



**HELLENIC REPUBLIC
MINISTRY OF EMPLOYMENT &
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DIVISION OF INTERNATIONAL AFFAIRS
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**TO: UN Independent Expert on the
question of human rights
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**C.C: MINISTRY OF FOREIGN
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DIRECTORATE 4**

Re : UN Questionnaire on income security for older persons from a human rights perspective

In reply to the aforementioned Questionnaire of the Independent Expert on the question of **income security for older people from a human rights perspective** Ms MAGDALENA SEPULVEDA, we wish to inform you as follows, in respect of issues falling within our competence:

I. Definition of social protection schemes and old age pensions, non-contributory/contributory pensions

Firstly we would like to remind you as regards the question about the non-contributory benefits paid by Greece, that we have already informed you on your previous Questionnaire of last year on Human Rights and Extreme Poverty, which concerned the Cash Transfer Programmes between 2003 and 2008, in terms of *“provision of direct financial support to households living in poverty in order to increase their real income”*.

Questionnaire

(i) The legal and Institutional framework (1, 2, 3)

The social security in Greece has been established by the Greek Constitution (article 22 par. 5). The basic role that the social protection system in our country plays is to guarantee that the citizens, particularly those of an older age and those who belong to vulnerable social groups, can have an income that will allow them to maintain a satisfying living standard in the periods of sickness, unemployment or after retirement.

In Spring of 2008 a major administrative reform entered into force in our country, integrating by the law 3655/2008 the numerous existing social security organizations into 13 organizations of main and supplementary insurance, supervised by the Ministry of Labour and Social Security.

There are 5 Organisations of main insurance granting main pension and 8 Organisations of supplementary insurance and providence granting supplementary pension and a lump sum.

The Greek social security system is divided to three different pillars :

- a. main and supplementary obligatory insurance (1st pillar)
- b. occupational insurance (2nd pillar)
- c. private insurance (3rd pillar)

The social security system of main and supplementary obligatory insurance belonging to the 1st pillar, is based on the pay-as-you-go principle and it functions through the mentioned above 13 self-governed organizations of main and supplementary insurance with their respective health care Branches covering the whole working population throughout the country for the following traditional risks: **health care (medical and pharmaceutical treatment, hospitalization), long-term care, invalidity benefits, old-age benefits, survivors benefits and employment injuries benefits.**

It is to be noted that the law 2084/1992 introduced different treatment between two categories of insured persons. Those affiliated till 31.12.1992 in any first pillar insurance scheme are treated according to this time existing framework, while those insured for the very first time since 1.1.1993 entered a rather different legal framework (with stricter entitlement conditions for receiving benefits and discriminatory legislation of calculation methods for the amount of benefits).

The pensioners of all social security Organisations of main and supplementary insurance are granted fourteen pensions in a year (an additional pension at Christmas, half a pension at Easter and half a pension as summer allowance).

The pensioners pay 25% of pharmaceutical cost and Social Solidarity Allowance pensioners pay 10% of pharmaceutical cost. They are also granted free hospitalization and there is no cost sharing for pharmaceutical expenses in the cases of serious chronic diseases.

Except of the pensions mentioned above our social security legislation provides also for the following benefits:

Blindness benefit: Full pension is paid if the insured is assessed as totally blind with at least 4.050 days of contributions, without age requirement.

Benefit for non residential care: paid on a monthly basis to affiliated persons (active or retired) and to their dependants who suffer from certain illnesses resulting in a level of invalidity of at least 67%. Amount: 20 times the daily wage of unskilled worker .

Total invalidity benefit: paid to pensioners suffering from certain illnesses resulting in a level of invalidity of at least 80% . Amount corresponds to 50% of the invalidity pension paid. Among old-age pensioners only blind beneficiaries may be entitled to this benefit.

Moreover, as concern the specific questions regarding income security for older people, we refer significantly below to the three largest Organisations of main obligatory insurance, which are also the most representative of our social security system, that is **IKA-ETAM (Institute of Social Insurance for Private Sector)**, **OGA (Organisation for the Social Insurance of the Farmers)** and **OAE (Organisation of the Liberal Professionals)**.

