



European Social Charter  
Charte Sociale Européenne



COUNCIL OF EUROPE  
CONSEIL DE L'EUROPE

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## **EUROPEAN SOCIAL CHARTER**

Addendum to the  
2<sup>nd</sup> National Report on the implementation of  
the European Social Charter

submitted by

**THE GOVERNMENT OF SERBIA**

(Article 12 for the period  
01/01/2008 – 31/12/2011)

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Report registered by the Secretariat on  
6 June 2013

**CYCLE 2013**



## **Article 12 of the RESP**

### **Additional information**

The Social Security system in Serbia comprises the following institutions:

#### **Ministry of Labour, Employment and Social Policy**

Nemanjina 22-26,  
11000 Belgrade,  
Tel. +381-11- 363 15 78  
[www.minrzs.gov.rs](http://www.minrzs.gov.rs)

Responsible for policy making and administrative supervision in all areas of social security and employment , excluding health care and health insurance systems.

#### **Ministry of Health**

Nemanjina 22-26,  
11000 Belgrade,  
Tel. +381 11 3616 251  
[www.zdravlje.gov.rs](http://www.zdravlje.gov.rs)

Responsible for policymaking and administrative supervision in the health care and health insurance systems.

#### **Republic Fund for Pension and Invalidity Insurance**

Dr Aleksandra Kostića 9,  
11000 Belgrade  
switchboard +381 11 2645 022  
[www.pio.rs](http://www.pio.rs)

Independent fund under the supervision of the Ministry of Labour and Social Policy, responsible for the implementation of the pension and invalidity insurance.

#### **Republic Office for Health Insurance**

Dr Aleksandra Kostića 9,  
11000 Belgrade  
switchboard +381 11 645 022  
[www.rzzo.rs](http://www.rzzo.rs)

Independent fund under the supervision of the Ministry of Health, responsible for the implementation of the health insurance.

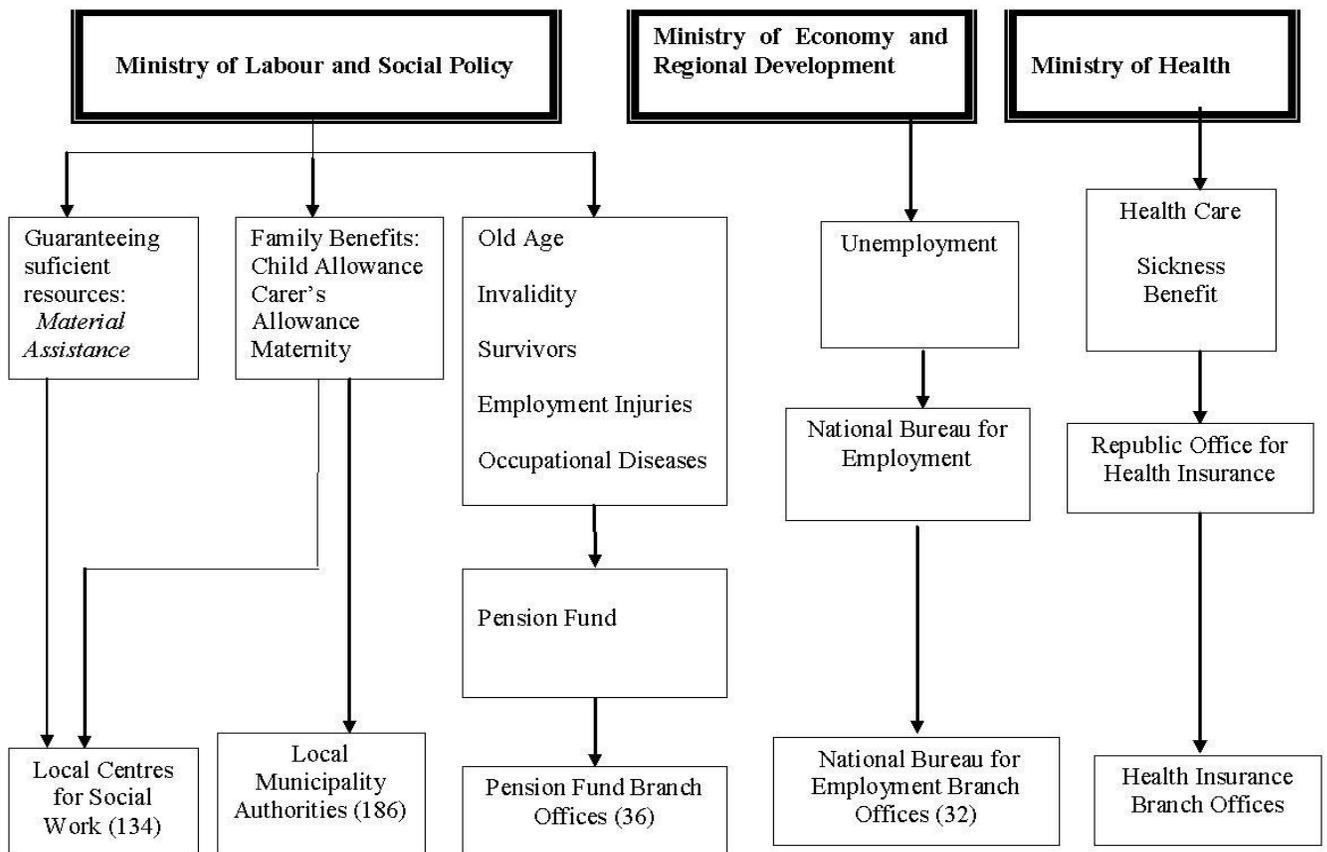
#### **National Bureau for Employment**

Kralja Milutina 8,  
11000 Belgrade  
Tel. +381 11 32 15 900, fax: +381 11 32 15 980

[www.nsz.sr.gov.yu](http://www.nsz.sr.gov.yu)

An independent body under the supervision of the Ministry of Labour, Employment and Social Policy, responsible for unemployment benefits and active labour policy implementation.

**THE RESPONSIBILITIES OF THE FORMER MINISTRY OF ECONOMY AND REGIONAL DEVELOPMENT HAVE BEEN TRANSFERRED TO THE MINISTRY OF LABOUR EMPLOYMENT AND SOCIAL POLICY since July 2012**



b) In Serbia, the responsibilities in the area of social protection are divided between central and local government levels.

The central level provides various forms of financial support: pecuniary benefits, care and support to another person, child-care allowances, parental allowances, and wage compensations for employed women who gave birth to children. The experience of other countries suggest that a sound solution in the area of pecuniary benefits is to define and exercise minimum rights at the national level and under the national criteria, so as to be equally available to all citizens.

In other segments, the social protection system is highly decentralized (only the housing services at almshouses and in another families are financed with the funds allocated from the central level).. The competences in the field of social protection services have been transferred to local self-governments. In the previous period, the activities of the state have been focused on finding mechanisms to develop these services and to make them sustainable.

The Law on Social Protection and Providing Security of Citizens envisages that the municipality shall set out and finance the right to day care, the right to one-off support and temporary housing at the shelter and reception station, facilities for the housing of beneficiaries at almshouses or in another family. The law also envisages that municipalities may also establish other rights in the field of social protection, the greater scope of the existing rights and more favourable conditions for the exercise thereof, if they have provided funds from the budget. Within the additional rights, most municipalities have opted for granting special discounts for the beneficiaries of social assistance upon paying communal services, discounts on kindergarten services, subsidies when purchasing fuel, etc.

Encouragement of the development and expansion of social protection services have certainly been initiated by international donors, but also by two special mechanisms developed after 2001 in the Ministry of Labour and Social Policy: The Social Innovation Fund and the Fund for Financing Invalidation Associations. Both Funds contribute to introducing new types of services at the local level and to development of services that are alternatives to institutional housing (for example development of foster parenting, creation of local networks for the protection for victims of abuse, etc.). In addition, these mechanisms also contribute to the inclusion of new entities in the domain of service, as well as to their teaming up with other actors who exist at the local level in the field of social protection.

The Social Innovation Fund and the Fund for Financing Invalidation Associations are of particular importance for further decentralisation process, for at least two reasons. First, because they are

directed to the local level and they recognize local characteristics and priorities. The fact is that there is neither sufficient capacity nor the resources for all the new services to be introduced simultaneously throughout the whole country. Due to these mechanisms, new services are being gradually introduced in several local areas, in line with the needs and the priority order that varies from one local environment to another. In areas where the elderly population resides, the development of homecare and assistance is important, whereas some municipalities are primarily short of the services for the disabled, preschool institutions for Roma children or the activities such as the fight against drugs, etc.

Second, these mechanisms contribute to decentralization by strengthening of local capacities in the field of social protection and encourage partnerships between various actors at the local level, whereas they give priority to projects and programmes that include joint implementation of the projects by non-governmental and governmental sectors. Conditionality in involving local authorities contributes to the sustainability of projects and the imposition of social priorities in local budgets.

Strong incentive for decentralization has been achieved by initiating the process of deinstitutionalization, which is carried out through the projects of developing foster parenting, the transformation of institutions and the development of integrated social protection at the local level. Development of foster parenting, with simultaneous transformation of institutions for children without parental care into, for example, day cares for children with special needs, which are, in accordance with the law, financed with the funds allocated from the local budgets, is a typical example of decentralization in the sphere of social services.

Involvement of **NGOs** in the domain of social services provision in Serbia is present in the last ten years. During the second half of the 1990s, the said were primarily involved in distributing humanitarian aid to refugees, displaced persons and vulnerable local population. Gradually, a growing number of local non-governmental organizations has begun to provide the missing services in the social sphere, such as help lines, shelters for victims of human trafficking and so forth.

Involvement of the NGO sector has contributed to the process of multiplication of service providers.

### **c) Supervision structures**

The inspections, as well as supervision of work and monitoring of professional activities are conducted in the area of social protection.

Official supervision of social protection institutions and surveys are regulated by the Law on Social Protection and Providing Security of Citizens. (Articles 105 to 111a). The supervision is conducted by the Ministry responsible for social issues.

Supervision of work and inspection of institutions and other legal persons that carry on the business of social protection in the territory of the autonomous province, is conducted by the competent provincial administrative authority for social protection, while the official supervision over shelters, reception centres and facilities for day care and home help in the territory of the city of Belgrade, lay within the competence of the City Administration.

Supervision of the professional work of institutions and other legal and natural persons who carry on businesses, i.e. exercise activities of the social protection, is conducted by the institutes for social protection (Republic and Provincial). The manner, contents and enforcement procedure of supervising the professional work of the guardianship authorities and social protection institutions, are governed by implementing legislation, the Rulebook on the Supervision of Professional Work in Institutions for Social Protection (Official Gazette of RS No.15/92).

The main sources of pecuniary benefits funding are:

1. pensions and benefits for care and support (invalidity, age and family) - contributions for pension and invalidity insurance, and subsidies from the Republic budget
2. unemployment benefits - contributions for insurance in case of unemployment

3. sickness benefits - contributions for health insurance
4. pecuniary social assistance - taxes
5. allowance for care and assistance to another person - taxes
6. social protection services - taxes, local level

The first three types of benefits are paid by the Fund for Pension and Invalidity Insurance, Fund for Health Insurance and National Employment Service, while pecuniary social assistance and allowance for care and assistance to another person are financed from the national budget and social protection services from the local budget.

The basic principle of financing is the pay-as-you-go.

Contribution rates for pension and invalidity insurance are 22%.

The lowest contribution base is determined quarterly, as 35% of average wage for the previous three-month period, and currently (November 2010 - January 2011) amounts to RSD 16,752. Contribution is paid at a rate of 22%.

The highest contribution base is determined monthly, as 500% of average wage for the previous two months. It serves as a kind of advance payment, while the average annual wage is determined in the end and five times the amount thereof is taken as the highest annual contribution base. In accordance with the amount thereof, the insured persons know whether they should be charged extra or should be returned excess payment.

