

(i) The legal and institutional framework

1. Provide details of the legal framework by which the programme(s) is established:

- The Constitution of the Republic of Macedonia 1991
- Law on Social Protection, Official Gazette of the Republic of Macedonia, No 16/00,17/03,62/04,21/06
- Law on Local Self-Government, Official Gazette of the Republic of Macedonia, No 5/02
- Law on Education of Adults, Official Gazette of the Republic of Macedonia, No. 7/08/
- Family Law, Official Gazette of the Republic of Macedonia, No. 80/92
- Law on Labor Relations, Official Gazette of the Republic of Macedonia, No.
- Law on Unemployment and Unemployment Insurance, Official Gazette of the Republic of Macedonia No. (with all amendments)
- Law on Employment of Persons with Disability, Official Gazette of the Republic of Macedonia, No. (with all amendments)
- Law on Health Insurance (Official Gazette of the Republic of Macedonia, No. 25/2000,34/2000 and 96/2000)
- Law on Health Protection, Official Gazette of the Republic of Macedonia, No. 38/91 ,17/97 and 10/2004
- Law on Pension and Disability Insurance, Official Gazette of the Republic of Macedonia, No. (with all amendments)
- Law on Civilian Disabled Veterans (with all amendments)
- Programmes for preventive health care
- National Census 2002, State Statistical Office
- Institute of Social Activities, Statistical Bulletin for social protection, 2000-2007
- National Institute for Health Protection, Report for 2000-2007
- UNDP, Socio-economic Disparities among Municipalities, 2004
- National Health Plan of Action
- State Statistical Office (2008) Macedonia in figures
- Regulation for the mode and conditions for attainment of the right for financial supplement for assistance and care from other person, Official Gazette of the Republic of Macedonia, No.102/2006
- Regulation for determining the height of the right to one-off financial assistance, Official Gazette of the Republic of Macedonia, No. 2/2003, 57/2003, 23/2005, 105/2005, 56/2006, 71/2006 and 78/2006
- Regulation for norms and standards for establishing and commencing operation of institutions for protection of older persons, Official Gazette of the Republic of Macedonia, No. 10/2005
- Regulation for criteria for selection of foster family, type and number of beneficiaries that may be placed in one foster family, type and scope of services in the area of social protection that are provided to the person placed in foster family, the financial reimbursement level for expenses for placement and for foster care, Official Gazette of the Republic of Macedonia, No 63/2006

- Regulation for the type and scope of social protection services that are paid by the beneficiary and the relatives that are obliged to support him/her and the height of participation in the expenses of the beneficiary and the relatives, Official Gazette of the Republic of Macedonia, No. 133/2006
- Regulation for the modality for determination of a holder of right to social financial assistance, description of earnings of the person, family or the household at the submission of the request for claiming the right and the necessary documentation for confirmation of the income situation, Official Gazette of the Republic of Macedonia, No. 103/2007.
- Strategy for demographic development of the Republic of Macedonia, 2008, Government of RM.
- National Strategy for Employment 2010
- National Plan of Action for employment 2006-2008
- Operational Plan for active employment policies for 2007 foreseen with the Plan of Action of the Government of the Republic of Macedonia 2006-2010
- Operational Plan for active programmes and measures for employment for 2008
- Programme for social inclusion
- Programme for attainment of social protection for 2010

(a) Please indicate the retirement age/eligibility age for the pension and if it takes into account the nature of the occupation (e.g. formal or informal employment) of the potential beneficiaries.

Eligible for a retirement benefit are contributors with 64 years (for man) and 62 years of age (for woman) and minimum 15 years of pension service. The contribution rate is 21.2% of the gross salary for contributors that will remain in the mono-pillar system and 13.78% of the gross salary for the contributors that will switch to the new two-pillar system. The contributors included in the new system pay a contribution of 7.42% of the gross salary for the second pillar.

(b) Are there any restrictions, including a qualification period for receiving the pensions?

Pension coverage of older persons, obstacles in relation to fulfillment of criteria for pension at vulnerable groups such as: unemployed persons, dismissed workers, short-term employed persons, people who work on the grey market, agrarians, labor market employment of older workers and utilization of benefits on basis of employment.

(c) Please indicate whether it is contributory or a non-contributory programme

The main aspect of change has involved the modernization of the pension system. Concerning its structure, the pension system in the Republic of Macedonia is a three-pillar system consisting of: first pillar - mandatory defined benefit reformed pay-as-you-go system; second pillar - mandatory

defined contribution and third pillar – voluntary defined contribution whose implementation is little prolonged.