IKA – ETAM

IKA-ETAM was established in 1951 the year in which social security was essentially introduced in Greece. It is currently the largest social security Organisation, insuring the majority of employees throughout the country. It's legislation served as a model for the other social security Organisations in the country.

IKA-ETAM operates through branch offices scattered all over the country, sparing administrative and medical staff in furtherance of the insured persons, pensioners as well their family members.

This social insurance scheme is financed by employees' and employers' contributions, property income and State participation (after 1.1.1993 employees and employers 2/3, State 1/3) and provides earnings-related pensions, depending on the contributions paid and the duration of affiliation.

Main qualifying retirement conditions

Persons insured before 1.1.1993:

Age 65 (men) or age 60 (women) with at least 4.500 days of contributions;
age 62 (men) or age 57 (women) with at least 10.000 days of contributions; or age 58 (men and women) with at least 10.500 days of contributions.

The full pension is also paid at any age to insured persons with at least 11.100 days of contributions. Age 60 (men) or age 55 (women) with at least 4.500 days of contributions of which 3.600 days were in arduous or unhealthy employment, including at least 1.000 days in the last 13 years.

Persons insured since 1.1.1993:

Age 65 (men and women) with at least 4.500 days of contributions
Without age limit after 11.100 days of contributions and age 60 after 4.500 days of contributions $\frac{3}{4}$ of which have been completed with arduous or unhealthy work

Disability pension conditions

For the entitlement to the full pension the insured must be assessed at least 80% disabled with 4.500 days of contributions, or 1500 days of which 600 days must have been completed within the 5 years before the disability began. Entitlement to pension begins when the cash sickness benefit ends. For an assessed degree of disability of 80% (severe) or more, 100% of the pension is paid. For an assessed degree of disability of 67% to 79,9% (ordinary), 75% of the pension is paid (100% if the insured has 6000 days of coverage and the disability is the result of a psychiatric condition). For an assessed degree of disability of 50% to 66,9%, 50% of the pension is paid.

Calculation method of pension

Persons insured before 1.1.1993:

The amount of the pension is based on the length of the coverage period and the wage assumed for each of 28 insurance classes, in which the insured is classified according to average gross earnings. The average earnings of the 5 best years, within the last 10 years before the retirement, are taken into account for the calculation of the pension. The pension consists in the percentage of the assumed wage which is taken as a reference and varies between 70% and 30% in inverse relationship to the earnings. The amount resulting is increased for every 300 days of contribution beyond the 3.000 days of contribution.

Moreover after the 60th age of the insured persons, an additional increment is granted for every 300 working days beyond 10.500 days of insurance up to a maximum of 900 days.

Persons insured since 1.1.1993:

The amount of the pension is based on the length of coverage period and the wage assumed. The average earnings of the last 5 years before the retirement are taken into account for the calculation of the pension. Each year corresponds to 2% of pensionable income and up to 35 years of insurance, namely comes up to 70% of the pensionable income, while for every additional year of insurance beyond the 35 years and the completion of the 65 age up to 68 age (that is 3 additional years of insurance) an increment of 3,3% of pensionable earnings is granted (namely the total replacement rate may comes up to 80% of the pensionable earnings).

It is of greatest importance to mention that in the framework of our social security legislation, aiming at securing a sufficient income for everybody, especially for the elderly people, the institution of

minimum pension has been established, which is partly non contributory pension, given that the final granted amount of pension can't be in any case less than the minimum amount for old age, invalidity and survivor pension, fixed each time by a decision of the government, even though when the amount of the pension resulting according to aforementioned determined calculations is less than the fixed by the government minimum pension.

For the year 2009 the monthly minimum old age and invalidity pension is 486.84 euros, while the survivor's pension is 438.16, plus the pensioner's *Social Solidarity Allowance*, which is wholly financed by the State Budget, on condition that the income criteria are met, according to our reply on your previous Questionnaire on Human Rights and Extreme Poverty concerning the Cash Transfer Programmes between 2003 and 2008, in terms of "*provision of direct financial support to households living in poverty in order to increase their real income*".