- a) health care;**
- b) sickness;**

Pursuant to Article 9 of the Law on Health Insurance, mandatory health insurance comprises:

- 1) insurance in case of disease and injury outside of work;
- 2) insurance in case of occupational accident or occupational disease.

Article 10(2) of the Law lays down the principle of compulsory contributions for employees and employers, as well as other taxpayers liable to pay contributions in accordance with the law, which sets the condition for exercising the right arising from compulsory health insurance. Pursuant to Article 112(1) of the Law, a person who has been determined a status of an insured person, or the fact that the contributions due are paid shall be issued the required certificate of health insurance - health insurance card, based on which the rights arising from the compulsory health insurance are exercised.

In accordance with Article 30, the rights arising from compulsory health insurance are:

- a) the right to health protection;
- 2) the right to wage compensation during the insured person's temporary incapacity for work – wage compensation;
- 3) the right to reimbursement of transportation costs relating to the use of health care-transportation costs.

The right to health care, provided by the compulsory health insurance according to Article 34 of the Law, comprises:

- 1) preventive measures and early detection of disease;
- 2) medical examinations and treatment of women relating to family planning as well as during pregnancy, childbirth and maternity, up to 12 months after delivery;
- 3) medical examinations and treatment in the event of sickness and injury;
- 4) medical examinations and treatment of mouth and teeth diseases;
- 5) medical rehabilitation in the event of sickness or injury;
- 6) medicines and medical devices;
- 7) prostheses, orthotics and other mobility, standing and sitting aids, visual aids, hearing, speech, dental implants, as well as other aids - medical-technical devices.

Articles 35 to 45 of the Law, and implementing legislation adopted to implement this Law, precisely regulate the scope of the right to health care, provided in the event of disease and injury at work, and the percentage of the provision of these rights from the compulsory health insurance, i.e. the amount by which the insured person participates in paying of fees for health services, as well as medicines and medical devices.

The right to health care in the event of occupational accident or occupational disease includes health care in case the injury at work occurs or occupational disease, and is provided at primary, secondary and tertiary level.

The said scope of rights arising from the compulsory health insurance is provided to all insured persons, as well as to members of their families to the same extent, except for the right to wage compensation during temporary inability to work, which is not included thereof.

- to foreign nationals who employed with domestic organisations in the territory of the Republic of Serbia, i.e. with private employers, on the basis of special contracts on the exchange of experts or the contracts on international technical cooperation;

- to foreign nationals during education or vocational training in the territory of the Republic of Serbia;

- to persons who are included in compulsory health insurance (who pay contributions from their personal resources).

To citizens, i.e. insured persons coming from countries with which the international treaties on social security are concluded, the rights arising from the compulsory health insurance are provided in accordance with the treaties thereof.

The citizens coming from countries, with which the international treaties on social security have not been signed, are provided with emergency medical care. Namely, in accordance with Article 240 of the Law on Health Care (*Official Gazette of RS* No. 107/05, 72/09-other law and 88/10), the health institution and private practice, as well as health workers shall be required to provide emergency medical care to a foreign national. Foreigners bear their own costs for the emergency medical care provided, as well as for other types of health services provided to them at their request.

Pursuant to Article 96 of the Law, the amount of wage compensation which is provided from the compulsory health insurance funds, as well as from the employers' funds, amounts to 65% of the wage compensation base in the event when the insured person:

- is temporarily unable to work due to disease or injury outside of work;
- is temporarily unable to work due to disease or complications related to the maintenance of pregnancy;
- is temporarily unable to work due to the prescribed measure of mandatory quarantine of carrier or due to occurrence of infectious diseases in the surrounding area;
- is temporarily unable to work due to taking care of an ill member of immediate family, under the conditions stipulated by this Law;
- is temporarily unable to work because he/she is designated to escort an ill insured person sent to treatment or medical examination in another place, or while staying as a companion in inpatient medical facility in accordance with the general act of the Republic Institute.

The amount of wage compensation of 100% is provided in the event when the insured person:

- is temporarily unable to work due to occupational disease or occupational accident;
- is temporarily prevented from work due to voluntary organ and tissue donations, except for blood donations.

### **c) maternity;**

The Law on Financial Support to Families with Children (*Official Gazette of RS* No. 16/02, 115/05 and 107/09) stipulates that employees engaged with legal and natural persons and the self-employed shall be entitled to wage compensation for time of maternity leave and child care leave, in accordance with the Labour Law, for a period of 365 days, for the first and second child, i.e. two years, for the third and each subsequent child from the date of commencement of maternity leave. The amount of wage compensation during maternity leave, child care leave and special child care leave, shall be the average base wage of the employee for the 12

month-period preceding the month in which the leave commenced, multiplied by the time spent at work, for each completed year in employment relationship in accordance with the Law, but no more than five times the average monthly wage in the Republic of Serbia.

If the employee is a person who independently does the business, the amount of wage compensation shall be the average monthly contribution base for mandatory social security during the last 12 months, preceding the month of commencement of leave, up to five times the average monthly wage in the Republic of Serbia.

An employee shall achieve the full amount of wage compensation if in employment relationship or self-employed for more than six months, 60% of wage compensation if in employment relationship or self-employed for three to six months and 30% of wage compensation if in employment relationship or self-employed for up to three months, directly and continuously prior to the commencement of leave.

The law also stipulates the right to wage compensation during the special child care leave, to a parent, adoptive and foster parents, or guardians, who, in accordance with Articles 96 and 99 of the Labour Law, are on leave due to special child care, or are in half-time employment relationship, until the child turns five.

Wage compensation is one of the incomes that are taxed in accordance with tax laws.

According to the Labour Law, a working woman is entitled to absence from work due to pregnancy and giving birth (hereinafter: maternity leave), as well as absence from work for child care, during a total of 365 days for the first and second child, i.e. 2 years for the third and any following child.

A working woman is entitled to commence her maternity leave based on the conclusions of the health authority earliest 45 days, and obligatory 28 days before the time determined for giving birth.

Maternity leave lasts until the end of three full months from the day of giving birth. A working woman, after the expiration of maternity leave, is entitled to absence from work for child care until the expiration of 365 days, or 2 years from the beginning date of maternity leave.

The Labour Law stipulates that maternity leave and absence from work for child care are the right of a working woman in the duration of 365 days for the first and second child, that is 2 years for the third and every following child. The law does not determine obligatory and non-obligatory duration of the maternity leave, except that it is stipulated that maternity leave is obligatory started 28 days before the term for delivery.

The Labour Law does not particularly stipulate that after the expiration of the maternity leave the working woman returns to the same or equivalent work place, but this is understood, because the Labour Law prescribes the cases and conditions when an employer can offer the employee changes of contracted working conditions, while a transfer to other workplaces is possible only if suitable workplaces are concerned (in accordance with the qualifications of the employee).

The Labour Law determines the right of a working woman on maternity leave and absence from work for child care during the period determined by law (above mentioned in points 174. And 175). However, the Law also determines in which cases the father of the child can use maternity leave (with duration until the end of three months after giving birth) – this is a mother abandons her child, if she dies or if from any other justifiable reasons she is prevented to exercise this right (serving a jail sentence, more severe illness, etc.).

Right of absence from work for child care is extended after the expiration of maternity leave, and this absence can be used by the father or the mother of the child.

The Labour Law (article187) stipulates that during pregnancy, maternity leave, absence from work for child care and absence from work for special child care, the employer cannot cancel the Employment Contract with the employee. This prohibition does not relate to the employee with a fixed-term contract, as his/ her contract can be terminated after its validity time expired.

The Labour Law does not particularly determine the right of a parent to, upon expiration of the maternity leave or leave for child care, return to the same workplace, nor do they have a special protection of gained rights.

A Collective Contract can determine larger protection of parent rights, thus, for example Special Collective Contract for employees in primary and secondary schools and pupils' homes, predicts that the employment of an employee for which there is no longer need cannot stop without his/her consent: for a working woman during pregnancy or with a child up to two years of age; 2) single working parent; 3) employee that has a child with serious disability.

Also, General Collective Contract stipulates that the contract cannot be terminated for a working woman with a child below two years of age, whose total monthly income per household member is until the amount of the minimal wage, if it is based on the expiration of the need for her work.

#### **d) invalidity / disability;**

A person with invalidity, who is due to severity and nature of the condition and injury in need of another person's assistance when satisfying basic living needs, is entitled to allowance for assistance and care to another person. A person with invalidity who is diagnosed physical damage of 100% on one basis is entitled to an increased allowance for assistance and care to another person.

The Law on Social Protection envisages the right to vocational training or education and vocational training for children and young people with invalidity and for the adults with invalidity who can be trained for work, but who do not enjoy that right under other regulations.

The right to housing in special care institutions shall enjoy, among others, the children with moderate, severe and heavy intellectual invalidities, children with *multiple impairments*, children with autism and children with physical and sensory impairments who do not have conditions to stay with their own families. The right to accommodation in a social care institution shall be entitled to the adults with physical, sensory or mental impairments.

Local governments provide day care to children and adults with invalidities, as well as home help service to the adults with invalidities.

Since 2003, through the project activities, the Ministry of Labour and Social Policy has sustained the programmes for personal assistance and housing, with the support organized by associations of people with invalidities. Some local governments have involved in funding these services.

The Law on Financial Support to Families with Children envisages, inter alia, the wage compensation for the parent during the leave for care of the child with invalidity, increased child-care allowance, and covering of costs for the stay of a child with developmental impairments at preschool for these children.

Insured persons with invalidities shall be exempt from health care costs.

Children and young people with developmental impairments and invalidities as well as the adults with invalidities shall have the right to education. The idea of inclusive education was affirmed in 2009 by the Law on the Fundamentals of the Educational System.

The Law on Professional Rehabilitation and Employment of Persons with Disabilities guarantees the following rights to the said persons:

1. the right to have their status determined and their working capacity assessed;
2. the right to the promotion of employment, work and social inclusion and affirmation of equal opportunities in the labour market;
3. the right to measures and activities of vocational rehabilitation;
4. the right to employment under the general conditions;
5. the right to employment under the specific conditions;
6. the right to active employment policy measures;
7. the right to get employed in special, organized forms of employment, and to work engagement of persons with invalidities;
8. to other rights as stipulated by the Law.

The person with invalidity who is in complete working incapacity, due to occupational accident or occupational disease, injury or disease outside of the workplace the consequences of which can not be eliminated by treatment or medical rehabilitation, has the right to invalidity pension in the procedure and under the conditions prescribed by the Law on Pension and Invalidity Insurance.

A child with invalidity, classified on the basis of regulations on classification of children with developmental impairments, who is unable to work is entitled to survivor's pension and shall exercise that right in the procedure and under conditions prescribed by the Law on Pension and Disability Insurance.

People with invalidities shall be exempt from turnover tax on medicines, prosthetic, orthotic devices and medical materials. They shall also be exempt from taxes on car registration, and duties on car imports. People with invalidities also enjoy the benefits for domestic services. Disabled veterans and civilian victims of war shall also enjoy and other countervailing rights and benefits, in accordance with the regulations on veterans invalidity protection.

**e) old age;**

Old age, is not envisaged in the social protection system as a special requirement for exercising the rights to pecuniary benefits in this area, but the elderly can, if they meet the requirements for recognition of rights provided by the Law on Social Protection and Providing Security of Citizens (*Official Gazette of RS* No.36/91, 79/91, 33/93, 53/93, 67/93, 46/94, 48/94, 52/96, 29/01, 84/04 and 115/05), who are listed under item h), be the beneficiaries of rights to pecuniary benefits, as well as individuals or their respective families.

The law prescribes the possibility for the elderly housing in a social protection institution or in a foster family, if due to unfavourable health, social, housing and family circumstances they were not able to live with their family or in the household. The beneficiary participates in lodging costs with all his/her emoluments, income and property, reduced by the amount of funds for personal needs.

