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PERMANENT MISSION OF THE REPUBLIC OF SERBIA TO THE UNITED NATIONS OFFICE
AND OTHER INTERNATIONAL ORGANIZATIONS

СТАЛНА МИСИЈА РЕПУБЛИКЕ СРБИЈЕ ПРИ УЈЕДИЊЕНИМ НАЦИЈАМА И ДРУГИМ МЕЂУНАРОДНИМ
ОРГАНИЗАЦИЈАМА

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No. 160/1

The Permanent Mission of the Republic of Serbia to the United Nations Office and other International Organizations at Geneva presents its compliments to the Office of the High Commissioner for Human Rights, and with reference to the latter's Note Verbal dated 20 November 2009, concerning the implementation of the Human Rights Council resolution 8/11 entitled "Human Rights and Extreme Poverty", has the honour to convey the response of the Ministry for Human and Minority Rights of the Republic of Serbia.

The Permanent Mission of the Republic of Serbia hopes that this information, although conveyed after the provisional deadline, will present significant contribution to the valuable work of the Office.

The Permanent Mission of the Republic of Serbia avails itself of this opportunity to renew to the Office of the High Commissioner for Human Rights the assurances of its highest consideration.



Geneva, 28 January 2010

Office of the High Commissioner for Human Rights
GENEVA

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OHCHR REGISTRY

29 JAN. 2010

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Ministry of Human
and Minority Rights
Palace of Serbia
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11000 Belgrade
January 20, 2009

Answers to the questionnaire on social security for elderly persons sent to the governments by an independent expert for the matters of human rights and extreme poverty

Application of the resolution of the Human Rights Council 8/11 from June 18, 2008

i) Legal and institutional framework

1. Mandatory pension and disability insurance is regulated by the Law on pension and disability insurance and the Law on contributions for mandatory social insurance. It includes insurance for elderly people (age pension), disabled individuals (disability pension) and in case of a loss of bread-winner (family pension).

a) b) The right to age pension can be exercised by fulfilling the following conditions:

- in 2010, 64 years and six months of age (men) or 59 years and six months of age (women), and at least 17 years of pension insurance;
- in 2011, 65 years (men) or 60 years (women) of age and at least 15 years of pension insurance.

Besides the above mentioned conditions, right to age pension is accomplished by fulfilling some of the following conditions:

- when a person reaches 40 (men), or 35 (women) years of pension insurance, and at least 53 years of age;
- when a person reaches 45 years of pension insurance, regardless of their age.

ii) This is mandatory insurance based on contributions.

3. a) Mandatory pension and disability insurance is uniform for the entire territory of the Republic of Serbia. It is regulated by the law adopted by the National Assembly of the Republic of Serbia. Implementation of insurance is under the jurisdiction of the Republic Fund for pension and disability insurance. The Fund is a legal entity with the status of an

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organization for mandatory social security, providing pension and disability insurance and the finances for this insurance.

b) Managing and Supervisory Boards of the Fund consist of the representatives of the insured, employees and beneficiaries. The unions and associations of employers are engaged in development of legislation regulating these matters.

ii) Program expenses and providing funds

4.

Number of the insured -

2.767.415, out of which:
2.205.489 employees;
328.541 entrepreneurs;
233.385 farmers.

Total number of pensioners -

1.596.898, out of which:
1.318.947 employees;
53.340 entrepreneurs;
224.611 farmers.

5. Mandatory pension and disability insurance is uniform for the entire territory of the Republic of Serbia.

6. In 2009, total expenses of the Republic Fund for pension and disability insurance were 463.4 billion dinars. According to the estimate, that makes approximately 15,7% GDP. Expenses for pensions in 2009 were 387.3 billion dinars, i.e. 13,1% GDP.

7. Income:

Contributions – 235.4 billion dinars;

Receipts from securities and payments of loans – 5.6 billion dinars;

Transfers from the budget * – 213.9 billion dinars;

Transfers from the National employment agency and the Republic Fund for health insurance – 7.9 billion dinars;

Total income – 462.8 billion dinars

*Transfers are done from the state budget.