Social benefits (in the form of housing subsidies, tourism and entertainment) are provided to those insured with IKA-ETAM by other public institutions, namely the Organisation for Housing Benefits and the Workers Foundation, which are also supervised by the Ministry of Labour and Social Security.

O. A. E. E.

Since 1 January 2007 self-employed persons (merchants, craftsmen, retailers motorists, hotels owners ets) have been insured with **OAE**. Previously relevant categories were affiliated to three different Funds, according to their specific profession.

The system is financed by the insured persons' contributions, State participation and property income. Family members are also co- insured and exempt from contributions. Contributions are progressive according to 14 insurance classes. The self-employed persons insured until 31 December 1992 pay unilateral contributions, while the contributions of those insured since 1 January 1993 are bilateral (insured persons 2/3, State 1/3)

Qualifying conditions for the old age pension

For those insured until 31-12-1993:

Age 65 with an insurance record of at least 15 years

Age 60 with an insurance record of 35 years

Without age limit after 37 years of insurance in the Organisation

For those insured after 1 January 1993:

Age 65 with an insurance record of at least 15 years

Without age limit after 37 years of insurance in the Organisation

Entitlement to a reduced pension at the age of 60, with an insurance record of at least 15 years, 2,5 of which during the 5 years preceding the date of the request for retirement.

Disability pension

For the entitlement to the pension the insured persons must have completed 5 years of insurance, 2 of which within the last 5 years before the disability began, or after 15 years of insurance with an assessed disability degree of at least 67%.

Calculation of the pension:

The pension depends on the number of insurance years. Each year equals to 2% of the income for the entitlement to the pension. In case of a reduced pension, the reduction rate equals to 1/200 for

each month of early retirement till the completion of the age limit for the entitlement to a full pension.

For the year 2009 the monthly minimum pension for the old age and invalidity pension comes up to 406.00 euros and the survivor's pension comes up to 341.00 euros plus the pensioner's *Social Solidarity Allowance*, which is wholly financed by the State Budget, on condition that the income criteria are met, according to our reply on your previous Questionnaire on Human Rights and Extreme Poverty concerning the Cash Transfer Programmes between 2003 and 2008, in terms of "provision of direct financial support to households living in poverty in order to increase their real income".

OGA

OGA was established in 1961 providing the social insurance system for the rural population. The main characteristic of the early OGA days was its non-contributory character. The insured people were not obliged to pay any contributions and the system was financed exclusively through the State Budget. OGA has a central department at national level, 8 regional departments and also representatives in the whole country (the employees of local municipalities).

Beginning the year 1988, OGA starts transforming itself from a completely state subsidy based scheme - which is due to finish in the year 1998- to a contributions based insurance scheme, following the pay-as-you-go principle, like the other social security Organisations of main and supplementary insurance. Thus the Main Insurance Branch was introduced based on obligatory contributions paid by the employer, the employee and the State.

OGA offers social protection not only to independent farmers and their dependent members but also to the employed workers in the field of agriculture and their families (including unskilled workers in agricultural enterprises, like planteries, floriculture, stock breeding etc).

Seven contribution categories were provided and the insured people can choose one of the seven categories and have to pay 7% of a fixed amount, set for each category. The State participates, contributing with 14% on the same amount, undertaking the contribution of the non-existing employer, while for the workers employed in agricultural enterprises 14% is paid by the employer and 7% is paid by the State.

Disability pension

The OGA pensioners are considered disabled when the disability degree is assessed by the Health Committees at least 67%

Calculation method of pension

The amount of the pension is determined by 2% on the insurance category in which the insured is classified multiplied by the years of insurance in the Main Insurance Branch.

The insured farmers except the amount of the Main Insurance pension are granted an additional amount corresponding to the basic pension -which now comes up to 360 euros- decreasing by 4% from the year 2003 and the target set for the 2026 is the abolishment of this pension, which is based on the State and its transformation to an exclusively based on contributions scheme. Therefore OGA pensioners after 2026 will not be granted any amount for basic pension.

It should be pointed out that this Organisation is also administering the assistance scheme for uninsured people older than 65 years of age without sufficient subsistence means.