The law also prescribes the protection of the elderly through the rights provided from the municipal or the city budget, i.e. the local community budget, and the elderly exercise these rights in their household or environment, i.e. in open protection. These are the rights to day care, home help, services of the clubs for the elderly, the right to immediate assistance, (which can be pecuniary or in kind), as well as other rights and services that the municipality or city prescribes and provides the funds thereof by its decision on the extended rights, which are necessary to the citizens from residing therein.

Day care is provided to the elderly who are unable to take care of themselves during the day, and apart from the several-hours day care, the food service, hygiene, work and occupational therapy are provided as well as cultural, entertaining and recreational activities and other services, depending on the needs of the beneficiaries.

Home help is ensured through the provision of gerontology services and those include performance of essential household chores and care at the beneficiary's home.

Clubs for the elderly and pensioners are considered to be the broadest service that aims, through its activities, to provide to the elderly longer and more active living in their homes. Clubs' services relating to support and care at home and a day care, are also provided by various NGOs.

**f) survivors;**

The right to a survivor's pension can be exercised by family members:

- 1) of the deceased insured person who has reached at least five years of insurance period or is eligible for invalidity pension, or
- 2) of the deceased beneficiary of old-age or invalidity pension.

If the death of a person resulted from the consequences of occupational accident or occupational disease, members of his/her family shall be entitled to a survivor's pension regardless of the length of person's pension qualifying period.

Family members of the deceased insured person, i.e. of a beneficiary, are considered to be:

- 1) spouse;
- 2) children (born in or out of wedlock or adopted, stepchildren fostered by the insured or the beneficiary, grandchildren, siblings and other children without parents or children who have one or both parents entirely unable to work, and who have been fostered by the insured or by the beneficiary);
- 3) parents (father and mother, stepfather and stepmother and adoptive parents) fostered by the insured person or by the beneficiary.

The right to survivor's pension can also be exercised by a spouse from divorced marriage if the right to support has been established by the court decision.

A widow is entitled to a survivor's pension:

- 1) if she reached the age of 50 until a spouse's death; or
- 2) if she became totally unable to work until a spouse's death or within one year after the death of her spouse; or
- 3) if, following the death of a spouse, one child or more children who are entitled to a survivor's pension of the said spouse are left, and the widow performs parental duties towards these children. A widow, who becomes totally unable to work during the period of the validity of rights on this basis, retains the right to a survivor's pension as long as the incompetence exists.

A widow, who has not reached the age of **50** by the death of a spouse or has reached the age of **45**, shall acquire the right to a survivor's pension upon completing the age of **50**.

A widow, who has reached the age of **50** during the validity of the right to a survivor's pension, acquired as referred to in paragraph 1(2) and (3) of this Article, shall permanently retain the right to a survivor's pension. A widow, whose right to a survivor's pension ceases before reaching the age of **50**, or after the age of **45**, may exercise the right again upon reaching the age of **50**.

A widower is entitled to a survivor's pension:

- 1) if he reached the age of **55** until a spouse's death, or
- 2) if he became totally unable to work prior to a spouse's death, or within one year after the death of his spouse; or
- 3) if, following the death of a spouse, one child or more children who are entitled to a survivor's pension of the said spouse are left, and the widower performs parental duties towards these children. A widower, who has becomes totally unable to work during the period of the validity of rights on this basis, retains the right to a survivor's pension as long as the incompetence exists.

(2) A widower, who has reached the age of **55** during the validity of the right to a survivor's pension, acquired as referred to under 2) and 3), shall permanently retain the right to a survivor's pension.

The child is entitled to a survivor's pension and it belongs to him/her until reaching the age of 15.

Upon reaching the age of 15, a child is entitled to a survivor's pension and it belongs to him until graduation, but no later than the age of:

- 1) 20, if attending high school;
- 2) 23, if attending college;
- 3) 26, if attending the faculty.

(3) The child is entitled to a survivor's pension and it is granted to him/her for the duration of independent living and work disability, which occurred prior to the age until which the children are entitled to a survivor's pension.

(4) The child is entitled to a survivor's pension and it is granted to him/her for the duration of independent living and work disability, which occurred after the age until which the children are entitled to a survivor's pension, and before the death of the insured person or a beneficiary of the right, provided that the insured person or a beneficiary of the right has fostered him/her until his/her death.

(5) The child, whose education was terminated because of disease, is also entitled to a survivor's pension during the disease until reaching the age referred to under 1) to 3) as well after reaching the said years, but no more than the period of schooling missed due to disease.

(6) The child, whose education was terminated because of the referral to military service in accordance with the regulations governing military service, is entitled to survivor's pension also during military service, but no later than reaching the age of 27.

(7) Disabled child, in accordance with the regulations on classification of children with disabilities and children referred to in paragraph 4 this Article, shall acquire the right to survivor's pension even after termination of employment or self employment.

(1) When the subsistence is a requirement for entitlement to a survivor's pension, it is considered that the deceased insured person, or beneficiary of the right to pension, supported his family member if the total monthly income of a family member does not exceed the amount of minimum pension in the previous quarter.

(2) The following is excluded from the incomes taken into account for exercising the right to a survivor's pension: Child-care allowance, parental allowance, pecuniary benefit based on assistance and care, pecuniary benefit for physical injury, emoluments from awards, retirement severance pay, as well as emoluments based on pupil and student standard.

A parent (father and mother, stepfather and stepmother and adoptive parent) who was supported in accordance with the law by the insured person or beneficiary of the rights until his/her death shall be entitled to a survivor's pension if until the death of the insured person or a beneficiary:

1) reached the age of **65** (men) or **60** (women); or

2) became totally unable to work.

(1) Members of an immediate family of deceased insured person or beneficiary, within the meaning of this Law, shall be the spouse and children (born in or out of wedlock or adopted, stepchildren and grandchildren).

(2) The members of the extended family of the deceased insured person or beneficiary, within the meaning of this Law, shall be the parents (father, mother, stepfather, stepmother and adoptive parents), brothers, sisters and other children without parents or children who have one or both parents totally unable to work, and who were supported by the insured person or by the beneficiary.

Extended family members are entitled to a survivor's pension if there are no immediate family members, and if the latter exist - only when the survivor's pension that belongs to immediate family members does not reach a full amount of the basis upon which the amount of a survivor's pension is determined.

A person who caused the death of the insured person or of beneficiary, intentionally or by gross negligence, can not acquire the right to a survivor's pension thereof.

#### **g) employment injuries and occupational diseases;**

Entitlement to health care in the event of occupational accident or occupational disease includes health care in case the employment injury or occupational disease occur, which is provided at primary, secondary and tertiary level (see the answer under a,b).

The Law on Health and Safety at Work is partially harmonised with the Directive 89/391/EEC. General principles of prevention that employers must apply when taking measures to protect the health and safety of workers (Article 6 of the Directive) are laid down by provisions of Article 12 of the Law on Health and Safety at Work. The given provision laid down that employers shall ensure preventive measures on the basis of the following general principles:  
avoiding risks;

evaluating the risks which cannot be avoided at workplace;  
eliminating the risks at source by application of state-of-the-art technical solutions;  
adapting the work and the workplace to employee, especially as regards the choice of work equipment and working methods, and the choice of technological procedure in order to avoid monotony in work and reduce their effect on employee's health.  
replacing the hazardous technological procedures or working methods by those that are non-hazardous or less hazardous;  
giving collective protective measures of health and safety at work priority over individual protective measures;  
providing appropriate training to employees on safe and healthy work and giving instructions on safe work procedures.

Article 49 (1) point 3 of the Law laid down the obligation of employer to maintain and keep records of injuries at work, occupational diseases, and work-related diseases.

Pursuant to Article 49 (2) of the Law, the minister responsible for labour issues passed the Rulebook on records in the area of health and safety at work (listed in Chapter A point 69 subpoint 6). The Rulebook laid down that the employer, amongst other things, must maintain and keep records on injuries at work resulting in an employee being unfit to work for more than three consecutive working days, occupational diseases and work-related diseases. Employer maintains records in prescribed forms.

Provision of Article 51 (1) of the Law laid down that employer provides the report on injury at work, occupational disease and work-related disease to the injured, i.e. ill, employee and organisations in charge of health and pension insurance, i.e. Republic Health Insurance Fund of Employees and Republic Pension and Disability Insurance Fund.

Pursuant to Article 51 (2) of the Law, the minister responsible for labour issues passed the Rulebook on content and method of releasing report on injuries at work, occupational disease and work-related disease (listed in Chapter A point 69 subpoint 7) laying down the form of the report on injury at work, occupational disease and work-related diseases.

Based on provisions of the Law on Health Insurance ("Official Gazette of RS" No. 107/05 and 109/05-correction) first instance medical committee as a professional medical body of the Republic Health Insurance Fund, determines whether temporary unfitness for work resulted from an injury at work and existence and duration of this unfitness for work.

The Republic Health Insurance Fund establishes and maintains basic registry on insured persons and rights from mandatory health insurance. Pursuant to Article 119 of the given Law, and based on the Regulation on uniform methodological principles for maintaining basic registry ("Official Gazette of RS" No. 6/07) the following data on insured persons shall be entered into the basic registry: 1) name and family name; 2) unique citizen's identification number and tax identification number; 3) sex; 4) date, month and year of birth, 5) occupation; 6) education; 7) basis for insurance; 8) date of acquiring, i.e. cessation of the insurance coverage, and changes during insurance coverage; 9) lengths of health insurance coverage; 10) payer of insurance contribution; 11) amount of insurance contribution; 12) salaries, compensation of salaries and other income and allowances used for determining the basis for calculating insurance payment; 13) amount of paid contribution; 14) residence address; 15) name of employer, registration number of employer, activity code and address of the head office of employer; 16) municipality where the real estate is located; 17) citizenship.

Compensation of salary during temporary unfitness for work resulting from injury at work does not present a right from mandatory health insurance, but based on Article 102 (3) of the Law on Health Insurance, in this case compensation of salary is provided by employer from the first to the last day of the period of unfitness for work, whilst medical committees of the Republic Fund evaluate the existence and the duration of the temporary unfitness for work. In that respect, the basic registry of the Republic Fund contains information on unfitness of insured person for work that resulted from an injury at work, however, it does not contain information on paid compensation of salary.

The Law on Health Insurance, the given Regulation, by-laws or other labour regulations do not lay down the obligation of the Republic Health Insurance Fund, as a health insurance organisation, to maintain records on determined injuries at work.

Labour inspection is obliged to carry out inspection immediately upon employer's report on any fatal, collective or severe injury at work that occurred at the work place or in the working environment of the employer. Monitoring comprises actions in the procedure of establishing the status of applied prescribed measures of health and safety at work in relation to the given injury and preparation of the minutes. In the monitoring procedure, labour inspector reviews general and individual acts, records and other documents, interviews and takes statements of eyewitnesses of the injury accident, employee or other person who is the injury victim, responsible persons and interested parties, inspects the place where the injury occurred (working environment, work place, work means, etc.), examines personal protective means and equipment and hazardous substances that the victim used and undertakes other actions that he/she is authorized for and that are related to the given injury.

#### **h) family benefits;**

The Law on Financial Support to Families with Children (*Official Gazette of RS*, No. 16/02, 115/05 and 107/09) regulates the financial support to family with children.

Financial support to family with children, within the meaning of this Law, shall include: improvement of conditions to meet the basic needs of children, a special child-birth incentive, support to financially vulnerable families with children, families with children with disabilities and children without parental care.

Entitlements to financial support for families with children, defined by this law are:

1) wage compensation during maternity leave, child care leave and special child care leave (as described in the section under c)

#### **2) parental allowance is a measure of population policy.**

This right is also exercised by the mother who gave birth to the first, second, third and fourth child, provided that: she is a citizen of the Republic of Serbia, is resident in the Republic of Serbia, is entitled to health care through the Republic Institute for Health Insurance, takes an immediate care of the child for whom she has applied, whose children in previous birth order are not placed in a social care institution, foster family or given up for adoption and who is not deprived of parental rights in relation to children of previous birth order.

