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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 presents an overview of recent developments in social protection across Council of Europe member states that contribute to the Mutual Information System on Social Protection (MISSCEO) network. It is based on reports and tables on social protection from national correspondents documenting legislative and policy changes during 2024–2025 in Azerbaijan, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Serbia, and Türkiye[1]. Data for Albania and Armenia were not available, and data for Ukraine were only partially available (i.e. for old age pensions and survivors' benefits).

The focus of this overview is on legal and policy changes and may not fully capture implementation in practice. The opinions expressed, as well as the selection of highlighted reforms, reflect the author's perspective and not those of the member states or the Council of Europe. The author assumes full responsibility for any inaccuracies, omissions, or misinterpretations.

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[1] MISSCEO

2. MAIN CHANGES TO SOCIAL PROTECTION SCHEMES IN MISSCEO COUNTRIES

Between 2024 and 2025, countries across the region implemented a range of social protection reforms and measures aimed at balancing fiscal sustainability with benefits adequacy. A series of changes occurred in the areas of financing, pensions, and family benefits, complemented by adjustments in health care, unemployment protection, disability support, and guaranteed minimum resources. Pension reforms focused on gradual increases in retirement age to promote gender equality, indexation of pension benefits to safeguard purchasing power amid inflation, and incentives for longer contribution periods to encourage extended labor market participation. In parallel, several governments introduced fiscal containment measures, such as freezing certain benefits or postponing adjustments. In the area of financing, a range of measures lowered contribution rates to reduce the tax burden on labor, while others expanded coverage to self-employed and non-standard workers, strengthening protection for previously excluded groups. Health care reforms similarly aimed to improve coverage by extending free or subsidized care to new beneficiary categories, such as persons with disabilities, children, and teacher trainees. Labor market measures, including unemployment benefit reforms and training programs for youth, sought to enhance employability. Family and disability benefits were strengthened, particularly through the introduction of enhanced childbirth grants in several cases. Finally, measures to strengthen survivors' benefits and improve guaranteed minimum resource schemes underscore states' concern with protecting vulnerable groups.

I. OLD AGE PENSIONS:

Over the last year, countries across the region have undertaken a range of pension-related measures aimed at balancing fiscal sustainability with the need to protect retirees' incomes. These reforms have included adjustments to retirement ages and contribution requirements to promote gender equality and strengthen system sustainability, regular pension indexation to preserve pensioners' purchasing power amid inflation, introducing or maintaining fixed bonuses or one-off payments to provide short-term relief. At the same time, several countries temporarily froze certain benefits or postponed adjustments to contain public spending. In addition, new incentives were introduced to reward longer contribution periods, encouraging extended participation to the labor market. Overall, these measures reflect a shared policy approach to balance the adequacy and fairness of pensions with broader economic and demographic pressures.

Maintaining the gradual increase in the statutory retirement age and required contribution period, with the aim of equalizing the retirement ages for men and women

Moldova: As of July 1, 2024, women retire at 61 (moving toward equalization with men in 2028), while both men and women need 34 years of contributions.

Azerbaijan maintained the regular increase of women's retirement age, foreseen to equalize that of men (i.e. 65) in July 2027. From July 1, 2025 the pension age for women is 64 years and 6 months.

Montenegro: Men's retirement age decreased from 66 to 65, while women's increased from 64 to 65. People now need 40 years of insurance contributions to qualify.

Serbia: From 2021, the pensionable age for women is gradually increasing by 2 months per year to reach 65 in 2032;

Türkiye maintains the provision aimed at increasing and equalizing the retirement age of men and women. Currently set at 58 years for women and 60 for men, the retirement age will be gradually increased starting from 2036, foreseen to reach 65 for both men and women in 2048.

Pension Indexation

Across the region, countries pursued diverse strategies to **balance pension adequacy with fiscal sustainability**, indicating a commitment to maintaining retirees' purchasing power while **adapting indexation mechanisms to fiscal constraints and economic conditions**.

Moldova

Pensions continued to be indexed annually, with the indexation coefficient set at 6.0% in April 2024 and 10.0% in April 2025. Adjustments were partly linked to inflation and GDP growth, but only applied to the pension portion below the average wage—reflecting a targeted measure to contain fiscal costs. In both years, a fixed supplement (MDL 12.41 in 2024 and MDL 1.92 in 2025) was also added, ensuring a more significant impact for the lower pension benefits.

