

SECRETARIAT GENERAL

DIRECTORATE GENERAL I - HUMAN RIGHTS AND RULE OF LAW /
DIRECTION GENERALE I - DROITS DE L'HOMME ET ETAT DE DROIT

DIRECTORATE OF HUMAN RIGHTS / DIRECTION DES DROITS DE L'HOMME

DEPARTMENT OF THE EUROPEAN SOCIAL CHARTER
SERVICE DE LA CHARTE SOCIALE EUROPEENNE

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

Strasbourg, 30 December 2021

MISSCEO (2021) 5

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

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

MISSCEO INFO 2021

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 2020 and 2021: Armenia, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, the Russian Federation, Serbia, Turkey and Ukraine. Respective information from Albania and Azerbaijan 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.

After the introduction, the paper includes two chapters, the first addressing the measures adopted in response to the COVID-19 pandemic and the second covering the other changes to social protection systems.

Lauri Leppik
Professor, Tallinn University

2. MEASURES TO ADDRESS THE COVID-19 PANDEMIC

Some MISSCEO countries continued to apply certain extraordinary measures to mitigate the economic and social consequences of the crisis caused by the pandemic, or adopted some new measures in this regard. However, the number of such special measures appears to be smaller than in the year before, indicating that the social protection systems are returning to their regular mode of operation.

Financing: contributions

In **Turkey**, applied measures to compensate social security contributions to employers which were the most negatively affected by the by the COVID-19 pandemic. For businesses in sectors of food and beverage services, internet cafes, sports, entertainment and wedding services in April and May 2021 social security contributions of insured persons and employers calculated over the lower limit of earnings subject to contributions were covered from the Unemployment Insurance Fund. For employers who had applied shortened working time or had received wage subsidies social security contribution calculated over the lower limit of earnings subject to contributions were compensated for up to three months (but not more than by 30 June 2021) after the end of shortened working time or wage subsidy as a transitory measure to support normalization of business.

Health care

In **Bosnia and Herzegovina**, in Republika Srpska persons who are not insured by the compulsory health insurance are covered with necessary health care for the disease caused by COVID-19 from the funds of the general budget of the republic.

In **Turkey**, access to health care is not terminated until the end of 2021 for persons who have contribution debts.

Sickness cash benefits

In **Ukraine**, medical workers who are in self-isolation to prevent the spread of COVID-19 or localize its outbreaks are paid a temporary incapacity benefit at the rate of 100% of the insured wage, whereas for all other insured persons in similar situation the rate of benefit is 50% of the insured wage.

Unemployment

In **Bosnia and Herzegovina**, in Republika Srpska services for unemployed persons have been rearranged and persons can exercise their rights by telephone and by e-mail contacts, including registration as unemployed and most of the services, except counselling which implies a personal contact.

In **Ukraine**, the Social Insurance Fund granted financial assistance in the amount of 8,000 UAH to self-employed persons (individual entrepreneurs) who lost income due to quarantine requirements.

Old-age

Serbia paid an additional one-off sum of RSD 5,000 (about 18% of the average pension) to pension beneficiaries in December 2020 to mitigate the effects of crises.

Turkey increased the rate of the lowest old age pensions to 1,500 TRY per month to reduce the adverse economic effects of the pandemic on older individuals.

Employment injuries and occupational diseases

In **Bosnia and Herzegovina**, amendments to the Rulebook on the List of Occupational Diseases stipulated that COVID-19 can be considered an occupational disease in prescribed jobs and conditions.

Minimum guaranteed resources: social assistance

In **North Macedonia**, in the context of continuing COVID-19 pandemic easier access to guaranteed minimum assistance in a state of emergency is provided. The right to the guaranteed minimum assistance does not cease if the unemployed member of the household does not register as an unemployed in the competent employment center or does not fulfill the conditions and obligations for registration or if the registration terminates.

3. OTHER CHANGES TO SOCIAL PROTECTION SCHEMES

All MISSCEO countries adopted some changes of their social security systems relating to the various parametric details of the schemes.

Old age

Pension age and qualification criteria

In **Montenegro** the earlier plan to increase the pension age to 67 was halted. Under the adopted amendments, the pension age for men will be raised to 66 and for women to 64, while 15 years of service are required to be eligible for an old age pension. Persons with an insurance period of 40 years may retire at the age of 61. On the other hand, the age limit for an early retirement pension is being gradually increased from 62 to 63 over the period 2020 to 2025, and the special retirement conditions for miners are being gradually abolished.

Benefit determination and calculation

North Macedonia adopted amendments to the Law on Pension and Disability Insurance enabling back payment of insurance periods when the person was insured but no contributions were actually paid due the employer bankruptcy. Insurance contributions payable for these periods are calculated on the basis of 20% of the national average salary in the preceding year, and could be paid either by the insured person or his/her family.