Birth order is determined by the number of live born children to the mother, at the time of applying for entitlement to parental allowance.

Application for entitlement to parental allowance, with complete documentation enclosed, shall be submitted no later than the child reaches six months of age.

Parental allowance can not be acquired if the mother and the members of family she lives with, pay property tax on the tax base greater than RSD12 million, and if the parents at the time when application is submitted, live and work abroad.

Parental allowance for the first child is paid as a *lump sum*, and for the second, third and fourth child in 24 equal monthly instalments.

The amount of parental allowance is determined in relation to the day of child's birth.

The amount of parental allowance shall be adjusted on 1 April and 1 October of the current year, based on statistical data, with the costs of living in the territory of the Republic during previous six months.

Parental allowance is considered an income not subject to income taxation.

#### **3) parental allowance is a measure of social policy**

This right is exercised by one of the parents who takes immediate care of the child, who is a citizen of the Republic of Serbia, residing in the territory of the Republic of Serbia and is entitled to health care through the Republic Health Insurance Fund, for the first, second, third and fourth child by family birth order in, from the date the application is submitted.

Child-care allowance belongs to a child under the age of 19, when acting as a pupil in regular education. The education includes acquiring the knowledge as a regular student in elementary and high school, and in accordance with the regulations in the field of education.

Applicant and family members can not own real property apart from the adequate housing they live in, which can not be larger than a room per household member plus another room.

The applicant and members of the household can own agricultural land not exceeding two hectares per household member.

The applicant and family members can not own pecuniary and other liquid assets worth more than the amount of 30 child-care allowances per family member at the time of submitting application.

The incomes accrued in three months preceding the month of application, are also relevant to entitlement to child allowance.

The threshold for entitlement to child allowance is nominally determined and single parents, foster parents, guardians and parents of a child with developmental impairments for whom the decision on classification was adopted, and who is not housed in a stationary institution, can be entitled to child-care allowance under more favourable conditions, because a regular census is increased by 20%.

Single parents, parents, parents, guardians, foster parents and parents of a child with developmental impairments shall exercise the right to child-care allowance increased by 30%.

The right to child-care allowance is recognized for the period of one year and is considered an income not subject to income taxation..

**4) reimbursement of the costs of pre-school stay for children without parental care** is a measure that aims to further protection of children of preschool age without parental care, since this group of children is particularly vulnerable. The right can be exercised by the guardians and foster parents if they are entitled to child-care allowance, and it is important to emphasize that children without parental care who are accommodated in the institution for social protection can exercise the right without any conditions. In this way, their early integration into the peer group in the local environment is fostered and equal right to preschool education ensured.

**5) reimbursement of costs for preschool stay for children with developmental impairments** is a special measure to protect vulnerable group of children with developmental impairments, in order to encourage their inclusion in regular preschool groups, or to organize the work in separate groups, when necessary. This measure is aimed at supporting a child with developmental impairments to remain in the family, and to develop its capabilities under these conditions.

**6) Reimbursement of costs of stay in preschool institution for the children from economically disadvantaged families.** The Law stipulates that local self-government can also prescribe additional rights, by which it allows to all children to, depending on the family income, achieve adequate subrogation in paying the costs of stay in preschool institution.

The rights referred to in 1 to 5 are decided upon in the first instance by the municipal or the city administration where the applicant resides, except for the right to wage compensation during maternity leave, child care leave and special child care leave, which are decided upon by the municipal or the city administration where the employer's headquarters is located

The rights referred to 1 to 5 are financed with the funds allocated from the budget of the Republic, and additional rights from the local self-government budget.

The local government can, within its budgetary resources, also establish other additional rights that will support families with children.

#### **i) unemployment;**

Pecuniary benefits for unemployment is exercised as a right arising from insurance in case of unemployment, under the terms and conditions stipulated by the Law on Employment and Insurance in Case of Unemployment (*Official Gazette of RS* No. 36/09), which entered into force on 23 May 2009.

Unemployed person who was entitled to compulsory insurance in case of unemployment for at least 12 months continuously or intermittently over the past 18 months, has the right to pecuniary benefits. A termination of insurance for less than 30 days is also considered continuous insurance.

An unemployed person is entitled to pecuniary benefits in the event of employment relationship termination or termination of compulsory insurance on the following basis:

1. termination of employment relationship due to dismissal by employer, in accordance to labour regulations, as follows:

1) in case employment relationship was terminated by dismissal in accordance with the labour regulations if, due to technological, economic or organizational changes, particular job becomes redundant or volume of work reduced, pursuant to the Law, except for persons who, in accordance with the Government's decision on laying down the programme of resolving redundancy in the process of rationalization, restructuring and preparation for privatization, voluntarily opted for pecuniary benefits or special pecuniary benefits - to the amount greater than the severance pay laid down by the Labour Law,

2) if an employee fails to achieve working results, i.e. does not possess the needed knowledge and skills to perform the job assigned;

2. termination of fixed-term employment relationship, temporary service, probation work;

3. termination of public office of the elected, nominated and appointed persons, unless the right of suspension of employment relationship or salary compensation, is exercised in accordance with the law;

4. transfer of the founder's rights, i.e. the rights of the owner and the company member;

5. the bankruptcy proceedings, initiation of the winding up proceedings and, in other cases, termination of the employer's contract, in accordance with the law;

6. transfer of a spouse, in accordance with special regulations.

7. termination of employment relationship in another country, in accordance with the Law and international treaty.

An employee is entitled to pecuniary benefits from the first day of termination of insurance, if he/she registers at and applies at the National Employment Service within 30 days from the date of termination of employment relationship or termination of insurance. An unemployed person who applies at the National Employment Service after 30 days from the expiry of the termination of employment relationship or termination of insurance, he/she shall be entitled to pecuniary benefits only for the time remaining according to specified duration of the rights to pecuniary benefit. An unemployed person who submits application after the expiry of time during which he/she has been entitled to pecuniary benefit, shall have no right thereof. The deadline does not include the time during which the unemployed has been temporarily unable to work according to the regulations on health insurance.

The base for determining the amount of pecuniary benefit is the average wage or salary or wage compensation of the unemployed in accordance with the law over the last six months preceding the month in which employment relationship or insurance was terminated. Pecuniary benefits shall amount to 50% of the base. Pecuniary benefits can not be higher than 160% or lower than 80% of the minimum wage determined in accordance with the regulations on employment, for the month in which the payment of pecuniary benefit is made. The amount of pecuniary benefit, determined in this way, makes the base for the calculation of contributions for pension, invalidity and health insurance. The amount of pecuniary benefit that makes the base//basis for calculation of contributions, is reduced by the amount of contribution calculated at valid interest rates, and such a reduced amount is paid to a beneficiary of pecuniary benefit. Duration of rights to pecuniary benefit shall be:

1. 3 months, in case of the insurance period of 1 to 5 years;

2. 6 months, in case of the insurance period of 5 to 15 years;

3. 9 months, in case of the insurance period of 15 to 25 years;

4. 12 months, in case of the insurance period longer than 25 years.

The period of a completed 12 months during which the taxpayer, liable to pay contributions, was under compulsory insurance, shall be considered the year of insurance period. Exceptionally, the unemployed shall be entitled to pecuniary benefit for 24-month period, provided that he/she is short of two years to meet the first condition for exercising the right to pension in accordance with regulations on pension and invalidity insurance. The beneficiary of pecuniary benefit is obliged to personally appear at the National Employment Service for possibilities and conditions of employment and employment mediation every 30 days, in accordance with individual employment plan.

Payment of pecuniary benefit to the unemployed shall be continued:

1. during the course of additional education and training, in accordance with individual employment plan;

2. during the temporary inability to work determined according to health insurance regulations, but no later than 30 days from the date when temporary incapacity occurred;

3. during maternity leave, child care leave and special child care leave according to regulations on labour or other regulations governing absence from work.

At the request of the beneficiary of pecuniary benefit, the National Employment Service can pay a pecuniary benefit for the case of unemployment in a lump-sum amount for self-employment.

An unemployed person, who is a beneficiary of pecuniary benefit in case of unemployment for at least three months from the moment of recognition of rights and who enters into open-ended employment relationships, shall be entitled to one-off employment incentive amounting to 30% of the total amount of pecuniary benefit, without contributions for mandatory social insurance, that would be paid for the time remaining until the expiration of the right to pecuniary benefit.

The beneficiary of the pecuniary benefit can exercise this right only entering into an employment relationship for the duration of the same right to pecuniary benefit, if he/she submits a written request within 30 days of entering into the said employment relationship.

Payment of pecuniary benefit shall be suspended to a beneficiary during the time for which the rights arising from unemployment are suspended, as follows:

- duration of the performance of temporary or part-time jobs,
- completing the military service or serving additional military period,
- serving the prison sentence, the imposed safety measures, educational or protective measures of up to six months,
- staying abroad, in the event when the unemployed or his/her spouse is sent to work abroad within an international technical, educational and cultural cooperation in the diplomatic, consular and other missions.

For the endurance of entitlement to pecuniary benefit, the beneficiary thereof shall also exercise the right to health, pension and invalidity insurance. Members of the family of the pecuniary benefit beneficiary are entitled to health insurance if they have no health insurance on another basis.

The beneficiary ceases to be entitled to pecuniary benefit if:

- he/she is erased from the register, in the event he/she rejects the offered mediation for suitable employment;
- the records of unemployed ceases to be kept, in the event that an unemployed person enters employment relationship or initiates the insurance on other grounds;
- fails to inform the National Employment Service within 5 days of the change that is a requirement or the basis for acquisition, exercise or termination of rights to pecuniary benefit;
- the competent authority finds out that the beneficiary is engaged with the employer without the contract of employment or the contract of temporary or part-time jobs;
- applies for termination of rights.

A beneficiary of pecuniary benefit, who is terminated the right to pecuniary benefit, can exercise this right again if he/she fulfils the requirement for entitlement to pecuniary benefit, but having in mind that the insurance period shall not include the years of service for which he was granted pecuniary benefit. The beneficiary of pecuniary benefit, who was terminated the right to pecuniary benefit due to entering into employment relationship prior to expiration of the period for exercising that right, shall continue to exercise the right to pecuniary benefit for the remainder of the period in the prescribed amount if he becomes unemployed again and if it is more favourable for him.

A beneficiary of the right to pecuniary benefit is a taxpayer, liable to pay contributions for pension, invalidity and health insurance. The base for contributions payment is the amount of pecuniary benefit. Pecuniary benefit is not taxable.

#### **j) minimum resources/social assistance;**

The rights relating to social protection include entitlement to financial support, allowance for assistance and care to another person, assistance for training for work, housing in social protection institution or other family and services of social work in exercise of public powers, and those are the rights of general interest the provision of which lies in the competence of the Republic, while the right to home help, day care, fittings of the beneficiaries for housing in the social protection institution or other foster family, one-off assistance and other social work services in the competence of the municipality or the city.

The right to financial assistance is the pecuniary benefit for the provision of a guaranteed minimum income and it is granted to an individual or family that earns the income below the minimum social security level prescribed by law.

Financial assistance is determined in the monthly pecuniary amount equal to the difference between the minimum level of social security and the amount of average monthly income of

individuals or families, accrued during the three-month period preceding the month in which the request was submitted. In addition to income lower than the minimum level of social security, there is also another requirement that an individual or family must meet in order to exercise this right (not to own the property in excess of 0.5 hectares; that an individual, or family member has not sold, donated or waived the right to inherit immovable property if approval for mortgage registration is not given; that he/she does not own movable property of greater value; that the employment relationship was not terminated to him due to his/her fault, that he/she does not own the cash, savings deposits, etc.).