Expenses:

Net pensions – 387.3 billion dinars;

Other insurance rights (aid and care by other people, injury etc.) – 17.6 billion dinars;

Health insurance contributions – 48.3 billion dinars;

Administrative expenses – 6.5 billion dinars;

Other expenses – 3.8 billion dinars.

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Total expenses – 463.4 billion dinars

8. Mandatory pension and disability insurance includes all legal economic activities for which some kind of benefit is gained and for which contributions are paid. If an elderly person does not receive pension that means that he/she was not insured for sufficient number of years.

Pension coverage of elderly persons:

65 years and older	Total	Men	Women
Population	1.257.728	530.693	727.035
Pensioners	967.703	462.737	504.966
Contribution	76,9%	87,2%	69,5%

9. The amount of pension depends on the length of pension insurance and wages accrued during the insurance period. It is calculated by considering the earnings of the insured for each year of insurance, starting from 1970 (data keeping started that year) and comparing it to an average wage in Serbia for that year, and that is how annual personal coefficient is calculated. The sum of annual personal coefficients is divided by the period for which they were calculated. The result is multiplied by the years of insurance and that is how Personal point of insured person is calculated. Personal point is multiplied by the general point (which is the same for the entire Serbia) and the result is the amount of pension for that beneficiary.

Average pension in November 2009 is 69.8% of average earnings for that same month. Average age pension is 79.8% of average earnings.

iii) Implementation procedures

10. Pensions are paid directly to the bank account of the beneficiaries or are delivered to the home address of the beneficiaries using postal services.

11. Beneficiaries receive information by using:

- notifications in the branch offices of the Fund;
- printed and electronic media;
- Internet page of the Fund – www.pio.rs
- Publication *Glas osiguranika* (the Voice of the Insured) issued by the Fund.

Information is available in Serbian language, as well as in the languages of the national minorities, in the municipalities where they make significant share in the population.

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12. Age pension beneficiary, i.e. family of the beneficiary, can also exercise the right to financial support, provided that the total income of the family of the age pension beneficiary does not exceed minimum level of social security regulated by the Law on social security and providing social safety of the citizens, and if the family of age pension beneficiary fulfills other conditions stipulated by the Law on social security and providing social safety of the citizens (that they do not own real estate of over 0.5 hectares, do not own movable assets which if used or disposed, without jeopardizing basic life needs, would be six times the amount of financial support, did not sign any contract on lifelong care). The right to financial support is recognized in the amount of the difference of the amount of financial support and family income, made during three months before submitting the request.

Age pension beneficiary, who qualifies for financial reimbursement for help and care provided by other person in the system of pension-disability insurance, can have the right to increased allowance for help and care provided by other person, provided that 100% physical disability was diagnosed for this beneficiary. In those circumstance, the above mentioned right is acknowledged in the amount of increased allowance for help and care provided by other person, regulated by the provisions of pension-disability insurance. The income of the beneficiary is not relevant for exercising this right.

Financial program in the system of social security in Serbia is defined by the Law on social security and providing social safety of the citizens. Financing is centralized and the budget of the Ministry of labor and social policy is used, issuing payments in the different centers for social services and municipal social security services. Local institutions can finance additional amounts or higher allowances provided there are funds in municipal budget. While certain local communities finance some other needs of socially deprived citizens, less developed municipalities are not able to provide even half a services that are decentralized.

An appeal can be filed to the decisions related to the rights to financial support, as well as to decisions related to the right to increased allowance for help and care provided by other persons.

13. -

iv) Supervision mechanisms and filing countersuits

14. National Assembly of the Republic of Serbia approves the Financial plan of the Fund.

The Government approves the Statute, Working program, Work report and Financial report of the Fund.

Relevant minister issues the bylaws regulating certain issues related to this matter.