2. In the event that the programme is not established by law, please provide details of the administrative regulations or other relevant programmatic document available that are at the origin of its implementation

The unemployment financial benefit is paid to unemployed person that has been working and paying contribution continuously at least nine months or twelve months with interruptions, in the last 18 months. Agrarian may be given this benefit if his/her activity was registered and if he/she paid the contributions according to the above listed criteria. The minimum amount of the unemployment benefit is not set, however, the unemployment benefit cannot be higher than 80% of the average wage in the country.

3. Please describe the institutional framework used to implement the programmes;

(a) Please indicate which governmental authorities, structures and mechanisms, including those at the federal, state/provincial, municipal and local level were involved in the design, implementation and monitoring of the programme(s)

Ministries

- Ministry of Labor and Social Policy
- Ministry of Health
- Ministry of Education

Institutions

- Employment Service Agency
- Health Centres
- Homes for pensioners (28)
- Public Institutions - Homes for older persons
- Private homes for older persons (5)
- Gerontology departments at hospitals
- Inter-municipal social welfare centres (27)
- Associations of pensioners

NGO Sector

- Red Cross
- NGO's in the area of public humanitarian activities (that conduct activities for older persons).

(b) Were civil society organizations involved in the elaboration of the legal framework, the implementation and monitoring of the programme(s)? If yes, please describe their role.

Yes, establishing cooperation with different governmental organizations, partner organizations, corporate sector and local authorities for designing and

implementation of different projects and services targeted for vulnerable older population.

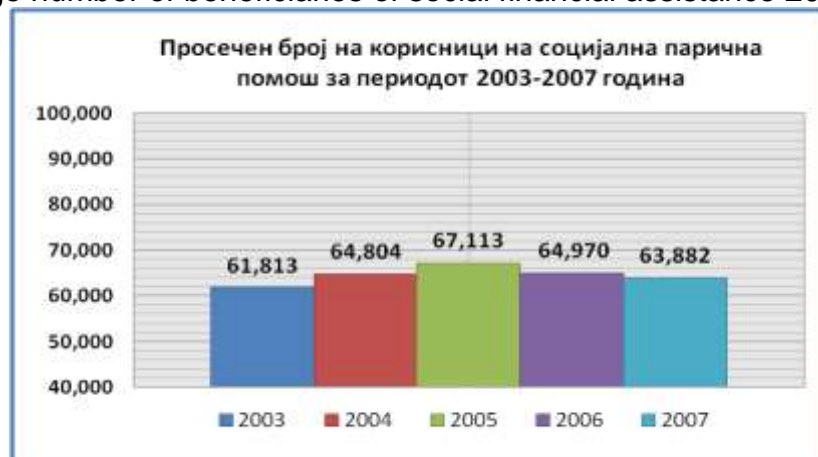
Development of strategy for protection of older persons with clearly defined action plans targeted for older persons.

Establishing coordination among the Pension and Disability Insurance Fund, Employment Agency, Social Welfare Centres, Health Services and local authorities in developing joint policy and implementation of coordinated services for older persons.

(ii) Programme costs and coverage

4. Please indicate the number of beneficiaries of the programme (annually)? If available, please provide details on their profile (eg.sex,age,ethnicits,origin...).

Average number of beneficiaries of social financial assistance 2003-2007



Source: Ministry of Labour and Social Policy
"Social Picture of the Republic of Macedonia"