Financial assistance is recognized without limits to families in which the majority of family members is unable to work, while the families with equal number of members capable and incapable of work and the families with the majority of members capable of work the right is recognized for a limited period of time, up to nine months per year. Review of conditions for further entitlement to the rights for the families with members capable of work, is conducted semi-annually, while the review of conditions for further entitlement to the rights for the families with all members incapable of work is conducted once a year. The beneficiary of the right is obliged to report any changes that affect the recognized right.

Financial benefit is not considered an income subject to tax, and is paid monthly.

One-off assistance is provided to a person who suddenly or currently finds himself/herself in need of social assistance, and can be pecuniary or in kind. This right is in the competence of the municipality or the city, which shall prescribe more detailed conditions, manner of exercise, as well as a level of one-off assistance.

All citizens are entitled to free social work services, which include preventive activity, diagnosis, treatment and consultative therapeutic work in order to provide expert assistance in solving life difficulties.

#### **k) long-term care;**

Apart from the financial support, a person may also be entitled to other pecuniary benefits - allowance for assistance and care to another person, or an increased allowance for assistance and care to another person.

Allowance for assistance and care to another person is granted to a person who is due to injury and seriousness of the condition of injury or due to sickness in need of assistance and care to carry out the activities for satisfying the basic necessities of life, provided that this right can not be exercised on some other legal grounds. The need for assistance and care is determined by the competent authority of expertise. This assistance does not depend on income. It is recognized in the monthly amount, which totalled RSD 7, 276, 00 in November 2010.

Increased allowance for assistance and care to another person is granted to the beneficiary of right to allowance for assistance and care to another person, who has exercised this right either in the social protection system or in the pension and invalidity insurance system, and who has been diagnosed physical damage of 100% on one basis. This assistance also does not depend on income. It is recognized in the monthly amount, which totalled RSD 18,624,00 in November 2010, considering that for individuals who acquired the right to pecuniary benefit for assistance and care to another person under the regulations on pension and invalidity insurance, this right is recognized equal to the difference amount of increased allowance for assistance and care to another person determined in accordance with the Law on Social Protection and Providing Security of Citizens, and the amount of pecuniary benefit for assistance and care to another person, acquired under the regulations on pension and invalidity insurance.

#### **l) housing.**

There is no so-called housing allowance for paying the rent. In the Republic of Serbia personal property housing prevails. In addition, persons who acquired the tenancy right for an indefinite period, as holders of tenancy right under the Law on Housing (*Official Gazette of RS* No. 50/42, 96/92, 84/92, 33/93, 53/93, 67/93,46/94, 47/94, 48/94, 44/95, 49/95, 16/97, 46/98, 26/01 and 101/05) shall pay the rent in accordance with Article 32 of the Housing Law, which is the maximum beneficial rent, or the so-called social rent.

Persons who are below the poverty line and who pay the rent for living in the apartment of a private individual, do not receive any housing allowance to pay rent, because a system of residential allowances has been introduced neither on republic nor on local levels.

Within the payments for housing services, apart from the rent, households also pay for the costs of communal services. For payment of communal services some of the local self-governments (Belgrade, Novi Sad, Kragujevac, Nis) provide for incentives for poor households to pay the costs of communal services, or allocate the funds thereof in order to compensate the costs to public utilities. This system is not unified at national level, and local self-governments provide these benefits to poor households and marginal income to carry out such subsidies vary from city to city.

In connection with the future of the system that will be developed based on the Law on Social Housing (*Official Gazette of RS* No. 72/09), eligibility criteria for entitlement to housing support under this Law may be categorized, according to the relevance, by the following order: housing status (homeless persons or persons with homes that do not comply with appropriate standards), income, health status, invalidity, number of household members, financial standing (a person who has property valuable enough to provide, by selling thereof, the funds for housing on the market, is not entitled under this law).

Additional criteria of implementing the order of priority are: belonging to vulnerable social group, such as: young people, children without parental care, single parents, families with many children, single-person households, persons over the age of 65, people with invalidities, personal disabled veterans, family disabled veterans, civilian war invalids, refugees, internally displaced persons, Roma, and members of other socially vulnerable groups.

Regulation on use of the funds for social housing, arising from this Law, has not yet been prepared, and this document will define the basic system of the future benefits and subsidies, mostly according to the level of economic potentials of households (mainly income).

In the system of social protection in the narrow sense, financial benefit is paid through the Postal Savings Bank, into a special account opened for the payment of such right, and the allowance for assistance and care to another person, and an increased allowance for assistance and care to another person, by the beneficiary's choice – delivery to the home address, through the Postal Savings Bank - into a special account opened for the payment of these rights or in the existent beneficiary's personal account at the Postal Savings Bank.

Accessibility of the system is ensured in a way that the beneficiary of the right to financial benefit can withdraw attributable amount of financial benefit at any post office in the territory of the Republic of Serbia which requires only possession of identity card as an identity document, while the beneficiaries of the allowance for assistance and care to another person, and increased allowance for assistance and care to another person, can choose the way their rights are to be paid to them. The efficiency of the system is provided in a way that the payments of these rights are made at the central level simultaneously for all users and regularly, at end of the month for the previous month.

Payment of parental and child allowance shall be made through the Postal Savings Bank, into the personal account of the beneficiary of the right, or if such does not exist, into a special account opened for the payment of these rights.

Collecting of data on social and family legal protection is the responsibility of the centres for social work, of which there are 139 in the Republic of Serbia, as well as of the institutions for housing of beneficiaries, of which there is a total of 75. Centres for social work are the authorities responsible for conducting the procedures for exercising social security rights and keeping records and documents of beneficiaries in accordance with the Law on Social Protection and Providing Security of Citizens. As the authorities of guardianship, these services keep the records of all proceedings within the guardianship, adoption and foster care, as well as provision of services to beneficiaries in accordance with the Family Law.

In addition, institutions for housing of beneficiaries keep records of their users.

A special Rulebook on the Family Law stipulates keeping of the Unified Adoption Register, which is kept at the Ministry of Labour and Social Policy (The Rulebook on the Manner of Keeping Records on Adopted Children) (*Official Gazette of RS* No. 63/05).

Automatic data processing for the payment of rights in the field of social and child protection is carried out in the Division for Informatics of the Ministry of Labour and Social Policy, based on the decisions on the recognized rights adopted by the centres for social work.

Republic and Provincial Institutes for social protection were established in December 2005 as social protection institutions for monitoring and improving the overall concept and practice of social protection, fostering the development and conducting research and other activities in the field of social protection. Basing its activities on the values focused on the development of good cooperation and functional connectivity with all relevant social actors, institutes are involved in the implementation of reform projects and programme activities that lead towards achieving an integral model of social protection in the Republic of Serbia. In accordance with the dynamics of the social protection system, institutes participate in standardization of service quality, implementation of new rulebook on the organization of centres for social work, in creation of a model of supervision, in preparing for the accreditation of educational packages, monitoring analytical and research practice, providing support to information flow and exchange and to good practices within the social protection system.

Republic and Provincial Institutes for social protection are established under the Law on Social Protection and Providing Security of Citizens and are financed with the funds allocated from budget of the Republic of Serbia, and the Autonomous Province of Vojvodina.

Institutes for Social Protection study social problems, develop analysis and reports in the field of social protection and propose measures improvement, monitor and study the operation and organization of services within the social protection institutions, take care of their work improvement and provide technical assistance, develop professional feasibility studies for the needs of public authorities or institutions and provide expert advice on specific issues at their request, make recommendations for existing or prospective regulations, strategies, policy documents in the field of social protection, evaluate the effectiveness of certain legal solutions, development strategies, programmes and measures in certain areas of social protection, in cooperation with providers of social services initiate piloting innovative approaches for providing social services.

Pension system in Serbia includes:

a) Public (state) system of mandatory pension and disability insurance based on: contributions paid for salaries and benefits obtained on the basis of work, current finance (PAYGO) and pension calculation regarding point principle. This system includes three categories of the insured persons, as follows: employed insured persons, self-employed insured persons and private insured persons in agriculture, with the possibility that also persons who are not insured, participate on voluntary basis in mandatory pension and disability insurance.

b) System of voluntary pension funds and pension plans, based on voluntary principle, individual accounts of the insured persons and capitalization of the invested assets.

In Serbia there is no universal pension system which would cover population who did not realize pension on the basis of contribution payment. The protection of old-age persons without any income is performed through social welfare system which provides minimum security to the whole population living below poverty line.

Ratio between average pension and average salary (period: January – October 2010, data of Pension and Disability Insurance Fund of the Republic of Serbia):

**Wage earners insurance:**

old-age pension – 75%

disability pension – 60%

survivor pension – 48%

**Self-employed insurance:**

old-age pension – 74%  
disability pension – 64%  
survivor pension – 46%

**Farmer's insurance :**

old-age pension – 25%  
disability pension – 27%  
survivor pension – 18%

The Law foresees that pension adjustment is done twice per year, in April and October, according to changes in life expenses in the previous six months. Pensions were additionally increased by 10% in October 2008 (besides regular adjustment in October) and afterwards they were held at the same level in 2009 and 2010 due to financial crisis.

The Law on Budget System, as well as Draft of Amendments to Law on Pension and Disability Insurance, specifies that the pensions shall be adjusted in the following way:

**2011** – exceptionally, the pensions shall be adjusted three times:

- in January in accordance with the changes in consumer prices in the previous six months;
- in April in accordance with the changes in consumer prices in the previous three months and half sum of the accomplished real increase rate of GDP in 2010;
- in October only in accordance with the changes in consumer prices in the previous six months;

**2012** – in April in accordance with the changes in consumer prices in the previous six months and half sum of the accomplished real increase rate of GDP in 2011;

- in October in accordance with the changes in consumer prices in the previous six months;

**2013 and afterwards** – in April in accordance with the changes in consumer prices in the previous six months and in case GDP is increased by more than 4%, the difference above the accomplished rate of real increase in GDP and the rate of 4% in the previous year;

- in October in accordance with the changes in consumer prices in the previous six months.

Regarding system adequacy, we are enclosing the table including data on covering of old-age population through the pension income, i.e. it shows what the percentage of population in certain age group is which is receiving pension:

	65+	65-69	70-74	75-79	80-84	85+
Men	87%	92%	92%	90%	75%	51%
Women	69%	75%	76%	70%	57%	45%
Total	77%	83%	83%	78%	64%	47%

Source: Statistical Office of the Republic of Serbia, Pension and Disability Insurance Fund of the Republic of Serbia, Ministry of Labour and Social Policy

Population pension coverage is the lowest with the oldest population. Coverage is increased with population who retired in the last 15-20 years, especially with men, thus more than 90% of men aged between 65 and 79 years receives pension. This percentage is slightly lower with women, yet significantly high (it exceeds 75%) which is in correlation with the high employment rates in 90's in the previous century.

Regarding population poverty, we are pointing to the fact published in the second report on application of Poverty Reduction Strategy that the percentage of the poor who live in households with a pensioner as a bread-winner equals average number of the poor in Serbia and it amounts 8,8%. Considering all other groups of population, apart from those living in the households with the employed bread-winner, the participation of the poor population is significantly higher than the average at the level of Serbia:

The participation of the poor in accordance with socio-economic position of the household bread-winner in Serbia in 2006

	Self-employed	Employed	Unemployed	Pensioners	Other inactive	Total
Percentage of the poor	10,2%	5,2%	14,7%	8,8,%	28,2%	8,8%

Source: Report on the application of Poverty Reduction Strategy

If population poverty is regarded in accordance with the source of the basic income of the household, after households which make the basic income in agriculture, the households whose main source of income is pension have been most prone to poverty risk, and the members of such households were poorer than the average of Serbia:

	Public sector	Private sector	Agriculture	Pensioners	Other	Total
Percentage of the poor	4,8%	7,1%	11,5%	10,2%	26,3%	8,8%

Source: Report on the application of Poverty Reduction Strategy

Ten percentage of population aged 65 and more was classified as poor, which exceeds the average of Serbia (8,8%) but it is also higher than participation of the poor in the households in which the pensioner was a bread-winner (also 8,8%), whereas it was at the level of participation of the poor in the households whose main income in derived from pension (10,2%). It can be said that the pension income considerably affects poverty reduction with old-aged persons.

