

An Amendment to the Welfare Benefits for Aged Farmers

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The Council of Agriculture (COA) has offered various kinds of welfare programs to farmers in order for them to maintain their living standards and economic security. “The Temporary Statute Regarding the Welfare Pension of Senior Farmers” (老年農民福利津貼暫行條例) is one of the welfare programs. The purpose of this welfare program is to assist the aging farmers as they take care of their lives and provide benefits to them. The elder farmers are assisted in the form of allowance. After five times adjustments in the amount of allowance, it has been increased from the original monthly payout of NT\$3,000 in 1995 to NT\$7,000 per month per person in 2011. In 2013, the total expenditure in welfare allowance of senior farmers was about 56.3 billion NT dollars. Half of the COA annual budget is spent on senior farmers’ pension, leaving little money for other issues. The COA can no longer support this fountain of money. If this situation is to continue and not be adjusted, it will weaken the competitiveness and hinder the development of the agricultural industry in Taiwan.

November of year 2013, The Executive Yuan proposed an amendment to the Provisional Act Governing Welfare Benefits of aging Farmers to tighten eligibility requirements for farmers receiving pension benefits for creating more fairness in the system. Under the original design of the program, senior farmers are entitled to a monthly pension if they have been enrolled in the Farmers’ Health Insurance (FHI) program for at least six months. But there have been instances of farmland owners who are not actively engaged in agricultural work, as well as farmers who have been living abroad for many years, but are still collecting the pension. The new amendments to Article 3 of the act are intended to keep such persons from unfairly sharing in the government’s welfare resources. The new rules, however, would not apply to farmers already receiving the monthly pension or those who have been paying into the FHI since age 50.

June 27, 2014, The legislature Yuan passed the amendments of Article 3 of “The Temporary Statute Regarding the Welfare Pension of Senior Farmers”. The major changes of new revision are:

1. Require a recipient to have joined the FHI or enrolled as a class A member of a fishermen’s association for a combined total of at least 15 years. If enrollment totals to less than 15 years when the amendment takes effect and they continue to stay enrolled, they will be entitled to half the monthly pension amount.

2. Add the conditions that a farmer must have a registered residence in Taiwan and has lived there for at least 183 days in each of the last three years. This is meant to keep long-term overseas residents from also receiving the pensions. Pension payments will be suspended if a pensioner fails to meet either of the above requirements, until a time when both conditions are met.

The revision was expected to help prevent what they called “fake farmers” from capitalizing on the program while saving money for the state. The COA indicates that this was a big change on farmers’ subsidies programs over the past 20 years; the new revision will really take care of the farmers, and the welfare programs of farmers will also integrate with the national pension system in the future. The COA estimates treasury savings will have a total of 46.3 billion NT dollars under new revision in the next 15 years.

The senior farmers’ pension is an example of pork barrel politics. Pension reform is a major social issue with implications for social stability and the COA has now made the first move. The senior farmers’ pension, however, is just one component of the pension system, and pension payments are about to increase sharply. The government cannot continue to merely pledge reform, it must speed up the integration of pension systems for different professions and prevent a massive debt from being passed on to the next generation.

(Data Sources: Compiled from articles of various medias)

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