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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) network¹. The paper is based on information provided by the national correspondents who have reported changes in social protection legislation and policies over the years 2022 and 2023: Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Serbia, and Türkiye. Respective information from Albania and Ukraine was not 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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¹ MISSCEO web page: <https://www.coe.int/en/web/european-social-charter/missceo-database>

2. MAIN CHANGES TO SOCIAL PROTECTION SCHEMES IN MISSCEO COUNTRIES

After the years of extraordinary measures taken in 2020 and 2021 due to the Covid-19 pandemic and the period of high inflation in 2022 due to increasing energy prices, escalated by the Russian invasion of Ukraine, in 2023 the number of new measures and policy changes in the MISSCEO countries somewhat decreased. Nonetheless, nearly all countries adopted at least some parametric changes of their social security systems relating to some elements of these schemes.

Old age

Benefit determination and calculation

In **Azerbaijan**, from February 2023 the minimum amount of labour pension was increased from 240 AZN to 280 AZN.

In **Georgia**, according to the decision of the Government, from 2023 persons employed in underground mines with continuous work in underground and working experience for the last 10 years, men from the age of 60 and women from the age of 55, are entitled to receive monthly social assistance in the amount of the state pension 295 GEL until they reach retirement age.

In **Moldova**, according to the amendments to the *Law on the public social insurance system*, the beneficiaries of the works calculate, declare, and pay the state social insurance contributions for individuals who work as day laborers except for pensioners and disabled people. The state social insurance contribution is 6% from the daily remuneration.

The old-age pension and death allowance of the individuals who carry out activities as day laborers are insured.

The following types of pensions have been re-examined in 2022:

- old-age pensions, for beneficiaries who established their pension rights after 1 January 1999 and accumulated a contribution period of 5 to 7 years after acquiring the pension rights (29435 beneficiaries). The average amount of the pension after re-examination was 5065.43 MDL.
- disability pensions, established until 1 January 1999, for persons who had a contribution period of at least 2 years after acquiring the disability pension rights (515 beneficiaries) are also re-examined. The average amount of the pension after re-examination was 3184.80 MDL.

Moreover, from January 2023, a new formula is applied for re-examining old age pension which takes into account contribution periods acquired after granting the pension. Thus, 37,609 people benefited from a review of the age limit for the old age pension (3,895.71 MDL). Furthermore, 2,715 people benefited from a review of their disability pensions, established since 1 January 1999 for people who have contributed at least 7 years after acquiring disability rights pension (3,441.38 MDL).

In **Montenegro**, the Law on Pension and Disability Insurance was amended granting a favourable right to an old-age pension for persons with at least 30 years of insurance service, of which at least 20 years were worked in the metal processing and mining industry sectors. This exceptional right to an old-age pension could be exercised until 31 December 2022.

In **Türkiye**, the minimum amount of monthly pension was increased from 2,500 TRY to 3,500 TRY from 12 January 2023 and further to 7,500 TRY from 30 March 2023.

Indexation rules of pensions

In **Armenia**, as of 1 September 2022 minimum pensions were increased by 10.5% (from 28,600 AMD to 31,600 AMD) while the base amount of work pension was increased by 16.7% (from 18,000 AMD to 21,000 AMD).

In **Moldova**, as of 1 April 2023 old age and disability pensions were indexed by 15%. Thus, as of 1 April 2023 the minimum old age pension increased from 2,278.8 MDL to 2,620.62 MDL, and the amount of the minimum disability pension was raised as follows:

1. In case of a severe disability – from 1,709.10 MDL to 1,965.47 MDL;
2. In case of a pronounced disability – from 1,595.16 MDL to 1,834.43 MDL;
3. In case of an average disability – from 1,139.40 MDL to 1,310.31 MDL.

In **Montenegro**, from 2022 pensions are indexed three times per year (formerly once a 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. Based on this increased frequency of indexation, pensions were indexed by 2.13% on 1 January, by 8.13% on 1 May and 4.35% on 1 September 2022. In 2023 pensions were regularly indexed by 2.5% from 1 January and by 5.4% from 1 May.

In **North Macedonia**, from 2023 pensions are adjusted biannually with an index which in equal shares (50:50) depends on the cost-of-living index and the growth of the national average salary in the previous semester. Previously pensions were adjusted with the cost-of-living index.

In **Serbia**, the annual indexation method for the adjustment of pensions was changed as of 2023. The new indexation method is based on a triple lock mechanism introduced whereby the applicable index depends on the ratio of pension expenditures to the GDP:

- 1) If the ratio is below 10%, pensions are adjusted with the net wage growth;
- 2) If the ratio is 10% or higher, but lower than 10.5%, pensions are adjusted with half of the Consumer Price Index (CPI) growth and half of the average net wage growth;
- 3) If the ratio is 10.5% or higher, pensions are adjusted with the CPI growth.

Based on the new indexation method, in January 2023 pensions were adjusted with the wage growth by 12.1%.

Supplementary increases of pensions

In **Montenegro**, an extraordinary indexation of the lowest pensions was implemented in 2022 by 36% in January and by 10% in September.

In **Serbia**, there was an extraordinary increase of pensions by 9% in November 2022 due to high inflation.

Payment of pensions

In **Armenia**, from 1 January 2024 the payment of pensions and other allowances shall be processed by a mandatory non-cash method, i.e. by a bank transfer for all beneficiaries under 75 years of age. Beneficiaries over 75 years of age and persons with disability of the 1st or 2nd group are exempted, i.e. may receive payments in cash, while having the option of switching to the non-cash method of payment.