The reform of pension insurance system commenced in 2001 and it has lasted since then. In various phases of the reform, the measures were taken in the course of provision of financial sustainability of pension system, enabling regular pension payment, enhancement of the standard of the pension users, implementation of additional possibilities to make income in the old age and similar. The most important measures brought in the reform process include:

1) **Measures at reform parameters of mandatory pension and disability insurance based on:**

- **age limit**, as the condition for exercising rights for age pension, firstly in January 2002 it was raised from 60 to 63 years for men, from 55 to 58 years for women, and that in the period 2008 – 2011 it has been gradually increased, six months per year, from 63 to 65 years for men, i.e. from 58 to 60 years for women.
- **the method of pension calculation was changed** – the calculation method was implemented based on personal points, which are determined based on the duration of work service and sum of contribution payment for every single insured person, and general point, which is equal for all persons who at certain period obtain right to retire.
- **the work service being considered in the event of pension calculation has been extended** – Previously the pension calculation was done on the basis of data in ten most favourable years of work service of the insured person. After enacting the Law, the pension is determined based on the complete work service, completed from not earlier than the year 1970.
- **the method of pension adjustment was changed:** quarterly pension adjustment was used from 1 January 2002, when the adjustment percentage was determined based on 50% in relation to salaries and 50% in comparison to life expenses in the previous quarter (so-called "Swiss formula"). Afterwards, in the period from 2006 to 2009, gradual transfer from pension adjustment four times per year in accordance with "Swiss formula" to adjustment twice per year in accordance with changes in life expenses was performed;
- **unique minimum pension amount was implemented**
- **definition of disability was changed** – it was stipulated that the condition for being entitled to disability pension is the total disability to work. It represents a significant change in making the conditions more strict in comparison to previous regulations for which in order to exercise right to disability pension it was enough to specify the disability to perform corresponding job the insured person did, and furthermore the right to compensation on the basis of partial disability was cancelled. These rights were transferred to the area of employment of persons with disability;

- the obligation of contribution payment was implemented for all incomes exercised on the basis of some economic activity. Thus, the basis for contribution payment for pension and disability insurance was extended, which had a positive effect on an increase in fund income. The possibilities to avoid contribution payment were reduced as well, whereby contribution payment on this basis shall have a positive effect also on the height of pensions of those persons after exercise of their rights;
- **the possibility of voluntary participation into mandatory insurance was implemented** for all persons who are not insured, and they are willing to pay the contributions for pension and disability insurance.
- **changes in the scope of insured persons in agriculture** – in the period before the reform commencement, the obligation to be insured had all members of the agricultural household. The new Law regulates that only the bread-winner of the agricultural household, i.e. at least one household member is mandatory insured, whereas other members have the possibility of being included into insurance on the voluntary basis.
- the rate of contributions for pension and disability insurance amounted 32% until 1 May 2003. In the course of reduction of tax burden on the economy, the rate in the period from 1 May 2003 until 1 July 2004 was reduced to 20,6%, whereas after that date it was raised to 22% as it amounts nowadays.
- **regular pension payment was established** regarding insurance of the employed (whose pensions were paid with the delay of one and a half month) and insurance of persons in agriculture (whose pension payment were delayed for 20,5 months), when the debts towards pensioners were transferred to the public debt. Almost the complete debt amount was paid (only one instalment, out of four instalments at the commencement of payment, is left for the payment to the users of agricultural pensions).

2) **The Law on contributions for mandatory social insurance** (“Official Gazette of RS”, no. 84/04, 61/05, 62/06, 5/09), which has been applied from 1 September 2004, financing of the complete social insurance (pension and disability insurance, health insurance and insurance in case of unemployment) in unique way. In other words, this Law took over the provisions regulating the issue of calculation and payment of contributions in all three systems.

3) Besides parametre reforms, also **the pension administration reforms** – previous three pension funds, which were organised in accordance with the type of an insured person (Republic Fund for pension and disability insurance of the employed, Republic Fund for pension and disability insurance of the self-employed and Republic Fund for pension and disability insurance of the insured persons in agriculture), were joined into one Republic Fund for pension and disability insurance in 2008, and

4) activities regarding reform of business processes and procedures within the fund are in process.

5) The state solved **the problem of unpaid contributions** for the persons who were employed and registered to the insurance in the period from 1 January 1991 until 31 December 2003, who were not paid the contributions for the part or the complete period. That was regulated by the Law on payment of contributions for pension and disability insurance for certain categories of the insured persons - the employed, enacted in October 2005, by which the realised work service is confirmed to these persons.

In addition, on the basis of Conclusion 05 Number: 113-1041/2010-004 from 17 February 2010, the Government agreed to link the work service through payment of unpaid liabilities on that basis to certain economic entities who have unpaid liabilities for contributions for pension and disability insurance of the employed for the period from 1 January 2004 until 31 December 2009.

6) **The system of voluntary pension funds and pension schemes was established**, which represents the part of pension system. In this way, everybody who wants to pay additional assets to their pension is enabled to do that.

7) **The Central Registry of Mandatory Social Insurance has commenced to work.** In fact, the Law on Central Registry of Mandatory Social Insurance (“Official Gazette of RS”, no. 30/10) was implemented, which commenced being used on 15 May 2010. This Law regulates: establishment, institutions and activity of the Central Registry of Mandatory Social Insurance, relations between Central Registry of Mandatory Social Insurance and organizations of mandatory social insurance, institution authorized for public income activities, institutions and organizations authorized for registration of legal

and private entities and data of importance for obliges of contribution payment, relations between Central Registry of Mandatory Social Insurance with other legal entities, as well as other issues of importance for functioning of Central Registry of Mandatory Social Insurance. Besides that, in compliance with the provision of article 11, paragraph 4 of the specified Law, also the Regulation was brought on content, form and method of submission of the unique application for the mandatory social insurance, unique methodology principles and unique keys codex for data entry into the unique base of the Central Registry of Mandatory Social Insurance (“Official Gazette of RS”, no. 54/10) which was used as of 1 October 2010. This Regulation regulates the immediate content and form of the unique application for mandatory social insurance, method of submission of the unique application, proofs submitted with the application, unique methodology principles and unique keys codex for data entry into the unique base of the Central Registry of Mandatory Social Insurance.

It is required to consider that the reform measures have been changed within the existing situation of economy and economics, which affected also their efficiency.

The basic goal of the reforms is establishment of financially sustainable pension and disability insurance system, regular pension payment and enhancement of the standard of the pension users, wherein reform implies also some unfavourable measures, such as increase in age limit for exercising right to age pension.

In this phase of the reform, the Draft Law on corrigendums and addendums of Law on Pension and Disability Insurance has been prepared, which has stipulated: a gradual increase of the conditions for exercising the right to age pension - for the insured women from 35 to 38 years of work service and from 53 to 58 years of age (women and men); change in method of pension adjustment, so that, besides the changes in consumer prices, also an additional parameter was implemented for pension adjustment, which is a real increase of GDP; for the insured persons whose work service for insurance is calculated with extended duration, the changes in conditions regarding the required years spent at work place, i.e. work for reduction of age limit, as well as gradual extension of general age limit from 53 to 55 years. For the insured persons doing the most demanding jobs (for example miners, ballet dancers), the advantage that the age limit can be reduced up to 50 years remained; inclusion of military insured persons into the unique pension and disability insurance system as of 1 January 2012. The Government considered this Draft at the assembly seating held on 17 June 2010 and determined the Proposal for a Law on corrigendums and addendums of the Law on Pension and Disability Insurance, which was submitted to assembly procedure on 22 June 2010. However, the unions showed dissatisfaction by certain proposed provisions, especially in relation to raising the age limit for the insured women; therefore, the Proposal of the Law was withdrawn from the assembly procedure by the conclusion of the government from 22 October 2010. Meanwhile, through negotiations with the union representatives, the possibility of additional adjustment of the minimum pension amount was defined from 1 January of the current year, if the minimum pension amount paid in the insurance of the employees for the previous year amounts less than 27% of the average salary of the employees excluding taxes and fees, and that the required minimum work service of insurance for a female oblige is increased from 35 to 38 years, gradually in four months annually, but only from 2013, instead of 2011. The remaining requests of the union representatives refer to the issue of insurance service years with extended duration, so-called reduced service years, considering the real possibilities of the pension and disability insurance system. However, it is expected that the new text of the Draft Law on corrigendums and addendums of the Law on pension and disability insurance, with the aforementioned corrigendums, shall be found in the assembly procedure once again very soon, which is of general interest.

The essence of the health policy of the Republic of Serbia includes: health improvement, equity in health by reducing inequalities, equity and solidarity in financing and use, then, the provision of optimal and highly specialized services, as well a response to people's expectations - reinforcing the public and the accountability of the system.

The system is organized into the following levels: primary, secondary and tertiary.

- primary health care: basic, active, belongs to the first level of contact with a patient;

Health practice at the primary level is organized as follows: health centre, pharmacy and Institute (Institute for Student Health Care, Institute for Occupational Health; Institute for Emergency Medicine; Institute for Gerontology; Institute for Dentistry; Institute for Pulmonary Diseases and Tuberculosis; Institute for Dermatology and Venereology).

- secondary level: comprises hospital - inpatient and consulting (specialized) activity;

Health practice at the secondary level is organized as follows: general hospital and special hospital (for psychiatric patients, for patients with tuberculosis, for rehabilitation, etc.).

- tertiary level: sub-specialist activities, education and scientific research.

Health facilities at the tertiary level: Clinical Hospital Centre, Clinic, Institute and Clinical Centre

- health care institutions that perform the activities on several levels:

Bureaus and Institutes of Public Health; Institute for Blood Transfusion; Institute of Occupational Medicine; Institute of Forensic Medicine; Institute of Virology, Vaccines and Sera; Institute for Antirabic Protection; Institute for Psychophysiological Disorders and Speech Pathology; and Institute for Biocides and Medical Ecology.

Health care institutions in Serbia can be state-owned or privately owned. State-owned health care institutions are established in accordance with the Plan of health institutions network, adopted by the Government. The Plan of health institutions network shall establish the structure, number, capacity and spatial distribution of health care institutions.

The following institutions are established solely as state-owned: for emergency medical aid, for blood supply, in the field of transplantation, for the production of sera and vaccines, for pathoanatomic and autopsy work and in the field of public health.

Private practice is established as: clinic and polyclinic, laboratory, pharmacy, health care ambulance and laboratory for dental technology.

What proportion of resources is devoted to primary and secondary health care?

Health activities are implemented by healthcare professionals (physicians and dentists, pharmacists and pharmacists-medical biochemists, nurses and technicians), then, healthcare associates and non-medical staff.

The total number of health centres amounts to 167, and the percentage of the total number of physicians working in primary health care (health centres) is 43%. Number of citizens per a physician at the primary level is the 1112.

The total number of general hospitals is 41 (the number of beds thereof is 14 857).

Out of the total number of physicians and specialists – 20,066 – 7,562 of them (37.7%) work in hospitals.

Out of the total number of nurses and technicians – 56,883 – 23,949 of them (42.1%) work in hospitals.

Bedding capacities:

The level of health care	Number of beds (%)
Primary	320 (0, 8%)
Secondary	32,770 (84%)
Tertiary	6,000 (15.2%)
Total	39,090

The number of beds in the institutions at the tertiary level is as follows:

- Clinics – 1,007 beds
- Institutes – 4,016 beds
- CHC – 2,332 beds
- KC – 7, 103 beds
- Military Medical Academy - 500 beds.

