Taiwan Plans to Tighten Pension Eligibility for Elderly Farmers

Chan-Ik Chun
Agricultural Economist, FFTC

On Nov. 8, the Cabinet of Taiwan government tightened rules governing eligibility for the elderly farmers' monthly pension in a bid to prevent "pseudo-farmers" cashing in on the welfare system which costs the government NT$50 billion (US$1.7 billion).

If the amendment to the Temporary Statute Regarding the Welfare Pension of Senior Farmers the Cabinet proposed Nov. 8 passes the legislature, it is expected to save the government NT$40 billion over the next 15 years, the Council of Agriculture said.

Under the current statute farmers aged 65 years or over are entitled to a monthly pension of NT$7,000 as long as they have paid into the farmers' insurance system for at least six months. They should not have received pension payments from other social insurance programs and should meet certain economic criteria.

The number of beneficiaries is 687,000 as of June, 2012. Considering that the number of farm households in Taiwan is 740,000, every farm household has one favored person.

The amendment suggested that farmers should only be able to apply for the pension after they have enrolled in the insurance system for at least 15 years.

However, the new rule will not apply to current pension recipients and those who are younger than 65, but have joined the insurance system since they were 50.

About 26,000 farmers would be affected, accounting for 1.8% of a group of 1.42 million covered by the insurance system.

The amendment came in the wake of the criticism of the Council, the Executive Yuan, and the Ministry of the Interior by the Control Yuan over its failure to address lax qualifications.

In September last year, the Control Yuan said that the farmers' insurance system had resulted in exorbitant expenditure, contravened the spirit of the pension, skewed social welfare, eaten into budgets for agricultural development and increased the nation's economic burden.

References

1. Lee Ho-Kyum, "Taiwan Agriculture; small-scale, aged farmers and relatively low income to city dwellers," Korean Farmers Newspaper, Feb. 15, 2013, p.6
2. Taipei Times, Nov. 8, 2013, p.13.

Date submitted: November 22, 2013

Reviewed, edited and uploaded: November 22, 2013