many would give up work?

Perhaps another approach could be for those pensioners whose workplace pension exceeds £50K-60K to forfeit their state pension

So maybe Sir David Nicholson, Clare Gerada, Dinesh Bhugra et. al. should volunteer to give up their state pension in order to help a system that they have probably done very well out of

... and just as an aside, approximately 33% of householders council tax goes on local authority pensions - doing away with these public sector pensions and placing everyone on an equal footing of individuals saving into a pension pot - would release more than enough to fund areas such as social care etc. thus taking some of the pressure off the NHS - however, equalising the public sector pension system on a 'pension pot' basis will never happen because there are far too many interested parties who would lose out

Dave Hill

@JC I should think that if a person was on £50k a year pension the state one would be gone in tax.

Tim Locke

@Dave Hill In Canada the state pension starts to be clawed back at approximately an income (company pension, investment income or whatever) of \$75000 and is completely gone by \$110,000 or so. This is computed on ones tax form on a yearly basis. Seems like a fair plan to me, maybe the UK should have something similar?

wayfarer39

@Tim Locke @Dave Hill The Canadian state pension (CPP) is a contributory one based on income and years worked, similar to the UK state pension. OAS (Old Age Security) is a federally run supplement based on residency in Canada, and it is this, not the state pension, which may be clawed back based on annual income. Ironically, if one lives abroad, the OAS supplement is not clawed back. Both pensions are payable no matter where one lives, and receive annual indexation, unlike the UK state pension which is arbitrarily frozen for half of those who live abroad, adversely affecting those 98% of retirees who live in Commonwealth countries.

Peter Scarborough

@JC "Perhaps another approach could be for those pensioners whose workplace pension exceeds £50K-60K to forfeit their state pension"

wrong and probably illegal- they have paid contributions on the understanding they would get it. They are also paying tax on their company pension to pay for health care etc.

AHS
@JC

The expectation that NHS staff should make decisions about who is eligible for NHS care and then turn away those who are not is contentious.

The first time any person dies or suffers as a result of such decisions made by staff on the front line, the public will predictably bay for their blood. Professionals will be struck off, whilst those in government simply wring their hands together.

Far better for borders to be controlled, preventing entry for those tourists who do not have adequate medical insurance to cover their long term healthcare needs.

In the case of the South African lady who came to this country with limited medical insurance cover, authorities have chosen not to deport her. To do so would result in her death, if renal dialysis was withdrawn.

The same goes for the Nigerian lady who came here to give birth in the NHS at great cost to taxpayers. She was refused entry to the US, but was allowed to enter Britain.

It is simply not reasonable to expect doctors and others in the NHS to make such decisions to withdraw essential care, due to lack of insurance when government departments will not prevent entry to the country or deport. If HM Government does not have the stomach for making such tremendous life and death decisions, individual employees will refuse to be scapegoats. Who can blame them?

We need widespread public debate, followed by legislation to prevent our healthcare system from being abused.

[david arundel](#)

So what is the answer? More tax and more park benches? We are one of the richest countries in Europe and the World? We can afford fifty billion plus to leave the EU. But can afford nothing or very little for anything else. We will find the money to rebuild Westminster and HS2, plus a bridge between England and France or NI and Scotland, or even the odd road tunnel between cities in the future. But not for health care, after all people die and their health care problems die with them so problem solved. But why worry Corbyn is waiting in the wings, and he has got a magic money tree, problem solved?

[Rachel Brett](#)

There is a way to ensure that there is sufficient funding that covers this, and that is by paying an insurance to cover social /medical care. However, there seems to be a major disconnect between the NI we do pay and the running of the NHS, Pensions and social care.

We should have a means to be able to top up the NI when we are working (after all we did it for pensions), but somehow the governments of the day, including today, are so terrified of changing anything because the NHS et al is considered a "National Treasure".

Well before it comes the "National Disgrace" that most of us experience from one time to another, would someone in Government get a grip and decide what is needed for the 21st Century, so that an NHS / Social Care scheme which is not just for the elderly, but the infirm as well, can be implemented, and make at least a long time plan for its future, instead of the short-termism that the NHS /Social Care experiences now.

If that means some elderly have to supplement their care, they will do so, as they are currently doing so at the moment. But at least

there will be a support structure in place as opposed to the ad hoc low pay disorganised stuff going on at present.

And if someone doesn't have a family, and a growing proportion of people in this country don't, then at least they will have less fear about being supported properly, when they need help, than they currently do.

Adam Myers

I actually 'laughed out loud' when i read this; the idea that any politician is going to increase the tax burden on the group in society most likely to vote is delusional!

EnglishRose

@Adam Myers But they are dying off and many of us still working full time have retirement ages of 67 rising to 70 so as I will be paying NI until I am 70 I am not against people older than that doing so. If we merged NI and tax that would be a good start.

Jenesaisquoi

This is all very well, but can we also look at things like about 45% of the U.K working population no longer make a tax contribution. As the NHS is funded via general taxation (80%) , not just NI, why aren't more people paying tax to fund their lifetime NHS care? The NHS is oft abused as its free to so many, too many, with so few paying for it. We should be far tougher on health tourism and ensure those with no entitlement pay before they are treated too. Tourists owe upto £300 mill, according to the Gov, yet a cancer consultant Dr Thomas, at the Royal Marsden noted that health tourism is underestimated and costs us £2 bill per annum. What about reclaiming the reciprocal monies owed to us by EU nationals that the NHS doesn't bother reclaiming (unlike EU countries who ensure they get any money back from the UK from British tourists) ? Look after the pennies...