There is a system of compulsory health insurance in the Republic of Serbia (Bismarck model). Funds for financing the right arising from compulsory health insurance are provided by the payment of contributions for compulsory health insurance and from other resources, in accordance with the Health Insurance Law and the law regulating contributions for compulsory social insurance. These funds represent the income of the Republic Institute for Health Insurance, i.e. the income transferred therein from the Budget of RS.

Contributions for employees are paid by the employer (the contribution rate is 12.3% of the base), and are borne by the employer and the employee in equal amounts. In addition, other categories of insured persons pay the contribution rate of 12.3% of the base to which the contribution is calculated, while the contribution for vulnerable groups, which is provided from the budget of the Republic of Serbia, amounts to 12.3% of the minimum base.

Table 1 *Health care expenditures share of GDP in Serbia, 2003-2008 - BATUT*

Indicator	2003	2004	2005	2006	2007	2008
Total health care expenditures share of GDP (%)	8,7	8,6	9,0	9,3	9,9	9,8
Public health care expenditures share of the gross domestic product	6,2	5,9	6,0	5,9	6,1	6,1
RIHI (Republic Institute for Health Insurance) public health care expenditures share of GDP (%)	5,6	5,4	5,5	5,5	5,7	5,6
Private health care expenditures share of GDP (%)	2,5	2,7	3,0	3,4	3,8	3,7

#### **Out-of-pocket payments**

2003	2004	2005	2006	2007	2008
86,3	88,0	89,7	90,9	92,2	92,2

Given the fact that GDP per capita in the Republic of Serbia amounts to EUR 4.300, of which about 6% or 14% of total expenditures of the state is allocated for health care, i.e. small allocations for health care expenditures per capita in the Republic of Serbia (about 270 EUR per capita), the increase in total health care expenditures will result in an increase in funding for extending the rights of the insured persons (eg. expanding of the lists of medicines that are provided from the resources of compulsory health insurance, ensuring a broader scope of health services, etc.). In addition, for a number of services a minimal participation to be paid has remained in a fixed amount of RSD 50, and also the participation to be paid in a certain percentage of the expenditures of health services has not been increased. The increase in total allocations for health care will also result in the reduction or abolition of the percentage share of the insured persons in payment of the cost (participation) for certain rights arising from health insurance (e.g. for certain medicines and health services) or for certain categories of insured persons (socially vulnerable).

In addition, certain benefits are also provided to other categories of insured persons who earn their own income (employees, pensioners, farmers, entrepreneurs, etc.). In fact, according to Articles 24 and 25 of the Rulebook on the Contents and Scope of the Rights to Health Care from the Compulsory Health Insurance and on Participation in 2010 (*Official Gazette of RS* No. 11/10, 50/10 and 73/10), to the insured persons whose income is below the amounts laid down by this Rulebook, as well as to members of their families, health care is provided in full amount from the compulsory health insurance funds, i.e. those persons are exempt from paying participation fee. For insured person who lives alone, the said amount is defined as the minimum wage in the net amount plus 30%, laid down in accordance with the labour regulations for the month of application. For insured person who lives in family household this threshold is

determined as the minimum wage in the net amount per family member, laid down in accordance with the labour regulations for the month of application.

Regarding employment, there are 2,958,668 persons insured, which equals 43.60% of the total number of the compulsory insured persons. Pensioners are at the second position regarding the number of insurers in relation to the insurance basis, whose number equals 1,842,066, i.e. 27.14%, and the persons whose insurance is financed from the budget of the Republic of Serbia occupy the third position, of which there are 1,210,157, i.e. 17.83%.

- 7.7 million citizens

- The total number of the insured persons is 6,866,620 citizens, of which 4,637,740 are insurance holders and 2,228,880 are family members. As socially handicapped categories of citizens whose incomes are financed from the budget of the Republic of Serbia, pursuant to Article 22 of the Law on Health Insurance, 1,047,516 persons are insured. (in the attachment the table with the number of insurance holders based on various insurance basis is enclosed). It may be concluded based on the specified data that approximately 3.5 million citizens pay the contributions for themselves and their family members.

#### **Incomes in 2008**

70% - contributions of the employees

23% - contributions of PDI Fund and NES

7% - Other incomes

#### **Expenditures in 2008**

46% - salaries of 104,000 employees in health care system

38% - expenses of health care protection, energents, medicines, consumable and built-in material, implants, medical aids...

11% - prescription medicines

3% - remunerations for sick leaves and mileages

1% - RIHI expenses

1% - payment of interests and credits

#### **Incomes in 2009**

68.58% - contributions of the employees

28.96% - contributions of PDI Fund and NES

2.46% - Other incomes

#### **Expenditures in 2009**

46.13% - salaries of 103,641 employees in health care system

34.78% - expenses of health care protection, energents, medicines, consumable and built-in material, implants, medical aids...

12.55% - prescription medicines

4.18% - remunerations for sick leaves and mileages

2.36% - RIHI expenses

0.00% - payment of interests and credits

#### **Incomes in the period 01.01-31.10.2010**

68.78% - contributions of the employees

28.86% - contributions of PDI Fund and NES

2.36% - Other incomes

#### **Expenditures in the period 01.01-31.10.2010**

43.98% - salaries of 104,486 employees in health care system

35.25% - expenses of health care protection, energents, medicines, consumable and built-in material, implants, medical aids...

14.42% - prescription medicines

3.96% - remunerations for sick leaves and mileages

1.90% - RIHI expenses

0.49% - payment of interests and credits

The compulsory health insurance system is financially sustainable, however, due to a wide range of rights enabled to insurers and tendency that those rights are expanded also in the following period, it is required to increase the budget allowances for financing the compulsory health insurance system.

In addition, in health care institutions, there is a required number of health care employees for services provided within the compulsory health insurance and there was no cases of numerous transfer of health care staff from the state health care institutions to other job positions, i.e. private sector.

#### Financing

- 7.7 million citizens

- 3.5 million citizens pay the health insurance for themselves and family members, covering 6.5 million citizens, and 1.2 million citizens are persons without income, protected categories - unemployed, refugees, allocated and prosecuted persons and other social categories

Pursuant to the data of the Republic Institute for Health Insurance (RIHI) available on: <http://www.lat.rzzo.rs/index.php/finansijski-izvestaji-main/286.html>, the income structure of the Institute in 2009 was:

69% - contributions of the employees

29% - contributions of PDI Fund and NES

2% - other incomes

Expenditures in 2009 amounted:

48% - salaries of 104,000 employees in health care system

32% - expenses of health care protection, energents, medicines, consumable and built-in material, implants, medical aids...

13% - prescription medicines

4% - remunerations for sick leaves and mileages

3% - other expenses (expenses of RIHI and parment of interests and credits)

The compulsory health insurance system is financially sustainable, however, due to a wide range of rights enabled to insurers and tendency that those rights are expanded also in the following period, it is required to increase the budget allowances for financing the compulsory health insurance system.

In addition, in health care institutions, there is a required number of health care employees for services provided within the compulsory health insurance and there was no cases of numerous transfer of health care staff from the state health care institutions to other job positions, i.e. private sector.

The expected life duration at birth in Serbia in 2009 amounted 71.1 years for men and 76.4 years for women, whereas in EU in 2008 it amounted 76.3 years for men and 82.4 years for women. The expected life duration of citizens age 65 years in Serbia in 2008 amounted 13.9 years for men nad 16 years for women, whereas in EU in 2008 this indicator amounted 17.1 years for men and 20.7 years for women.

The infant death rate in Serbia shows decreasing tendencies, but the values of indicators in 2008 with 6.7 infant deaths per 1000 live births are still higher than the average of the European Union countries (4.4 infant deaths per 1000 live births). The results of the Research of multiple indicators of the state and condition of women and children in

Serbia refer to significantly more inconvenient values of death rate in relation to Roma infants in Roma settlements, where the value of this rate in 2005 when the research was performed was three times bigger and amounted 25, whereas in general population of Serbia it was 8.9 infant deaths per per 1000 live births.

The indicator values in relation to the period of intensive supervision of the health care department in reference to the health of mother and child also imply that the efficiency of the health care protection in this segment in 2008 are less convenient in comparison to the EU.

The selected death rate, Serbia and EU, 2008

	Fetal deaths per 1000 births	Early neonatal deaths per 1000 live births	Perinatal deaths per 1000 births	Infant deaths per 1000 live births	Maternal deaths per 100000 live births
Serbia	4.97	3.91	6□23	6.7	14.48
EU	4.12	2.04	5.8	4.4	6□12

Source: European Health for All Database (HFA-DB). Taken from: <http://data.euro.who.int/hfad/>

The standardised death rates in relation to certain chronic non-contagious diseases of the highest public health significance show that in relation to death rate from circulatory system and malignant diseases, the values of these indicators in Serbia are less convenient in comparison to the EU countries.

The standadised death rates of the selected death causes, Serbia and EU, in 2008

	SDR, diseases of circulatory system, all ages per 100000	SDR, malignant neoplasms, all ages per 100000	SDR, trachea/bronchus/lung cancer, all ages per 100000	SDR, cancer of the cervix, all ages, per 100000	SDR, malignant neoplasm female breast, all ages per 100000	SDR, external cause injury and poison, all ages per 100000
Serbia	523,3	203,6	50,5	10,3	29,8	43
EU	240,4	173,6	37,6	3,3	23,7	38,9

Source: European Health for All Database (HFA-DB). Taken from: <http://data.euro.who.int/hfad/>

The level of technological equipment (data from 2009):

The type of medical equipment	Number of devices
magnetic resonance imaging	38
scanners	90
PET	2
Gamma camera	1
mammography units	75
Linear accelerators	13
Telecobalt 60	One, 30 years

The indicator values of the hospitals functioning in Serbia, every year show approximating to the indicator values of the hospitals in the EU.

The efficiency indicators of the hospital functioning in Serbia and the EU

Year	Total number of released patients per 100 citizens		Length of stay in hospitals		Average daily occupancy of beds in hospitals	
	Serbia*	EU**	Serbia*	EU**	Serbia*	EU**
2007.	15,3	17,5	9,6	8,8	73,4	77,0
2008.	16,2	17,7	9,2	8,7	74,7	77,9
2009.	17,3		8,8		74,5	

\*Source: Institute for Public Health of Serbia "Dr Milan Jovanovic Batut", Health Statistical year book of the Republic of Serbia 2009.

**Long-term care and treatment** in Serbia has been performed in the existing health and social protection institutions. According to the data of the Ministry of Education, the inclusion of children with institutionalized pre-school upbringing and education is slightly increasing. Special institutions for palliative care and treatment of patients in terminal disease phase do not exist. In the strategy for palliative treatment, adopted in March 2009, palliative care and treatment shall be integrated into the existing health care system. At the level of primary health care protection,

palliative care shall be provided in health care institutions and home treatment services as well as forming palliative care teams. At the level of secondary health protection, i.e. in general hospitals, it is planned to form the special palliative care units within the ward for prolonged treatment and care. The units for palliative care with 140 beds were formed in 13 health care institutions and their increase to 160 is planned until 2015.

The sustainable financing method of long time care is still required in numerous countries, considering the fact that the private financing sources share is relatively high<sup>37</sup>. There is a risk that the investments into health care and long time care shall specially suffer during financial crisis. Local and regional governments are increasingly included into this care aspect, which should continue. According to the evaluations from National Health Account, the shares for long time care in Serbia, as the percentage of the total consumption for health care protection, increased from 0.33% in 2003 to 1% in 2008.

The long term care institutions in Serbia are regarded as social protection institutions and their share in 2007 was approximately 0.74%, and 0.84% in 2008.

In 2007, out of totally spent financial assets for health protection amounting 226,893,474,000, the share for Long term care was 1,744,165,490, of which 568,114,850 was selected from private financing sector (OOP) and 1,176,050,640 is a share from public sector.