All the above mentioned persons are provided by the Organisation with the right to participate in social tourism programs as following: Free vacations programs, free vouchers for books, theatre and other cultural events, participation to training trips for young farmers etc.

Qualifying conditions for the old age pension

65 years of age and an insurance record of at least 15 years

Persons over 65 years of age without sufficient subsistence means

(ii) Programme cost and coverage

(6) In respect of the available data for the year 2007, according to the report of the Greek Actuarial Authority as concerns the pensions for *the Study of Ageing Working Group* in November 2008, the pensions for each one of the above Organisations constitute the following percentage of GDP :

IKA-ETAM	3,30 %
OAEE	0,93 %
OGA	1,55%

(9) The minimum salary since the year 2005 according to the annual Collective Labour Agreements is :

year 2005	591,18	euros
“” 2006	625,97	“”
“” 2007	657,89	“”
“” 2008	701,01	“”
“” 2009	739,57	“”

We cite below tables with the total number of the beneficiaries for each one of the mentioned above Organisations, the average age and the number by sex of beneficiaries of old age, disability and survivors' pension.

IKA ETAM

YEAR	OLD AGE PENSIONERS						INVALIDITY PENSIONERS						SURVIVORS		
	Men		Women		Total		Men		Women		Total		Men	Women	Total
	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER
2005	338.911	71,25	213.367	69,70	552.278	70,65	88.070	62,74	42.488	63,88	130.558	63,11	13.417	229.866	243.283
2006	347.789	71,26	222.292	69,92	570.081	70,73	87.591	62,71	42.261	63,78	129.852	63,06	14.514	236.198	250.712
2007 (1)	364.372	72,02	236.749	70,23	601.121	71,31	87.450	63,62	42.426	64,68	129.876	63,97	15.749	242.588	258.337
2008 (1)	432.232	71,29	272.166	69,59	704.398	70,64	91.472	63,55	43.841	64,32	135.313	63,79	18.437	269.597	288.034
2009 (1)	441.307		282.497		723.804		91.541		44.148		135.689		19.878	274.454	294.332

YEAR	TOTAL		
	MEN	WOMEN	TOTAL
2005	440.398	485.721	926.119
2006	449.894	500.751	950.645
2007 (1)	467.571	521.763	989.334
2008 (1)	542.141	585.604	1.127.745
2009 (1)	552.726	601.099	1.153.825

Notes:

(1) Data for the funds that are integrated into IKA-ETAM is included. The reduction of the average pensioners' age for 2008 is due to the fact that the pensioners' age of the integrated funds is lower than the pensioners' age of IKA-ETAM.

(2) There is a shortage of age registration as concerns the survivor's benefit and the calculation of the average pensionable age is precarious.

(3) There is no data for the ethnicity.

YEAR	ANNUAL COST OF PENSIONS	ANNUAL COST OF PENSIONERS' SOCIAL SOLIDARITY ALLOWANCE (EKAS)
2005	6.833.446.380	429.279.404
2006	7.382.609.579	510.170.208
2007	7.973.411.713	601.483.629
2008*	9.129.469.560	671.129.477
2009* *	10.633.371.455	720.790.000

* Temporary account

** Estimated account

OAAE

YEAR	OLD AGE PENSIONERS					INVALIDITY PENSIONERS					SURVIVORS				
	MEN	WOMEN	TOTAL	AVERAGE PENSION	AVERAGE AGE	MEN	WOMEN	TOTAL	AVERAGE PENSION	AVERAGE AGE	MEN	WOMEN	TOTAL	AVERAGE PENSION	AVERAGE AGE
2005	127.433	21.063	148.496	609,84	73,1	24.630	6.552	31.182	493,93	65,6	3.412	96.551	99.963	350,01	71,5
2006	132.013	23.026	155.039	657,16	73,3	25.027	6.706	31.733	524,29	65,6	3.715	98.919	102.634	366,10	71,5
2007	133.409	24.107	157.516	695,76	73,3	24.207	6.679	30.886	542,44	65,7	3.845	99.626	103.471	376,90	71,7
2008	138.166	25.736	163.902	766,87	73,2	25.229	7.050	32.279	594,05	65,7	4.119	101.728	105.847	410,08	71,6
2009	143.261	27.280	170.541	783,44	74,0	24.990	7.496	32.486	600,04	66,0	4.569	104.143	108.712	408,08	70,6

