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EUROPEAN SOCIAL CHARTER

Ad hoc report on the cost-of-living crisis

submitted by

THE GOVERNMENT OF SLOVENIA

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CYCLE 2024



REPUBLIC OF SLOVENIA

First Ad Hoc Report (Implementation of the European Social Charter – Revised)

February 2024

The European Social Charter (Revised) (hereinafter: the RESC) was adopted by the Council of Europe in 1996. The Republic of Slovenia signed the RESC on 11 October 1997; the Act Ratifying the Charter was adopted by the National Assembly on 11 March 1999 (Official Gazette of the Republic of Slovenia [*Uradni list RS*] – International Treaties, No 7/99); the instrument of ratification was deposited on 7 May 1999 and entered into force for Slovenia on 1 July 1999. In addition to the ratification of the RESC, the Republic of Slovenia also assumed responsibility for monitoring the commitments in the RESC as per the procedure determined by the Additional Protocol to the European Social Charter Providing for a System of Collective Complaints (hereinafter: the Additional Protocol).

Pursuant to the reformed RESC reporting system, ad hoc reports are being drawn up for the first time in 2023. Slovenia has drawn up its first ad hoc report, in which it responds to the issues raised primarily in relation to the cost-of-living crisis. Since at least late 2021, Europe has seen a very significant rise in the cost of living. Inflation has reached levels not seen in the last four decades in many countries, its effects hitting disproportionally the most vulnerable, low-income households.

In many States Parties, wages are failing to keep up with inflation; hence countries responded by adopting different measures. There have been significant increases in poverty and reduced enjoyment of Charter rights. This is particularly true with regard to rights related to social protection (Articles 12, 13, 16 (family benefits), 30 and 31), the right of workers to remuneration such as will give them and their families a decent standard of living (Article 4§1), and rights adhering to socially vulnerable groups (Articles 15, 17, 19 and 23).

The European Committee on Social Rights (hereinafter: the Committee) therefore considers that social rights and the cost-of-living crisis is an appropriate topic for an ad hoc report as:

(i) it addresses a key emerging challenge in terms of contemporary rights enjoyed in the Council of Europe area,

(ii) it enables the Committee to provide a general (pan-European) overview of national situations in light of this challenge, and

(iii) it enables the Committee to refine and develop further its legal analysis from a RESC perspective.

Such reports will enable the Committee to provide **general orientations** on the application of the RESC to a crucial emerging issue.

In developing the questions on the basis of which the ad hoc reports should be drawn up, the Committee has especially focussed on aspects of Articles **12**, **13**, **15**, **16**, **17**, **23**, **30**, **31** and **4§1**, in particular aspects related to income and purchasing power. In doing so, the Committee will look at rights related to social protection – namely Articles **12**, **13**, **16** (family benefits) and **31** – and the right of workers to remuneration such as will give them and their families a decent standard of living (Article **4§1**). The Committee has also taken into account the cost of living and the right to protection from poverty and social exclusion (Article **30**), as well as the situation of groups that have been hit particularly hard by the cost-of-living crisis, such as families with children (Articles **16** and **17**), persons with disabilities (Article **15**), and older persons (Article **23**).

The Committee's report following the ad hoc reports from States Parties will not be country-specific (although the Committee may refer to pertinent law and practice in certain States Parties). The process is rather aimed at gathering information with a view to the Committee identifying elements of good

practice which it could then use in order to formulate guidance to states or statements of interpretation relating to the RESC provisions.

1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted/indexed since the end of 2021.

The minimum wage is regulated by the Minimum Wage Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 13/10, 92/15 and 83/18), which lays down the right to the minimum wage, the method of determining its amount and its publication. A worker employed full time by an employer in Slovenia has the right to be paid at least the minimum wage for work performed. In part-time work, the worker is entitled to at least a proportionate share of the minimum wage. The minimum wage does not include all additional payments provided for by laws and regulations and collective agreements, job performance bonus, or remuneration for business performance agreed as per collective agreement or employment contract (the provision entered into force on 1 January 2020).

The minimum wage cannot include the reimbursement of expenses that the employer is obliged to pay to the worker (e.g. reimbursement of expenses for meals during work, travel to and from work, and business travel expenses) nor other benefits from employment (e.g. annual leave allowance, severance pay and long-service bonus).

In 2021, a <u>new formula for determining the amount of the minimum wage with reference to the</u> <u>minimum cost of living</u> entered into force, which established a reasonable ratio between the incomes of working and non-working persons and more equal and fair treatment for all workers, especially those on the lowest incomes.

The amount of the minimum wage is determined in the range between 120% and 140% of the minimum cost of living, taking into account the growth of consumer prices, wage trends, economic conditions, or economic growth and employment trends, with reference to tax regulations that enable the determination of the gross amount of the minimum wage, at the latest within three months following a change to the minimum cost of living.

The Act also provides for **regular annual adjustment of the minimum wage**; i.e. the amount of the minimum wage is adjusted in January each year at least to the increase in consumer prices, taking into account wage trends, economic conditions or economic growth, and employment trends.

The amount of the minimum wage for the current year is determined by the minister responsible for labour after prior consultation with social partners and is published in the Official Gazette of the Republic of Slovenia.