In 2008, out of totally spent financial assets for health protection amounting 273,414,323,000, the share for Long term care was 2,285,605, of which 717,304,000 was selected from private financing sector (OOP) and 1,568,301,004 (OOP) is a share from public sector.

Implementation of specific measures to improve the quality of access and sustainability

1. healthcare sector
1. long-term care sector

1. Basic organizational structure of the health care system comprises the network of *state-owned health care institutions*, as well as privately owned health care institutions and private practice.

The types of health care institutions in the Republic of Serbia are defined by the Law on Health Care, while the number, structure, capacity and spatial distribution of state-owned health care institutions is regulated by the Plan of health care institutions network (*Official Gazette of RS* No. 42/06, 119/07, 84/08, 71/09 and 85/09). The Network of state-owned health care institutions is organized on three levels of health care services provision.

The founders of state-owned health care institutions are the Republic, the autonomous province and the local self-government. The highest degree of decentralization was implemented at the primary health care level, given that the exercise of the founder's rights over the institutions at the primary level (health centers, pharmacies and institutes at the primary level) was taken over by local self-government.

## Capacities

According to the Network Plan, the total number of state-owned health care institutions is 375, as follows: 167 health centers, 41 pharmacies, 16 institutes at the primary level, 5 medical centers, 40 general hospitals, 40 specialized hospitals for acute and chronic conditions and for rehabilitation, 5 clinical-hospital centers, 6 clinics, 13 institutes, Military Medical Academy, 4 clinical centers, 37 institutes and bureaus conducting the business on multiple levels, out of which 4 are institutes and 23 bureaus of public health.

The total number of beds laid down by the Network Plan is 38,590, which ensures the capacity of 525 beds per 100,000 population. According to the data collected in health care institutions through the health and statistical reports, the total number of beds in 2008 amounted to 39,660 (not including the beds in day hospitals). In this way, 540 beds per 100,000 population were ensured, slightly less than the EU average (570 per 100,000 population) and significantly less than the average in the WHO European Region, which amounts to 668 beds per 100,000 population.

According to the Network Plan, a total of 114,317 staff was employed in health care institutions in 2008. . Of that number, 20,668 (18.1%) were physicians (of whom 74.3% specialists from various disciplines), 39,905 (34.9%) nurses-technicians, 29,117 (25.5%) administrative and technical workers, while 24,627 (21.5%) were other health care workers (dentists, graduate pharmacists, pharmacists-medical biochemists, dental technicians, pharmacy technicians, laboratory technicians, radiology technicians, etc.). and health care associates. Compared to 10 years ago, it is a 1% increase in number of employees, but at the same time a 5% decrease if compared to 2003 when the greatest number of employees was recorded in the same ten-year period. At the same time, the qualification structure of employees was changed, the percentage of non-medical staff reduced (administrative and technical), while the percentage of physicians and nurses increased. Thus the workforce capacity, i.e. the number of physicians and nurses per 100,000 people, came close to average values in the EU countries.

In relation to the number of employees in health care institutions, laid down by the Network Plan, the capacity of 281 physicians per 100,000 population was ensured in the Republic of Serbia, while that number is slightly higher in the EU - 321 physicians per 100,000 population. In primary health care, the capacity of 81 physicians per 100,000 population was achieved, i.e. one physician per 1228 population. The health care, provided in institutions of stationary type, continues to engage the largest number of physicians, about half of the total number. If we observe the ensured capacity concerning the number of physicians in relation to the total number of licensed physicians in the Republic of Serbia (28,413 according to the data of the Medical Chamber of Serbia), it amounts to 387 physicians per 100,000 population.

The number of nurses-technicians (taking into account the employees of the health care institutions laid down by the Network Plan) per 100,000 population in the Republic of Serbia is 572, while in the EU that number is a third higher and amounts to 745 per 100,000 population. However, if taking into account a total number of licensed nurses and health technicians (50,801 according to the *Chamber of Nurses and Health Technicians of Serbia*), then the ensured capacity of nurses is closer to EU average and amounts to 721 nurses per 100,000 population.

The proportion of administrative and technical workers in the total number of employees, although continuously decreasing, is still high and amounted to 25.5% in 2008.

Despite the high of provision of personnel at the level of the Republic of Serbia, the problem of territorial disparities in terms of the number of health workers available to the citizens, still remains. Thus, the number of physicians (working in institutions laid down by the Network Plan) per 100,000 population in the administrative districts, ranges from 151 (administrative district of Srem) up to even 437 (administrative district of Nisava), and regarding nurses, from 314 (administrative district of Srem) to 657 (administrative district of Zajecar).

The number of unemployed physicians, dentists and pharmacists as of 2000, indicates an upward trend, with the highest values recorded in 2005 and 2006, while in 2008 it amounted to a total of 3102 (1750 physicians, 1145 dentists and 207 graduated pharmacists). The increase in unemployment of highly educated health personnel is largely due to the lack of consistent national policy of planning enrolment and education, employment and continuous training of health workers and associates.

Continuous investing in renewal and procurement of medical equipment, particularly in equipment of high technological value, takes place in the Republic of Serbia. Based on the analysis of existing data, health care institutions and private practices in the Republic of Serbia have: 2 apparatus for positron emission tomography (PET scans) (0.27 per million population), 38 apparatus for magnetic resonance imaging (MRI) (5.17 per million population), 90 apparatus for computed tomography (CT) (12.24 per million population), 14 linear acceleratory (LINAC) (1.9 per million population) and 75 mammograms (10.2 per million population) of which two are mobile digital mammograms.

In addition to state-owned health care institutions, health care services are also provided in privately owned health care institutions and private practices in the Republic Serbia. At the beginning of 2009, over 5,000 forms of privately owned health care services were registered in the Republic of Serbia (health care institutions and private practice), of which 7 were health centers, 72 hospitals, 136 polyclinics, about 1,200 medical offices, 2,000 dental offices, 1,400 pharmacies and 200 different laboratories and diagnostic offices.

## Use of health care

The average number of visits to services in primary health care in 2008 amounted to 8,3 visits per capita, which is significantly above the EU average (6,8). There exist territorial disparities in the use of primary health care, and the results of the Study on the living standards show lower use of health services among the poor and socially vulnerable groups of population (persons with no health insurance, Roma, refugees and displaced persons, the unemployed).

In the Republic of Serbia 1,106,643 hospitalizations were registered in 2008. Although the hospitalization rates recorded a growing trend, and amounted to 15.1 of the hospitalized per 100 population in 2008, it is still significantly lower than the average in the WHO European Region (19.2) and in EU (17.9). The average length of treatment in the past 10 years decreased by 3.6 days, and in 2008 amounted to 9.7 days, which is very close to the EU average (9 days). The average daily beds occupancy in inpatient health care institutions for short-term hospitalization (as laid down by the Network Plan) in the Republic of Serbia amounted to 69.8%, which is not only lower than the EU average (76.3%) but the European average (79.1%) as well. The low level of bed occupancy can not be explained only as a result of excess hospital beds, but as the result of influence of several factors, such as inadequate distribution of beds in relation to current needs and the traditional ways of financing the capacities of health care institutions.

2. At the proposal of the Ministry of Health, the Government of the Republic of Serbia adopted the Strategy for Palliative Care and Action Plan on 5 March 2009. The Strategy for Palliative Care is a document of national importance, laying down a complete and consistent national policy aimed at developing the health care system of the Republic of Serbia.

The need for palliative care becomes a priority issue the resolution of which requires the state, in cooperation with health workers and associates, associations, patients, their families and the public media, to develop national health policy on palliative care and to define strategic goals and measures.

Strategy for Palliative Care (hereinafter referred to as: the Strategy) is develop in accordance with Recommendations of the Committee of Ministers of the Council of Europe "REC 24 (2003)" relating to the organization of palliative care, as well as in accordance with Recommendations of the European Conference, held in Belgrade in 2005, stating that palliative care should become an integral part of health care and an inseparable element of the right of citizens to health care.

Palliative care is an approach that improves the quality of patients' lives and the lives of families, facing the problems that accompany life-threatening diseases through the prevention and elimination of suffering through early identification and impeccable assessment and treatment of pain and other problems: physical, psychological and spiritual (World Health Organization, 2002). The term "life-threatening disease" refers to patients with active, progressive, advanced disease with limited prognosis.

Palliative care also includes the philosophy of care provided to the patient and to his family, and the very service of palliative care. It covers the period from the time of diagnosis until the end of mourning for the loss of a family member.

Palliative care complements the specific approaches that aim to influence the course of the basic disease. As the disease progresses, the importance of specific approaches decreases, and the importance of palliative care insreases.

The reasons for the adoption of the Strategy are growing demands for this type of health care that results from aging of the population of the Republic of Serbia and the growing number of people with the progressive course of diseases (cardiovascular diseases, malignant diseases, diabetes, neuromuscular diseases, cerebrovascular diseases), HIV/AIDS, *traffic traumatisms* and others.

## Analysis of health services at primary level

Analysis of the organization, operation of home treatment and nursing services and the personnel structure in health centers in the Republic of Serbia was made on the basis of the Report of the personnel structure, the Report on the execution of the service plan for 2007 and the Questionnaire for 2008, conducted by the Ministry of Health in cooperation with the *Institute of Public Health of Serbia "Dr Milan Jovanovic Batut"*.

After examining the personnel structure and the capacities of home treatment and nursing services in terms of the chosen physician, it is concluded that over 59.3% of health centers in Serbia does not have specially organized home treatment and nursing services, but the activities of these services are performed within the adults health care (general medicine, emergency, polyvalent patronage).

There is a specialized institution in the territory of Belgrade, (the City Institute for Gerontology, Belgrade), which provides home treatment and palliative care for about 1,500 elderly and seriously ill persons on average, per day.

After conducting the analysis of the existing personnel in the services of home treatment and care (the number of contracted physicians, nurses - technicians), it was concluded that the availability of physicians, was compliant with the existing Book of regulations on the detailed conditions for the execution of healthcare activities in Health Care Institutions and other health care providers (*Official Gazette of RS No. 43/06* - hereinafter referred to as: the Rulebook), while the number of contracted nurses - technicians in 2007, in most health centers, was not compliant with the Rulebook, thus the number of nurses in services of home treatment and care needs to be increased.

The analysis of the workload of physicians (number of visits per a doctor) shows that, in relation to a total number of medical examinations and a number of contracted physicians, the workload per physician is compliant with the prescribed standard of the number of services.

The analysis of the workload of nurses and technicians (number of medical services per a nurse - technician) shows the increased volume of work the above personnel and increased workload in relation to a prescribed standard.

### **Analysis of health services at secondary and tertiary levels**

The Regulation of Health Care Institutions Network Plan (*Official Gazette of RS No. 42/06, 119/07 and 84/08*) stipulates the capacity of hospitals for continued treatment and care (geriatrics, palliative care, chemotherapy, physical medicine and rehabilitation), amounting to 0.20 beds per 1000 population (Article 22, paragraph 1 ).

The Rulebook stipulates that divisions for continued treatment and care in general hospital shall have eight physicians and 50 nurses - technicians with higher or secondary education (Article 19, item 11), in a special hospital, five physicians and 75 health workers with higher or secondary education (Article 25, item 1), and the clinic, in the area of internal medicine, and rehabilitation - eight physicians specialized in the relevant field of medicine and 20 nurses - technicians with higher or secondary education (Article 26 item 1 ).

In order to implement the Action Plan of the Strategy for Palliative Care, within the DILS project funded by the World Bank, the Ministry of Health of the Republic of Serbia trained 476 health workers and associates of the home treatment and nursing services of 61 health centers, in cooperation with the Institute of Oncology and Radiology of Serbia, the City Institute for Gerontology, Home Treatment and Care-Belgrade, Serbian Society for Fight against Cancer, the Association of Nurses and Health Technicians of Serbia, associations Belhospis and Oncologist and the Serbian Red Cross.