TOTAL NUMBER OR PENSIONERS			
YEAR	MEN	WOMEN	TOTAL
2005	155.475	124.166	279.641
2006	160.755	128.651	289.406
2007	161.461	130.412	291.873
2008	167.514	134.514	302.028
2009	172.820	138.919	311.739

YEAR	ANNUAL COST OF PENSIONS
2005	2.145.941.980,27
2006	2.435.026.650,86
2007	2.471.025.766,25
2008*	2.785.288.344,00
2009**	3.107.855.442,00

* Temporary account

** Estimated account

NOTE: All IKA-ETAM and OAAE data (number of pensioners, average age, average pension, annual cost) concerns all the pensioners of the Organisations

OGA

NUMBER & AVERAGE AGE OF PENSIONERS

	OLD AGE						INVALIDITY						SURVI-VORS
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		
	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	NUMBER	AVERAGE AGE	
2005	228.82	76,0	422.172	76,4	650.997	76,3	30.839	63,2	51.006	67,7	81.845	65,8	3.781
2006	227.363	76,2	417.958	76,6	645.321	76,4	30.252	63,1	50.554	67,7	80.806	65,8	4.469
2007	224.486	75,9	414.686	76,3	639.172	76,2	29.238	61,3	49.262	65,5	78.500	63,8	5.231
2008	221.686	76,3	414.611	76,6	636.297	76,5	28.274	61,1	47.705	64,5	75.979	63,1	5.851

1. The number of old age and invalidity pensioners of OGA data concerns pensioners of age 65 and above.
2. The average age of old age pensioners concerns also the pensioners of age 65 and above but the average age of invalidity pensioners concerns all the groups of ages.

OGA AVERAGE PENSION

	AVERAGE BASIC PENSION		AVERAGE MAIN INSURANCE BRANCH PENSION	
	OLD AGE	INVALIDITY	OLD AGE	INVALIDITY
2005	210,97	212,59	95,77	101,88
2006	224,56	226,76	105,56	113,08
2007	272,70	275,97	115,52	123,46
2008	322,61	326,44	126,91	134,80

ANNUAL COST OF OGA PENSIONS (in million Euros)

	BASIC PENSION			MAIN INSURANCE BRANCH PENSION		
	OLD AGE	INVALIDITY	TOTAL	OLD AGE	INVALIDITY	TOTAL
2005	1.861	555	2.416	597	84	681
2006	1.956	579	2.535	688	96	784
2007	2.363	666	3.029	762	107	869
2008	2.741	754	3.495	837	117	954

OGA PENSIONERS OVER 65 OF AGE WITHOUT ANY INSURANCE COVERAGE

YEAR	PENSIONERS	COST OF PENSIONS IN MILLION EUROS	AVERAGE BASIC PENSION IN EUROS
2005	61.000	195	213,10
2006	64.000	217	228,00
2007	66.000	277	278,02
2008	67.000	330	330,26

(iii) Implementation procedures

After the completion of the conditions required for the entitlement to the pension, the insured persons by written application to the Social Security Organisation ask for their pension. They are paid their pensions by the Bank Offices throughout the country.

(iv) Monitoring mechanisms and complaints procedures

The Social Security Organisations are administered by their respective Governing Boards with the participation of State representatives as well representatives of employees and employers in decisions making as regards all the administrative and financial issues of the Organisation.

THE GENERAL DIRECTOR

Dr. ARTEMIS ANAGNOSTOU-DEDOULI

Εσωτερική διανομή

- 1. Γραφείο κ. Υφυπουργού
(επί του αρ. ΑΠ6171/ΑΣ553/24-11-09
εγγράφου του ΥΠΕΞ)**
 - 2. Γραφείο κας Γενικής Γραμματέως**
 - 3. Γραφείο κας Γενικής Δ/ντριας Κ.Α.**
 - 4. Δ/νση Διακ/κής Κοιν.Ασφ/σης
Τμήμα Γ**
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