Georgia continues to implement the automatic pension indexation mechanism linked to inflation and economic growth, introduced as of 2021, resulting in an increase of the pension benefit in 2025 for approximately 870,000 pensioners. In 2025, the state pension for pensioners, aged 70 and above is 450 GEL, and for other pensioners - 350 GEL, compared to 365 GEL and 295 GEL, respectively, in 2023.

Montenegro

Regular indexation was maintained, with three adjustments in 2024 (2.08% in January, 1.93% in May, and 2.4% in September), followed by a 6.85% increase in January 2025. However, the minimum pension will not be indexed in 2025, also as a result of prior significant increases (the minimum pension has been increased by approx.. 52% in 2024 compared to 2023[2]).

[2] 2024 BUDGET PRESENTED: FROM 1 JANUARY MINIMUM PENSION EUR 450

North Macedonia

Regular biannual pension indexation was temporarily suspended from September 2024 to August 2025, replaced by two fixed increases of 2,500 MKD (around €40) each in September 2024 and March 2025. This measure is likely to provide immediate relief to retirees while reducing the pressure on the pension budget.

Serbia

Pension indexation practices were revised under the 2024 amendments, moving the indexation date from January to December on a permanent basis. This change led to two pension increases in 2024 (January and December), with the next indexation planned for December 2025. Likewise, the minimum pension has been increased, its share in the average wage going up slightly from 25% in 2023 to 26% in 2025.

Ukraine

No changes were reported to minimum or maximum pensions between 2023 and 2025, suggesting a temporary freeze on adjustments likely intended to contain public spending amid fiscal pressures.

Turkey: The retirees benefited from an increase in the biannual holiday bonus (from 3,000 TL to 4,000 TL in March 2025), providing additional income support outside the regular indexation framework.

Azerbaijan

Pension adjustments occurred through **increases in the minimum pension** and other pension supplements. The minimum pension increased from AZN 280 (EUR 140) in 2023 to AZN 320 (EUR 160) in 2025, respectively.

Moldova: Pensions increased by 6% in 2024 and 10% in 2025, taking into account inflation and GDP growth.

Rewarding Longer Contribution Periods

Several countries introduced measures to give extra benefits to those who have worked or contributed for longer periods:

- **Moldova:** Starting May 2025**, p**eople with 40+ years of contributions receive a higher minimum pension (3300 MDL compared to 3055 MDL).
- **Montenegro:** 40 years of insurance service counts toward pension eligibility, regardless of age.
- **North Macedonia:** People with long careers (35+ years for women, 40+ for men) get a higher accrual rate (from 77.4% to 80%).

II. REFORMS RELATED TO FINANCING AND THE COVERAGE OF THE BENEFITS

Over the years 2024-2025, several countries in the region have introduced significant reforms to the financing structure and coverage of their social insurance systems, measures that are likely to improve sustainability, expand protection, and reduce the tax burden on labor.

Turkey: in 2025, Turkey increased the employer's contribution rate for employment injuries, occupational disease, sickness, and maternity insurance from 2% to 2.25% of gross earnings, enhancing funding for these risks. At the same time, the Seasonal Agricultural Workers Regulation, amended in 2024, broadened social protection for non-standard forms of employment. The reform improved access to social security rights, health services, and education for seasonal workers and their families, while aiming at promoting the formal employment and reducing undeclared work.

Bosnia and Herzegovina

To ease the cost of labor and support economic activity, the employee healthcare contribution rate was reduced from 12% in 2024 to 10.2% in 2025, with no employer contribution required. This measure aims to enhance take-home pay for workers and support employers, while maintaining access to core social insurance benefits.

North Macedonia

New legislation introduced a framework for temporary and short-term work engagements, balancing labor market flexibility with comprehensive social protection. Employers are now required to pay contributions covering pension and disability insurance, health insurance, and additional health coverage for occupational injury or disease. Importantly, these engagements do not affect existing entitlements—unemployed persons retain unemployment benefits, pensioners preserve pension rights, and students maintain education-related rights—allowing broader participation in the labor market without jeopardizing social protection.

Moldova

Beginning January 2026, social insurance for old-age and death risks will become compulsory for most self-employed persons, expanding coverage and reinforcing the contributory base of the pension system.

Montenegro

A major tax reform adopted in October 2024 significantly reduced the pension and disability insurance contribution rates for both employees and employers—from a combined 20.5% to 10%. Specifically, the employee rate was cut from 15% to 10%, and the employer rate was eliminated (from 5.5% to 0%). The reform also introduced a new 0.2% employer contribution to the Labor Fund. These changes have lowered the overall tax burden on labor (now averaging around 16%), increased employees' net wages, and reduced employers' labor costs. However, while the reform enhances employment incentives and employed persons' income, it also raises concerns regarding the long-term adequacy and sustainability of pension system, given the sharp decline in contribution revenue.