Disability

In **Armenia**, a new system of disability assessment is being implemented based on the International Classification of Functioning (ICF) of the World Health Organization. The new assessment method puts the focus on 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. The new method is implemented from 1 February 2023 to persons who apply for disability assessment for the first time.

In **Azerbaijan**, from 1 July 2022 new criteria of disability assessment are applied. According to the new rules, disability is determined by the degree of loss of bodily functions in percentages. The former first group of disability corresponds to 81–100 percent of loss of bodily functions, the former second group of disability corresponds to 61–80 percent of loss of bodily functions and the former third group of disability corresponds to 31–60 percent of loss of bodily functions.

In **Georgia**, from 2023 social benefits for persons with disabilities are annually indexed to increase the rates of benefits according to the inflation rate.

North Macedonia proceeds with the introduction of a new disability assessment model for children and young people with disabilities based on functional assessment, applying the

International Classification of Functioning, Disability and Health. Specific by-laws have been adopted regulating the procedure of functional assessment and the institutional set-up. Several expert bodies have been established to conduct functional assessments. The reform is implemented jointly by three competent ministries – the Ministry of Labour and Social Policy, the Ministry of Health and the Ministry of Education and Science.

Employment injuries and occupational diseases

In **Türkiye**, survivors of insured persons who died as a result of work accidents in underground works of coal and lignite mines are granted a pension on the date of death without any other conditions for the insured person.

Health care

In **Montenegro**, with the amendment of the Law on Health Care the national register of persons with autism was formed.

Maternity

In **Georgia**, the ceiling of allowances paid during maternity and parental leave has been increased from 1,000 GEL to 2,000 GEL from 2023.

Family benefits

In **Armenia**, a new scheme of child allowances was introduced from 1 January 2022. Under the new scheme a monthly benefit in the amount of 50,000 AMD is paid for the 3rd and each following child in the family up to their 6th birthday. Eligible are children born after 1 January 2022. From 2023, the lump-sum birth grants for the first and second child were substantially increased to 300,000 AMD (previously 50,000 AMD for the first child and 150,000 AMD for the second child).

In **Azerbaijan**, as of 1 January 2023 the lump-sum benefit for the birth of a child was increased from 300 AZN to 500 AZN.

In **Bosnia and Herzegovina**, in the Federation of Bosnia and Herzegovina, the Law on Material Support for Families with Children was adopted in October 2022. According to the law, the amount of child allowance is 19% of the lowest salary in the Federation, whereas the financial assistance to an unemployed mother is paid in the amount of 55% of the lowest salary in the Federation. The child allowance is paid from the federal budget, while the assistance to unemployed mothers is paid from the cantonal budget. The law ensures the uniformity of respective rights at the level of the entire Federation, independent of canton where the beneficiary resides.

In **Moldova**, as of 1 October 2022 the monthly allowance was established for all children regardless of the employment status of the parent (insured or uninsured) in the amount of 1,000 MDL per month. In addition, the monthly allowance for multiple children (twins, triplets etc.) which is until the age of 3, was increased to 500 MDL per month, regardless of whether the parents are insured or not. IN addition, the single allowance for the birth of a child was increased from 10,068 MDL in 2022 to 10,932 MDL in 2023.

From 2023 new allowances were introduced for adoptive parents.

In **Montenegro**, in 2022 the birth allowance lump sum intended to support the purchase of baby accessories for a newborn was increased from 152.16 EUR to 1000 EUR for parents entitled to social allowance benefit, while for other parents, the correspondent birth allowance was increased from 126.78 EUR to 900 EUR. In addition, in 2022 the benefits were regularly adjusted twice, respectively by 1.5 and 8.7 per cent. From the 1 January 2023 the benefits were indexed by 4.8%.

Unemployment

In **Georgia**, in March 2022, a public work program was launched to attract socially vulnerable groups into the labour market. The program aims to promote the activation of targeted social assistance beneficiaries and support them in integration into the labour market. The program includes several options for beneficiaries, including formalization of informal employment, in which case they preserve social benefits for the next 4 years.

Guaranteed minimum resources

In **Azerbaijan**, from 2023 the need criterion threshold of the targeted state social assistance program was increased by 23% – from 200 AZN to 246 AZN.

In **Moldova**, the guaranteed minimum monthly income level was indexed by 15 % as of 1 April 2023.

In addition, with the aim to reduce energy poverty, the two former instruments to assist citizens during the cold season, namely the cold season assistance and the energy bill compensations were consolidated into a single mechanism. For the 2022-2023 winter season, it established 5 categories of energy vulnerability for households, which were assigned depending on the income, the ratio between income and energy expenditure, the type of heating system, family composition and other household criteria. In total, about 895,000 households in the 2022-2023 winter season received compensation through this mechanism (about 75%).

In **North Macedonia**, a Law on Financial Support of Vulnerable Categories of Citizens for Dealing with the Energy Crisis was adopted in November 2022. Under this legislation a supplementary benefit of 3,000 MKD per month was paid for the period of 4 months (a

total of 12,000 MKD) to recipients of various social protection benefits, including child benefits, pensioners (with pensions up to 14,000 MKD), recipients of compensation for bodily injury and beneficiaries of unemployment benefit.

Financing

In **Armenia**, the social security contribution rate which is paid monthly by employers (or by self-employed persons) based on each employee's gross monthly salary has been gradually reduced from 23% before 2021 to 20% from 1 January 2023.

In **Serbia**, the pension contribution rate was lowered from 25% to 24% as of January 2023.

In **Türkiye**, with the legislation adopted in March 2023, social security premium debts were restructured, the default interest, penalty and legal interest of the debts were deleted, and the debt amounts were updated.