Table 3. Number and structure of insured persons December 2006

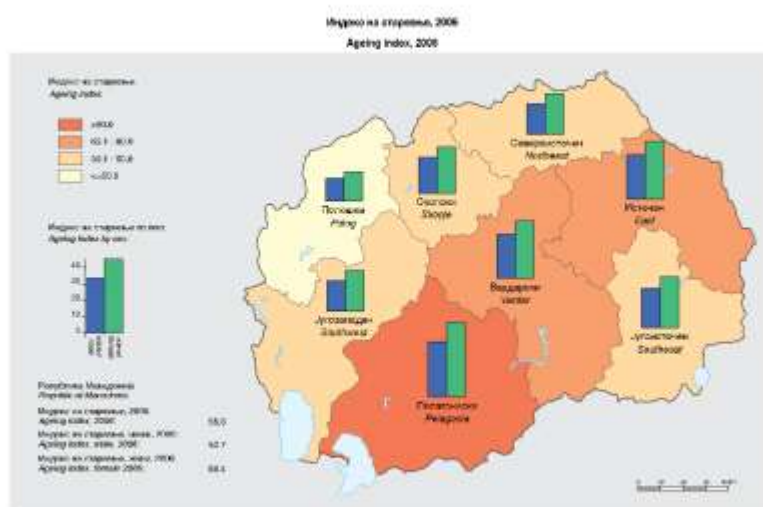
Insured persons	Number		Index(%)	Structure (%)	
	2005	2006	06/05	2005	2006
Active employees	417,562	423,284	101.39	21.99	21.83
Active agricultural workers	18,623	18,038	96.86	0.98	0.93
Pensioners	297,324	313,396	105.41	15.66	16.16
Unemployed persons	268,213	273,999	102.16	14.13	14.13
Others	25,556	25,285	98.94	1.35	1.30
Total Insurees	1,027,178	1,054,002	102.61	54.11	54.36
Total family members	871,156	884,758	101.56	45.89	45.64
Total numbers of insured persons	1,898,334	1,938,760	102.13	100.00	100.00

Sources: Bulletin of the Health Insurance Fund 2006

5. Which geographical areas are covered by the programme in the country (national, regional, local)?

The territorial distribution of the older persons in the Republic of Macedonia aged over 60 years, and aged over 65 years is characteristic for two regions (Picture No.1) in the Republic of Macedonia, amounting to 20,2% and 15,1% in Pelagonija region, compared to 11,3% and 7,8% in Polog region. While the process of ageing of the population has not started in the Polog region, it is very intensive in the Pelagonija region, among other things, because of the emigration of the young population in the last several decades.

Chart 1: Aging index in the Republic of Macedonia per regions, State Statistical Office 2006



Region	Number	%
Pelagoniski	155	12,7
Vardarski	162	13,3
North-east	92	7,5
South-west	145	11,9
Skopski	292	23,9
South-East	100	8,2
Poloshki	116	9,5
East	160	13,1
Total	1.222	100,0

Table 1: Review of Social assistance beneficiaries over 54 years old per region Administrative data from the CSW, February 2009

Regions	Permanent financial assistance	Financial supplement for social care	financial assistance	Placement in institution
Pelagonija region	311	2673	4168	130

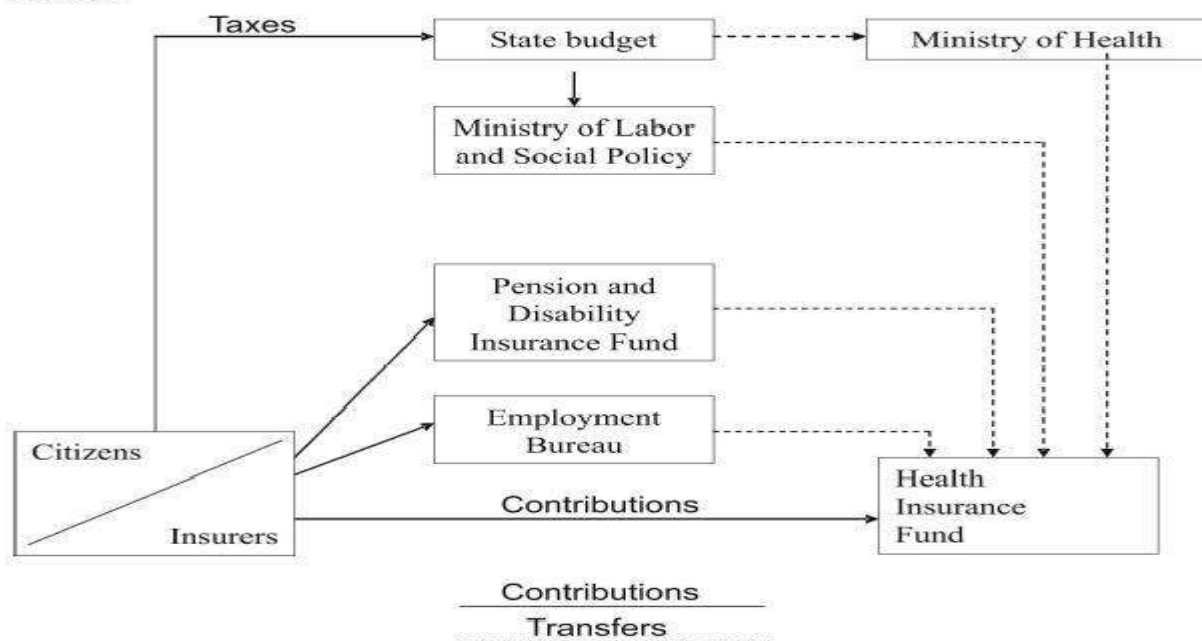
Vardar region	33	1491	421	
North-Eastern region	118	1543	497	
South-Western region	110	1330		
Skopje region	590	2753	1243	96
South-Eastern region	108	1239	586	40
Polog region	212			
Eastern region	154	1855	727	
Total	1636	12884	7642	266