III. HEALTH CARE

The changes in the healthcare area primarily concern the *expansion of insurance coverage*, *extension of exemptions from patient co-payments, and inclusion of new beneficiary groups under existing health protection frameworks*.

Turkey: The scope of the general health insurance *has been expanded* with the inclusion of teacher candidates enrolled in preparatory training at the National Education Academy by the Ministry of National Education *as beneficiaries during their training period*. The general health insurance contributions for these individuals *will be paid* from the Ministry of National Education budget. Their spouses, children, and parents *are now also covered* by general health insurance as dependents.

Moldova: Patients *may now choose a hospital of the same level for planned treatment, regardless of residence*. Additionally, while previously granted only for emergency care and a limited range of dental services for pregnant women and children under 18, the dental treatment coverage has been extended to include:

- dental treatment under general anaesthesia for children and adults with severe disabilities, provided as part of a special care dentistry service in public inpatient institutions;
- dental services for children in rural areas delivered by mobile teams supported by the Mandatory Health Insurance prophylaxis fund.

North Macedonia

The exemption of patient participation to medical treatment has been extended to insured persons with disabilities in accordance with social and child protection legislation.

IV. SICKNESS BENEFITS

Montenegro: an amendment to the law regarding the temporary work incapacity benefits adds persons suffering from multiple sclerosis among those entitled to 100% wage compensation during temporary incapacity for work, regardless of the cause.

V. UNEMPLOYMENT

Several countries have implemented a range of measures in 2024–2025 aimed at enhancing employment support and unemployment protection. These measures primarily focus on facilitating entry into the labour market and strengthening protection mechanisms in cases of employer insolvency, complemented by initiatives to revise unemployment benefits.

Serbia has amended its unemployment legislation to allow the provision of subsidies for self-employment and the payment of unemployment benefits as a one-off subsidy, under the following conditions:

- The unemployment benefit may be paid as a one-off subsidy to support self-employment.
- Individuals who have received unemployment benefits for at least three months and subsequently obtain an open-ended employment contract are entitled to request a subsidy equal to 30% of the remaining benefit amount.
- Individuals who are officially registered as unemployed, have no outstanding debts to the National Employment Service, and have completed an entrepreneurial training course before starting a self-employment activity are eligible to apply. The subsidy is provided as a one-off payment: 380,000 RSD (354% of the average net wage in January 2025) or 420,000 RSD (391% of the average net wage) for persons with disabilities.

Turkey has extended the deadline for granting the insurance contribution incentive for the employment of young persons, women, and those with professional certificates *until 31 December 2025*.

Bosnia and Herzegovina – Republika Srpska brought a series of amendments to the unemployment benefit, as it follows:

- The *minimum cash benefit* is set at *55% of the lowest wage in Republika Srpska in 2025*, compared to a *maximum of 80% in 2024*.
- The *maximum duration of the unemployment benefit* has been *reduced* and now ranges from *1 to 18 months*, compared to the previous maximum of *24 months* (*amendment to the Law on Intercession in Employment and the Rights of Unemployed Persons*, Official Gazette of Republika Srpska, No. 112/23).

Moldova revised the calculation method of the unemployment benefit starting January 2024. The new policy *simplifies and standardizes unemployment benefits* by *eliminating distinctions based on the reason for unemployment or other factors*, and *fixing the benefit rate at 40%* of the average insured monthly income of the person *for all recipients*.

Montenegro has enhanced the system of professional training for the unemployed graduates and expanded *employee's protection in cases of employer bankruptcy* by introducing a *Labour Fund mechanism* for the payment of *unpaid employee claims*:

- A *monthly net compensation of €600* is provided during *nine months of professional training* for *unemployed individuals with higher education and no prior work experience*, registered with the Employment Office. The training is *recognized as 12 months of work experience* and *meets the condition for taking a professional exam*. This measure *aims to address youth unemployment* by providing practical skills, *enhancing employability*, and *facilitating labour market entry*.

- A new regulation has been introduced to cover unpaid employee's claims in case of redundancy. Eligible individuals include employees employed on the day bankruptcy was initiated, as well as those whose employment ended within six months prior to bankruptcy, provided their claims are legally recognized under the Bankruptcy Law. Covered payments include wages up to six minimum wages in Montenegro (including mandatory contributions); wage compensation for incapacity for work for up to six months prior to bankruptcy, with pension and disability contributions; compensation for unused vacation in the year bankruptcy was initiated; severance pay due to retirement (two minimum wages); and court-awarded compensation for work-related injury or occupational disease, paid in full as determined by the court.