15. The law provides the two-instance legal system where the decisions are made, meaning that the petitioner is entitled to file an appeal in case he/she is not satisfied with the decision made in the first instance court. In case a petitioner is not satisfied with the

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second instance decision, there is an option to initiate administrative case before relevant court.

Also, insured individuals and beneficiaries can address the Fund with requests for certain information.

16. In case the court annuls the decision made by the Fund, a new decision shall be made. Most common objections are reactions to the amount of pension and evaluation of disability.

If the Constitutional court decides that certain article is contrary to Serbian Constitution, this article shall be changed.

v) Existing studies and evaluation of age pensions

17. and 18. The Ministries did not make any studies related to above mentioned issues. There are studies performed by the International labor organization and the SEGA project, funded by the USAID.

vi) Other available social security programs that can be used by elderly persons

Rights of the elderly in the system of social security based on the authority given by the Constitution of the Republic of Serbia, are regulated in the Law on social security and providing social safety of the citizens. The law includes the list of rights in social security system without specific definition of age category of the possible beneficiaries:

1. Right to financial support (social assistance)
2. Right to allowance for help and care by another person;
3. Right to accommodation in the social service facility or another family;
4. Right to home care;
5. Right to daily accommodation;
6. Right to equipment for accommodation in the social service facility or another family;
7. Right to one time financial assistance in money or goods;
8. Right to social services (diagnosing, mediating, counseling, informing etc.)

In specific parts of the Law, regulating the scope of the rights, their implementation and who can be the beneficiary, a special category of beneficiaries stands out – elderly persons and pensioners (“Right to home care is provided to the elderly and disabled, individuals with chronicle diseases”, “Right to accommodation in the social security facility is provided to a pensioner or other elderly person ...” etc.). Open types of social security services include: home care, daily accommodation and family accommodation, clubs for the elderly and the pensioners, secured accommodation, shelter for victims of domestic violence, shelter and reception unit....**Clubs for the elderly and the pensioners**

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are considered to be the broadest, and in the hierarchy, the first of the services that have the goal of providing elderly people with an opportunity to spend time together and have more active life in their homes. **Home care** includes providing help with house work and care in their household (these services are provided to elderly persons by the geronto-housekeepers). **Daily accommodation** is provided to elderly persons who cannot take care of themselves during the day, and besides few hours of stay, they are provided food, hygiene, appropriate medical care, work and occupational therapy, cultural and social activities and other services, depending on the needs of the beneficiaries. **Placement in another family**- the family is chosen according to their ability to fulfill the needs of the beneficiary regarding accommodation, food, hygiene, dressing and use of social security.

More detailed criteria for exercising the right to open forms of security, as well as proving funds for their financing (except for the placement in another family), are under the jurisdiction of the municipalities, that are, as well as local self-governments the most competent and most responsible for determining the needs of their citizens, form and methods for fulfilling these needs and providing financial support for that. According to the Law on social security and providing social safety of the citizens and the Law on public services (which applies to all social service institutions), all social security activities can be performed by the institutions established by the government, as well as by the institution established by another institution, company or citizens, i.e. institution whose main activity is not social security. Certain number of institutions providing social security for elderly persons were established by the state, and fewer were established by individuals (so called Private homes for the elderly). Services of clubs, help and home care and daily accommodation are provided also by different humanitarian and non-governmental organizations.

Currently, there is an ongoing debate about new Draft Law on social security, which should be adopted in 2010. Decentralization of social security, as envisioned by this Law, is necessary in order to provide efficient, economical and rational way to provide social services to all those in need. At the moment, approximately 90% of total assets for social security are provided from the Republic budget, which covers family benefits and social aid, financial reimbursement for poor families, home care and help, as well as accommodation in the social security facilities and foster families. At the same time, legal provisions delegate number of social rights and regulations to local self-governments, such as one-term aid, home care, daily accommodation, temporary accommodation in the shelter and receiving unit.