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**MUTUAL INFORMATION SYSTEM ON SOCIAL PROTECTION
OF THE COUNCIL OF EUROPE
(MISSCEO)**

**OVERVIEW OF RECENT TRENDS AND DEVELOPMENTS
IN SOCIAL PROTECTION IN MISSCEO COUNTRIES**

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1. INTRODUCTION

This paper gives an overview of the recent developments in social protection in the Council of Europe member states which made contributions to the Mutual Information System on Social Protection of the Council of Europe (MISSCEO) network. The paper is based on information provided by the national correspondents who have reported changes in social protection legislation and policies over the years 2021 and 2022: Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Montenegro, North Macedonia, Serbia and Türkiye. Respective information from Albania, Moldova and Ukraine was not yet available. The overview relates to the changes in legislation and is without prejudice to the situation in practice. Any opinions expressed in this paper, as well as the selection of highlighted reforms, are those of the author and not of the member states nor of the Council of Europe. Similarly, for any mistakes, misinterpretations or omissions the author takes sole responsibility.

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2. MAIN CHANGES TO SOCIAL PROTECTION SCHEMES IN MISSCEO COUNTRIES

While in 2020 and 2021 several MISSCEO countries applied some extraordinary social protection measures to mitigate the economic and social consequences of the crisis caused by the Covid-19 pandemic, the new challenges emerging in 2022 were the speeding up of inflation, in particular due to increasing energy prices, escalated by the Russian invasion of Ukraine. Several countries responded by increasing the benefit rates. Several MISSCEO countries also adopted at least some parametric changes of their social security systems relating to some key elements of these schemes.

Old age

Benefit determination and calculation

In **Azerbaijan**, from 2022 the minimum amount of labour pension was increased from 200 AZN to 240 AZN.

In **Georgia**, recipients of state pension or so-called social package who live permanently in the mountainous regions are paid a supplementary benefit in the amount of 20% of their regular benefit.

In **Türkiye**, from 2022 the minimum level of pensions to be paid was increased from 1,500 TRY to 2,500 TRY per month. In July 2022, the minimum pensions were increased to 3,500 TRY per month.

Indexation rules of pensions

In **North Macedonia**, a new method of adjusting of pensions was introduced in March 2022. According to the new methodology, pensions adjusted by a combined index of 50% increase in the average salary and 50% increase in the cost of living. Based on the amended indexation rules, pensions were increased by over 6% in 2022.

In **Georgia**, a mechanism of pension indexation was introduced in 2021 whereby all pensions will be increased by at least the annual inflation rate.

In **Montenegro**, the frequency of indexation of pensions was increased. From 2022 pensions are indexed three times per year on 1 January, 1 May and 1 September, based on the change of the CPI and average wage in Montenegro over the previous quarter. Formerly pensions were indexed annually on 1 January based on the annual change of prices and wages.

Supplementary increases of pensions

In **Montenegro**, an additional indexation of the minimum pension by 36% was implemented in September 2022.

In **North Macedonia**, additional financial support of 1,000 MKD beyond the general indexation was provided to all pensioners (about 330,000 persons) for the months of March, April and May 2022 to mitigate the consequences of the rising prices and the energy crisis.

In **Serbia**, beyond the regular indexation of pensions in January 2022 by 5.5%, two supplementary one-off increases of pensions were implemented. Beneficiaries were paid 5,900 RSD (20% of the average pension) in September 2021, followed by 20,000 RSD (65% of the average pension) in February 2022.

Payment of pensions

In **Armenia**, from 1 July 2021 the payment of pensions and other allowances in the three major cities of Armenia (Yerevan, Gyumri and Vanadzor) is being processed by a mandatory non-cash method, i.e. by a bank transfer. In all other settlements the same payment method will be applied from 1 January 2024.

Disability

In **Armenia**, legislation on the rights of persons with disabilities and functionality assessment was adopted. According to the new legislation the socio-medical evaluation will be replaced by the functionality assessment, whereby disability is assessed in the context of limitations it presents on person's functionality, as well as the impact of environmental factors.

In **Azerbaijan**, from 2021 the number of assistive devices provided to persons with disabilities at the expense of the state budget increased and 23 new assistive devices (including electric wheelchair, high-tech prosthesis, lifts for wheelchair user etc.) were added to the list, which now includes 57 types of assistive devices. From 1 July 2022 new criteria of disability assessment are applied in Azerbaijan.

In **Georgia**, the amount of so-called social package provided to persons with severe disabilities and children with disabilities and was raised.

North Macedonia applies a new assessment model for the needs of children and youth with disabilities up to 26 years of age, based on functional assessment. The assessment is conducted by the Functional Assessment Service of the Health Center in Skopje. Simultaneously the scope of children and youth with disabilities eligible to claim a special allowance was extended. The allowance is paid up to the age of 26 to children and youth with severe, more severe or the most severe physical disabilities, with moderate, severe

or profound intellectual disability, with chronic illness, with impaired vision, hearing or speech, autism or multiple disabilities.