(<https://www.theguardian.com/politics/2016/apr/26/barely-more-than-half-of-adults-pay-income-tax-says-report#img-1>)

Students with loans owe millions and are not repaying, yet they have their whole working life to do this, so why are the repayment thresholds being lifted again? As ex students I've spoken with say themselves university was just a way of delaying going to work and they had three more years of partying, why should the tax payer subsidise that?

What about the issue of the est. £1.2 billion owed by foreign students who have not repaid their loans, of which a quarter are EU students.? Why aren't we ensuring we get those monies back? The Government (of all stripes) let money slip through their fingers like water, but it's just so much easier to go to the remaining taxpayers first to shake them down.

EnglishRose

@Jenesaisquoi Although NI kicks in at about £7300 not the £11,500 for tax so a lot of low wage and part time workers pay no tax but pay NI.

I would certainly favour much less tax and much less state provision and a chance in law that families have a legal duty to take in and care for the old not the state.

mama mia

@EnglishRose @Jenesaisquoi What about those who do not have family?

EnglishRose

@mama mia @EnglishRose @Jenesaisquoi For those with no living siblings, parents, children or a spouse (would not go wider to cousins or nephews/nieces) we would have a back up. I am not against the whole of the welfare state.

Jenesaisquoi

@EnglishRose @Jenesaisquoi I think all people here should pay towards social welfare and health systems - as most Europeans have to. Different countries fund those who can't pay (in whichever way

suits them) but the notion is all contribute. If you don't pay in you don't get out.

Without people taking responsibility and realising these things aren't actually 'free' and someone else is paying then abuse will continue - eg small example - the man getting paracetamol on prescription (you can buy that so cheaply over the counter), or the visitor from Poland who flies in for her free meds here and flies back home to Poland as it was cheaper to do that than pay in Poland (I overheard this bit of the conversation) - meds costing the NHS £600 per month. (I was told afterwards by the pharmacy assistant who was very angry about this abuse and blabbed).

[Peter Scarborough](#)

[@Jenesaisquoi](#) [@EnglishRose](#) Rather than blabbing the pharmacy assistant should enter the transaction in the system so the NHS can claim back the costs from Poland- just like Poland would do in the reverse case.

[Jenesaisquoi](#)

At Peter Scarbrough. Sure she should have, but I don't think the systems are properly in place to do that. The argument I've heard is that it would

cost more to reclaim than the money we'd get back. Is that nonsense? It is estimated that £2 billion was outstanding in figures from 2013. We do reclaim some monies (not a lot, but some, and why only some?) so there must be a basic system in place to be able to do one side of the arrangement. As other countries make jolly sure they claim their entitlements back from us I'm sure there would be more

coming back in than the costs of reclaiming. If it were not so other countries would not be bothering either. If we claimed back that £2 bill I can't believe the system would cost more than that, as we already easily pay back what we owe:

"In 2014/15 the UK paid £674 million to other European countries for the treatment of UK citizens. At the same time the UK only received

£49 million back to treat European nationals in the NHS. Evidence suggests that the NHS is quick to pay out for the treatments costs of its citizens who fall ill abroad, but performs poorly at claiming back what it is owed for treating EU nationals in Britain (using the current system, the costs of redeeming such funds may even be higher than the amounts won back in any case)." Civitas.

I'm sure it's got as much to do with the notion that the NHS provides a free at the point of demand service in the minds of administrators, managers and politicians and doctors, and that makes free treatment to the world and his wife OK. However I very much don't think it's ok and I don't see why, for example, pregnant women from Nigeria think they are entitled to fly in here and get maternity services for free and then fly home (aka the Lagos shuttle). Just because we let them?

We let millions slip through our fingers in this way.

BARBARA BROOKS

@Jenesaisquoi Some of the other European countries do a better job of collecting health care costs from foreigners. Why not hire some consultants from a couple of these countries to help figure out a plan? I think governments make a terrible mistake by only hiring experts from their own country. Find the country that does the best job in tackling the specific problem at hand, and get some expert advice from those in that country. While there are differences, certainly there are cost saving methods and ways of improving service that can be implemented. And bring the consultants to the UK and give them the power to make the necessary administrative changes, rather than let bureaucrats have a holiday in a foreign country.

Peter Scarborough

@Jenesaisquoi people from Nigeria are not entitled to that at all-the system applies to the EU only. The EU have a form for reclaiming the money, but for some reason the NHS seem unable to place this in the hands of people like the pharmacist.

Another approach would be to do what the French do- they make everyone pay, the French claim back from the social security and other EU nationals claim back from their home system- For major hospital costs the bill is settled by your country's health care system direct, whatever country you are treated in.

David

A low paid person earning just above £11.5k is generating tax and NICs at a marginal rate of nearly 45% whereas someone with a DB pension of up to 45k only pays BRT at a marginal rate of 20%. That seems unfair to me.

EnglishRose

@David ? If you earn £11,500 you pay no tax so your marginal tax rate is 0%. they pay £400 NI a year which is about 3% tax.

So their marginal and only rate of tax/NI is surely 3% not 45%. If you count employers' NI which I don't that is only just a bit more.

David

@EnglishRose @David I did say just above £11,500 so I think the marginal rate, which is the rate on every pound above the threshold, is 20% BRT + 11% employee NICs + 13.8% employer NICs which works out at total of 44.8%. Employer NICs are an indirect tax paid by employees that would otherwise have been available to pay them more.

My company has run a payroll and PAYE system for over 27 years and I've noticed that the NICs levied on many of my staff are now much greater than the income tax they pay. This has occurred because successive chancellors have claimed that they have not put up income tax but raised NICs instead. This has punished those who rely on earned income and let those with pensions and investment income off the hook.