6. What is the annual budget of the programme(s). what is the percentage of the GDP does this constitute?

According to the State Statistical Office, social expenditures in the Republic of Macedonia are calculated according to the European System of Accounts 95 (ESA 95). 21,2% of the state budget funds are allocated for the pension and disability insurance out of which 9,2% for health insurance, 1,8% for employment and 2,59% for social protection.

7. Please give details and indicate the sources of funding utilized for the programme(s) and the main costs involved at the various stages of implementation. In particular, is the programme operated with national, regional, local public resources? Are external resources used for this programme?

Graph 2. Sources of the Health Insurance Fund revenues



Source: WHO Health Systems in Transition – The former Yugoslav Republic of Macedonia 2006

8. Please indicate approximately how many potential beneficiaries were not reached by the programme. Have studies been undertaken to assess the

reasons for coverage gaps? Please provide details of their profile (eg.sex,age,ethnicity,origin...).

According to the data from the Health Insurance Fund of Macedonia, approximately 8.000 uninsured persons older than 65 benefit the health care costs being covered from the Budget of the Republic of Macedonia. The uninsured persons older than 65 benefit the following services: medical checkup (general and specialist checkup), basic diagnostic screening, emergency medical care, treatment in health units and hospital treatment, basic medicaments obtained by prescription in primary health care, emergency dental care protection. The Programme is in process of promotion and in the initial phase of implementation.

9. What is the average amount of the pensions in relation with the national average income or minimum salary/ How is the pension calculated?

In comparison to all other forms of social protection, the pension system has been a subject of most profound changes since 1991. Concerning its structure, the pension system in the Republic of Macedonia is a three-pillar system consisting of: first pillar - mandatory defined benefit reformed pay-as-you-go system; second pillar - mandatory defined contribution; and the third pillar – voluntary defined contribution (whose implementation is little postponed). Eligible for a retirement benefit are insured persons with 64 years (for man) and 62 years of age (for woman) and minimum 15 years of pension service. The contribution rate is 21.2% of the gross salary for contributors that will remain in the mono-pillar system and 13.78% of the gross salary for the contributors that will switch to the new two-pillar system. The contributors included in the new system pay a contribution of 7.42% of the gross salary for the second pillar.

In compliance with the Law on pension and disability insurance, the Pension and Disability Insurance Fund pays the pensions through the "pay as you go" system.

The lowest level of the pension for pension beneficiaries who have completed 35 years of service (men) and over 30 years of service (women) cannot be lower than 41% of the average salary, while for those with over 25 years of service (men) and 20 years of service (women) cannot be lower than 38% of the average salary. Spouses are entitled to family pension if the deceased insured party had been the recipient of pension.

The amendments and additions to the Law on Pension and Disability Insurance (Official Gazette of the Republic of Macedonia, No.70/06) also create legal base for inclusion of pension beneficiaries who have established employment or do business, in the circle of insured parties. If they establish employment, they will be paid 30% of the pension amount; if they are employed half of the full working hours they will be paid 50% of the pension and if they are employed less than half of the full working hours, they are entitled to 70% of the pension.

The number of pension beneficiaries in 2009 is 272.221 persons. More than one half (54,7%) of the total number of pension beneficiaries are beneficiaries of old age pensions and the other half are beneficiaries of family and disability pensions.

Table: Pension levels as of January 2009
Ministry of Labour and Social Policy

	Number of beneficiaries	Structure	average pension
Total	273 221	100%	9 865
average old age pension	149 563	54.7%	11 131
average disability pension	48 502	17.8%	8 856
coverage family pension	75 156	27.5%	7 998
average agricultural pension	2 651		3,525,50
Pension for military service	2 407		17,197 00
Total	278 279		

(iii) Implementation procedures

10. What procedures are utilized in order to pay the beneficiaries?

The health system in the Republic of Macedonia is organized on central level. The Ministry of Health is on the top of the pyramid being responsible to plan and secure the health care. The Health Insurance Fund is an institution through which the older persons exercise their rights in the area of health care. The health care is organized on three levels: primary health care, secondary health care and tertiary health care. The primary health care is organized on municipal level in health care stations that are private and the services are provided on basis of agreement concluded with the Pension and Disability Insurance Fund.