Health care

In **North Macedonia**, the Government adopted a new Health Care Strategy for 2021–2030 aiming at modernization and development of the health care system. The strategy prioritizes the strengthening the effectiveness of the health care system, improving its performance, quality and safety, and increasing access to health care.

Family benefits

In **Azerbaijan**, from 2022 the lump-sum childbirth benefit was increased from 200 AZN to 300 AZN, whereas the rate of benefit paid to families who are beneficiaries of the targeted social assistance during the first year of life of the child, as well as benefits paid to mothers with more than 5 children for each child under 18 years of age were increased from 55 AZN to 70 AZN per month. The monthly income threshold for eligibility to income-tested child allowances was raised from 160 AZN to 200 AZN per family member.

In **Georgia**, from 2021 financial support was launched for young people aged 18–21 leaving the state care system to help them start independent living. From July 2021 child benefits to children under the age of 16 living in families with the wellbeing score (assessed by a proxy means-testing formula) below 120,001 was doubled. From June 2022 the child benefit was raised from 100 GEL to 150 GEL.

In **Montenegro**, in 2021 a universal child allowance (30 EUR per month) was introduced for children under the age of 6. For beneficiaries of social assistance benefits the means-tested entitlement to child allowance is valid until the child reaches the age of 18, provided the child is engaged in regular education.

In **Serbia**, amendments to the Law on financial support for the families with children were adopted. The one-off birth grant for the first-born child was increased three times, amounting to 300,000 RSD (423% of the average wage in January 2022), while additional one-off birth grants of 100,000 RSD (141% of net average wage in January 2022) were introduced for the second and third child. From January 2022 also a new subsidy was introduced for building or buying house or apartment. Eligible for a subsidy amounting to 20,000 EUR are mothers who give birth to a child as of January 2022 and possess no house or apartment, while the parents' total earnings do not exceed two average wages in Serbia.

Unemployment benefits

In **North Macedonia**, the software of the Employment Service Agency and of the centers for social work was upgraded, enabling the exchange of data in real time and joint preparation of individual plans for labour market activation.

Guaranteed minimum resources

Armenia is introducing a new system of needs assessment. This includes a hybrid means test to determine eligibility for social assistance allowances, based on the disposable income and property of the family. The means test includes verification of income, while a statistical value is introduced to assess income which is not easily verifiable.

From 1 April 2021 the integrated social service system was launched. The Unified Social Service involves social protection service, socio-medical evaluation, employment offices and social assistance agencies of provinces and communities. The new arrangement includes the integrated system of social need assessment, as well as an integrated social register – an information system for the management of applications and needs assessment with the aim to reduce the number of documents required from applicants, and to make the provision of a social service faster, better targeted and more accountable.

In **North Macedonia**, the beneficiaries of the Guaranteed Minimum Assistance were granted an additional support of 1,000 MKD for the months of March, April and May 2022 to mitigate the consequences of the rising prices and the energy crisis.

Financing: contributions

In **Bosnia and Herzegovina**, in Republika Srpska from January 2022 the rate of health insurance contributions was reduced from 12% to 10.2%.

In **Montenegro**, for employers who before the end of 2021 established an employment contract for an indefinite period with a person who was formerly unemployed for more than three months and was registered in the Employment Agency, the obligation to pay contributions for pension and disability insurance on wages which are not higher than the average monthly wage in the country, are partly waived (in the amount of 90% of contributions in 2021, 60% of contributions in 2022 and 30 % of contributions in 2023). The pension and disability insurance contributions for such employees are paid from the state budget.

In **Türkiye**, in June 2021 the social security premium debts were restructured and debt payment conditions were eased. Interests and penalties on social security premium debts were waived, while the debt amounts were updated with the domestic producer price

index (D-PPI). The general health insurance premium debts were also restructured. For persons who paid their general health insurance original debts before the end of 2021 the delay penalty and the late fee was cancelled.

From January 2022 self-employed farmers and seasonal agricultural workers were provided with a greater flexibility in making premium payments. They are now allowed to pay their premiums in six-month periods, not monthly.

Financing: budgetary sources

In **Bosnia and Herzegovina**, in the Federation of Bosnia and Herzegovina the financing of disability benefits was modified in 2021. Benefits for persons with disabilities (non-war disabilities) with the degree of disability 90–100% physical damage are fully financed from the budget of the Federation of BiH. Compensations of civilian victims of war with the degree of disability 60–100% as well as family disability benefits of civilian victims of war are co-financed the budget of the Federation of BiH (70%) and the budgets of the cantons (30%).

In **Montenegro**, from 2022 health care, sickness and maternity benefits are financed fully from the state budget and there is no longer an obligation to pay health insurance contributions, neither by employees nor by employers. Also the obligation to pay health insurance contributions by pensioners has been abolished.