VI. FAMILY BENEFITS

Several countries have introduced reforms to family-related benefits in 2024–2025. *Serbia and Turkey have placed particular emphasis on childbirth grants*, with significantly increased amounts for the first four children in Serbia and a system of one-time and monthly payments in Turkey. Other family allowances have also been raised, although in many cases the increases were smaller than the rise in wages.

Serbia

Childbirth grants for the first four children were significantly increased, effective for all children born as of 1 January 2024. The first child receives 500,000 RSD (up from 345,399 RSD in 2023), the second 600,000 RSD (paid in 24 instalments), the third 2,280,000 RSD (120 instalments), and the fourth 3,180,000 RSD (120 instalments).

Turkey

Childbirth grants introduced for children born on or after 1 January 2025: 5,000 TRY one-time for the first child, 1,500 TRY per month for the second child until age five, and 5,000 TRY per month for the third and subsequent children until age five.

Starting July 2025, female civil servants who have given birth, or civil servants whose spouses have given birth, may work part-time until the month following the child's entry into compulsory primary school. Civil servants or their spouses who adopt a child are also eligible for part-time work under the same conditions.

Montenegro

Temporary child support introduced from the Alimony Fund for children whose parent fails to pay court-ordered support, paying the full legally determined amount until payment resumes or the child reaches 18 (or 26 if in education/unable to work).

In March 2025, all children in a family became eligible for the monthly child allowance (€30 per child), removing the previous limit of five children.

VII. INVALIDITY

Several countries introduced reforms or increases in invalidity benefits. In *Azerbaijan, the old disease-based system was replaced with a functional, percentage-based assessment of disability, classifying disabilities into three groups: Group I (81–100% loss), Group II (61–80% loss), and Group III (31–60% loss)*. The reform shifts from a disease list to a functional, percentage-based system, making disability assessments broader, and better aligned with real functional limitations. Additionally, *the list of recognized diseases expanded from 128 to 616, allowing a more comprehensive evaluation*. In *Georgia, disability benefits were increased*, according to provisions in place since 2023, foreseeing the annual indexation based on inflation. Consequently, *benefits increased from 340 GEL to 425 GEL for severe disabilities (Group I) and children with disabilities,*. For *moderate disabilities (Group II), adult benefits rose from 175 GEL to 230 GEL, while children recognized with moderate disability after age 18 saw an increase from 135 GEL to 190 GEL. Likewise, in Bosnia and Herzegovina, disability pensions were raised, with the average disability pension increasing from 423.46 BAM in December 2022 to 509.39 BAM in December 2023, the latest available data.*

VIII. SURVIVORS

Ukraine has strengthened survivors' benefits for families of deceased military personnel. Family members are now entitled to a pension equal to 70% of the deceased breadwinner's salary for each dependent if there is one dependent, or 50% for each if there are two or more dependents. For families that include children who have lost both parents, the pension may be calculated based on the combined earnings of both parents. The total survivors' pension cannot exceed 100% of the pension to which the deceased was or would have been entitled, and each family member may receive their share separately upon request. In addition to the monthly pension, families of deceased military personnel are entitled to a substantial lump-sum payment of 15 million hryvnias (or 750 times the subsistence minimum), along with access to medical care and subsidized housing. These measures reflect the government's efforts to enhance social protection for families affected by military losses.

IX. GUARANTEED MINIMUM RESOURCES

In 2024–2025, the main changes focused on enhancing the adequacy of benefits and implementing structural reforms to improve system functionality. In Bosnia and Herzegovina (Republika Srpska), where the level of the guaranteed minimum income is determined as a percentage of the average net salary, the income threshold was raised from 15–30% in 2024 to 17–33% in 2025, depending on household size. This adjustment is expected to broaden access by enabling families with slightly higher incomes to qualify for assistance.

In other countries, the guaranteed minimum income has increased in nominal terms, though its share of average wages has slightly declined, indicating a slower adjustment pace compared to wage growth.

In Moldova, alongside existing energy compensation measures, the government introduced a new mechanism to offset electricity costs for the first 110 kWh consumed per month, starting in February 2025. Additionally, one-off payments were granted—MDL 5,000 (EUR 254.98) to children with disabilities and recipients of severe-disability pensions. A Memorandum of Understanding signed in January 2025 also established targeted financial relief for applicants to the “Personal Assistance” service and for Ukrainian refugees, offering one-time payments between MDL 2,000 and MDL 2,400, depending on eligibility for energy compensation.