11. What procedures are utilized in order to inform beneficiaries about the programme? Is information made available in more than one language?

Information letters for beneficiaries through the 30 Centers for social work, Health Centers, Centers for employment and the electronic and print mediums.

They are available more than one language (Albanian, Roma, Turkey and Serbian)

12. Were other services (such as social work, subsidized services) provided to the beneficiaries in connection to the pension? If yes, please describe them.

Financial supplement for assistance and care from other person is allocated if the older person has severe or profound impairment and permanent blindness and requires assistance and care from other person. In January 2009, this benefit was paid to 12.884 older persons.

The older person may acquire *one-off financial assistance* in case of a longer sick leave amounting to a maximum of two average salaries on

national level paid in the last three months. In January 2009, this benefit was paid to 7642 older persons.

The older persons are entitled to be *placed in institutions for social protection* if the persons are not able to care for themselves, and if due to housing or family situation, they are not in position to be provided protection in any other way. They can acquire this right in four public residential institutions for providing care to older persons.

13. Do beneficiaries of the programme access other public services at special conditions, in particular for health services?

The health insurance is the basic condition for obtaining health protection on basis of pension (old age pension, disability pension, family pension and agricultural pension) and in compliance with the Law on Social Protection (2006) if they have the right to: permanent financial assistance, placement in institution, placement in foster family and financial supplement for assistance and care from other person if the person is not eligible to health protection on any other basis

For enlargement of the scope of the older persons in the achieving health protection, the Programme for health protection attributes support to certain groups of population and specific diseases of citizens who do not have health insurance for 2009 in Republic of Macedonia (Official Gazette No. 3/2009). One of the target groups in the Programme is the group of elderly people above the age of 65 who need to be provided with support for nursing care, following and promotion of the health of persons older than 65 years and who cannot be covered with the compulsory health insurance.

(iv) Monitoring mechanism and complaints procedures

14. Please describe the monitoring procedures utilized in order to oversee the implementation of the programme(s) and the entities responsible for monitoring.

The scheme's internal monitoring system involves all levels of the Department of Social Welfare in the Ministry of Labour and Social Policy who make a monitoring to Review progress; Identify problems in planning and/or implementation and Make adjustments from headquarters down to community level in charge of ensuring a smooth functioning of the scheme, meaning that the targeting is properly done and money is paid regularly.

15. Are there any complaints mechanisms or procedures attached to the programme, which are available to beneficiaries? If yes, please describe them.

Yes and complaint procedures ensure direct input at any given time from beneficiaries in the monitoring and verification process, and balance and supplement the limited scope of social audits, which helps to improve the management and minimizes fiduciary risks by institutions what are the part by the Ministry of Labour and Social Policy .

16. Have there been instances when any legal action was taken against the programme or those responsible for its implementation? If yes, what were the circumstances of the legal action and the basis for the complaint(s)?

No.

(v) **Existing studies and evaluations of old age pensions**

17. Please provide any studies, in particular needs assessments, utilized in order to develop the programme(s).

**Study on social exclusion of older persons
in the Republic of Macedonia**

Macedonia (MCD/008/HR/046) – Skopje, MACEDONIA

The research study based on collected data and findings is aimed to address key problems related to social exclusion of older persons in the Republic of Macedonia with emphasis on coverage, rights, access, availability and quality of services, obstacles visa-vi laws and policies in the area of protection of older persons compared to the current situation, as well as the undergoing reforms and challenges within the systems of social protection, pension, education and health.

The social inclusion in terms of EU policies, is a process which through implementation of effective policies and reforms, coordination and active participation of various actors needs to make decisive impact on eradication of poverty and overcoming problems that vulnerable groups (older people as particular case in the research study) which are experiencing homelessness, unemployment, low education, health problems that leads to their further

In this context, the research study elaborates state of play, policy, reforms and recommendations of older people, which can be taken as a considerable effort for improvement of the policy making in regarding social inclusion of older people in the country.

18. Please provide any studies, in particular impact assessment, developed to assess the implementation of the programme(s).