Indexation rules of pensions

In **Georgia**, from 2021 a mechanism of pension indexation was introduced. The pensions in payment will be increased by at least the annual inflation rate. For pensioners aged 70 and over, 80% of the real economic growth rate will be added to the inflation rate.

In **Montenegro** the mechanism on pension indexation was changed. Formerly pensions were indexed by a mixed index, which depended 75% from the consumer price index and 25% from the wage index. The new index is based on the same factors (consumer price index and wage index) and adopts the same weights of 75% and 25%, but has a rotating mechanism – the higher weight is given to the factor with the higher annual value. The new indexation mechanism was applied from January 2021 whereby pensions were increased by 0,9%.

In **Moldova**, according to the new mechanism of indexation pensions were indexed on 1 April 2021 with the inflation rate recorded in the last half of the previous year, which was 3,89%.

Supplementary increases of pensions

In **Armenia**, the minimum old-age, invalidity and survivors' pensions were increased from 25,500 to 26,500 Armenian drams, while pensions in general were increased on average by 10%.

Ukraine introduced additional social support for single pensioners over the age of 80.

Payment of pensions

In **Turkey**, pensions for persons over 65 years of age may be paid at home upon request.

Invalidity

Ukraine introduced a care allowance at the rate of 40% of the subsistence level for persons who have lost their ability to work.

Survivors

In **Montenegro**, the calculation method of pensions was modified. According to the adopted amendments, one quarter of the insurance period which is the most unfavourable for the insured person, is excluded from the calculation of the pension. The right to a survivor's pension has been extended to non-union partners under the same conditions applicable to a spouse, and to the same-sex partners with registered partnership, as well as to the children of these persons.

Moldova made the calculation of survivor's pensions more favourable for children. In case of deceased insured person, the share of the old-age or disability pension of the deceased person was increased from 50% to 75% for eligible children. In case of deceased uninsured person, the rate of the child allowance in the case of the loss of the breadwinner was increased from 15% to 40% of the amount of the minimum old age pension.

Sickness cash benefits

In **Russia**, the floor on temporary incapacity benefit was established and the amount of benefit may not be less than the applicable minimum wage on the day of the insured event.

Maternity benefits

In **Bosnia and Herzegovina**, in the Republika Srpska, the salary compensation paid by the employer during the maternity leave is now fully covered from public funds – 100% of the gross salary paid by the employer to the mother on maternity leave is refunded to the employer from the budget of the republic.

In **Russia**, the mother/family capital programme was extended until 2026.

Serbia adopted several changes to the maternity benefit scheme:

- the maternity benefit can not be less than the minimum wage;
- the upper ceiling of the benefits was raised from 3 to 5 times the average wage;
- parents taking care of a disabled child can receive the long-term care benefit simultaneously with the maternity benefit or wage compensation during the leave, whereas earlier they could receive just one benefit at the time;
- the qualification period of the maternity benefit for farmers was reduced from 24 months of insurance to 18 months, equalizing the criteria with the other categories.

Family benefits

In **Moldova**, the minimum amount of the child benefit for insured persons and the rate of benefit for uninsured persons was increased by 15% from 1 January 2021, reaching 740 Moldovan lei. From the same date, the flat-rate childbirth allowance was increased by 14%, reaching 9,459 Moldovan lei.

In **Russia**, from 1 July 2020 the minimum monthly childcare allowance for the first child was increased so that the rate of allowance is now the same (6752 Russian rubles) regardless of the number of children, whereas earlier the rate of allowance for caring for the first child was lower than for the second and subsequent children.

Unemployment benefits

In **Russia**, the duration of payment of the earnings-related unemployment insurance benefit was shortened. Formerly the earnings-related unemployment benefit could be paid for up to 12 months over a period of 18 months. Under the new rules, the earnings-related unemployment benefit in general can be paid for up to 6 months within the period of 12 months. However, for persons in pre-retirement age with sufficiently long insurance period (over 25 for men and 20 years for women) the former duration of benefit payment was maintained.

Guaranteed minimum resources

In **Armenia**, the family vulnerability score which serves as a basis of entitlement to allowance due to financial insecurity was reduced from 30.00 to 28.00, with the effect that more families retained eligibility for allowance.

In **Moldova**, the equivalence scales for children for calculating the guaranteed minimum monthly income were increased from previous 50% to 75%. Following legislative amendments adopted in 2020, the guaranteed minimum monthly income is being indexed twice a year on 1 April and 1 October with the same indexation mechanism as pensions.

Ukraine adopted a Strategy for Digital Transformation of the Social Sphere which among others provides for the creation of the Unified Social Register. The register will include information on recipients of social assistance and their entitlements to different types of social support.

Long-term care

Turkey extended the personal scope of support for informal caregivers. Previously informal long-term care could be provided by relatives. Under the new arrangement, if there is no relative to take care of the person with a disability, the necessary care can be provided by a guardian approved by the committee of care services. The government pays a cash benefit to the relative or guardian caretaker.