(vi) Other available social protection schemes that benefit older persons

The Expert would welcome information pertaining to other social protection schemes that benefit older persons, in particular in-kind benefits such as user fee exemptions and subsidized services. Please provide information about existing schemes guaranteeing that older persons have access to health services and essential drugs, housing support including access to water and sanitation, life-long education, social work and care services.

In compliance with the Law on Social Protection, there are several categories of social assistance benefits for older persons: permanent financial assistance for persons at the age of over 65 who are socially not provided for; social financial assistance for persons who are unfit to work and/or are socially not provided for (the research covered only persons over the age of 54); financial supplement for assistance and care from other person for persons who cannot look after themselves and one-off financial assistance.

Although the Employment Agency and the Employment centres on municipal level provide access to services and benefits to all unemployed persons on basis of equal opportunities, it seems that there are some institutional obstacles such as the need to prove property ownership. The persons who apply for the first time for social financial assistance take a letter from the social welfare centre and go to the State Revenues Office to get a certificate that they possess or don't possess any property that can bring them income on which they have to pay tax. If they are obliged to pay tax, they have to go to the State Geodetic Institute to obtain property ownership certificate. The right to social financial assistance is determined on basis of the income and the owned property of the person.

The achievement of the right on basis of unemployment is linked with the rights but should be linked with the needs. There is no systematic need for assessment of the labor market for qualified professions in the Republic of Macedonia. The inclusion of partners in the creation of employment policy within the tripartite body comprised of representatives of the Government, labor unions and association of employers should provide consultative support in the area of socio-political initiatives and reforms.

The last phase of the education system in the Law on education of adults proposes education in third age. This refers to opportunities for creation and development of forms for education of older persons in the old age as long as their intellectual capacities are functioning. The Law on labor relations and insurance in case of unemployment, Part 3, prescribes opportunities for retraining and vocational training.

The main objective of the education from aspect of overcoming the social exclusion is providing inclusion of the adults regardless of gender, social and economic status, religion and ethnic background and place of residence, enabling them equal access to education and equal opportunities for education that fulfil certain quality standards.

In the modern society when we encounter rapid changes in the production process, the acquired knowledge during the regular education becomes outdated even before the person retires. There is a need for individual development of capacities with lifelong learning for sustainable

development of the society and welfare of the individuals. The inclusion of the older persons in the lifelong education is very modest. There are regional differences but the biggest inclusion in this area is present in Skopje region whereas in the other regions there is a small inclusion, especially among people who are unemployed for a long period of time as well as persons over the age of 54 years. The exclusion of the older persons from continuous education is particularly present among those without complete primary and secondary education, poor persons and people who live in rural areas. This opens space for further exclusion of the older persons.

The World Health Organization defines health as “a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity”. This indicates that besides the physical and mental health, social well-being is one of the elementary elements of health that is, keeping the balance between the physiological processes in human body and the environment, family, community and the country in general where older persons live.

The right to equal health protection is one of the fundamental human rights. In compliance with the Constitution of the Republic of Macedonia, article 39, "Every citizen is guaranteed the right to health care", and the *Law on health protection and the Law on health insurance* stipulate the rights of the citizens in the area of health care, the relations and rights that arise from the health insurance, the procedure for using health care and the system and organization of the health care. The health care in Macedonia is available in both sectors, public and private.

The institutional health care for older persons is provided in geriatric centres and in dispensaries in the homes for older persons, i.e. in gerontology centres. These two types of health care are complementary and should be linked in the system of services to enable quality health care to older persons with minimum expenses.

The check-ups are free of charge, but there is co-payment for medicaments and interventions in the tertiary care amounting to 20% of the total expenses for the medical services. When buying medicaments, the insured persons pay co-payment fee amounting to 5% of the price of the medicament, that is, the payment of the medicament amounts from Denar 5 to Denar 600, for medicament obtained by prescription, which is not on the positive list.

Spa treatment depends on the diagnosis and is available through referral issued by medical specialist but with compensation from the older persons, while a primary care physician and medical commission prescribe the appropriate rehabilitation, and in this case, the payment is minimal. Spa treatment is done in spas that have concluded agreements with the Pension and Disability insurance Fund. Health care stations are opened in rural areas providing access to health care for the overall population in the country.

Specific education is needed in the area of gerontology and geriatrics within the pre-graduate studies and post-graduate studies for doctors in primary care, especially for those that work in the primary care service.