Due to the rising cost of living, in 2022 the Ministry of Labour, Family, Social Affairs and Equal Opportunities commissioned a new calculation of the minimum cost of living. In accordance with the Social Assistance Payments Act (ZSVarPre; Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 61/10, 40/11, 14/13, 99/13, 90/15, 88/16, 31/18, 73/18, 196/21 – ZDOsk and 84/23 – ZDOsk-1) and previous calculations, the cost of living should be calculated in 2023. **At the beginning of 2023**,

the minimum wage in Slovenia <u>increased by 12% to EUR 1,203.36 gross</u>, one of the highest increases <u>ever</u>. This is because the minimum wage <u>was adjusted to inflation and the increase in the minimum</u> <u>cost of living</u>.

Amendments to the Minimum Wage Act, which were adopted in 2018, stipulated that the minimum wage **must exceed the calculated minimum cost of living by at least 20% and not more than 40%**.

From the point of view of decent pay, it is appropriate to provide by law that the minimum wage should be at least 20% above the minimum cost of living. The high growth of the minimum wage in the 2018–2022 period has led to one of the highest minimum/average wage ratios in the EU, which is also reflected in the high concentration of employees slightly above the minimum wage.

2) Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021.

The financial situation of households in Slovenia worsened slightly due to the epidemic and rising prices but remained above the EU average. Despite rising prices, the share of households with financial difficulties (indebted or living on savings) in the lowest income quartile did not increase in 2022 to the level of early 2021, <u>with government measures contributing significantly to such a result</u>, as the situation of poor households on average in the EU worsened in 2022.

Government measures to mitigate the effects of the epidemic and rising prices thus prevented a further decline in real average disposable income (Spring Forecast, Institute of Macroeconomic Analysis and Development/IMAD, 2023).

The way in which the minimum wage is adjusted is important for preserving purchasing power, which is described in our answer to <u>question 1</u>, where, inter alia, we explain that from the point of view of decent pay, it is certainly appropriate to provide by law that the minimum wage must be at least 20% above the minimum cost of living.

The most important measures to mitigate the consequences of rising prices for households and various transfers to vulnerable groups (see also the answers to **questions 6 and 7**, as the description of the measures is complementary), which had important effects for individual households in different areas, **including a direct or indirect impact on the preservation of purchasing power**, are outlined below.

Key measures include in particular (complementary to the answers to questions 6 and 7):

- one-off solidarity bonus,
- inflation allowance for children,
- one-off solidarity bonus for newborns,
- energy bonus for vulnerable groups (the poorest households: recipients of cash social assistance and income support and persons with disabilities),
- temporary extension of the scope of beneficiaries of cash social assistance and income support (and subsequently the energy bonus),
- development of criteria for determining and assessing the number of energy-poor households,
- an income increase for pensioners (winter bonus, payment of an increased part of pensioners' benefits measures are described in the answer to **question 6**),

- energy price caps (see answer to question 7),
- freezing the price of school snacks for pupils and upper secondary school students and of boarding fees in halls of residence for upper secondary school students and university students (see answer to **question 7**),
- adjustment of tax allowance and tax scale for personal income tax assessment, and other tax measures (see answer to **question 7**).

A DETAILED PRESENTATION OF CERTAIN MEASURES (the measures are also complementary to the answers to questions 6 and 7):

• One-off solidarity bonus

In order to tackle the consequences of energy poverty, in February 2022 the National Assembly adopted the Act Determining the Measures to Mitigate the Consequences of Rising Energy Prices (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No 29/22). The Act provided for a **one-off solidarity bonus in the amount of EUR 150**. The beneficiaries were pensioners with a pension of no more than EUR 1,000 in December 2022, recipients of cash social assistance or income support and the disability benefit for December 2021, recipients of child benefit up to and including the sixth income bracket, recipients of large family allowance, and foster carers with at least one foster care contract concluded for December 2021.

In the period 2022–2023, the **one-off solidarity bonus in the amount of EUR 200** was paid to 439,098 pensioners whose income for December 2021 was EUR 1,000 or less, totalling EUR 65,330,015.09, to 11,098 beneficiaries of disability benefit, totalling EUR 2,219,300.00, to 45,415 recipients of cash social assistance or income support, totalling EUR 6,812,250, to 125,391 beneficiaries of child benefit, totalling EUR 18,808,650, and to 11,478 beneficiaries of large family allowance, totalling EUR 1,223,600.

The beneficiaries of large family allowance for four or more children in 2021 were, in addition to the bonus in the amount of EUR 150, entitled to an additional bonus of EUR 50.

• Inflation allowance for children

Inflation allowance for children was paid in 2022 and 2023. The measure helped families entitled to child benefit during the cost-of-living crisis. Thus in November and December 2022 and in January 2023, they received an inflation allowance for children in addition to the child benefit. Families were entitled to inflation allowance for children in the amount equal to the child benefit for the first child, depending on their income bracket. The family received the allowance for all the children for whom it received child benefit. Foster carers also received the inflation allowance for children up to the age of 18.

• One-off solidarity bonus for newborns

One of the parents or another person or an adoptive parent was entitled to a **one-off solidarity bonus for newborns** in the amount of EUR 500 for each child who had permanent or temporary residence in Slovenia and was born between 1 January 2020 and 30 June 2023 and for whom they were entitled to a childbirth grant under the act governing parental protection and family benefits.

• Energy bonus for vulnerable groups (for recipients of cash social assistance and income support and for persons with disabilities)

Due to increasing social hardship among the population, the National Assembly adopted the Act Governing Temporary Measures to Remedy the Consequences of Price Increases for the Most Vulnerable Groups of the Population (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 117/22). All those who received cash social assistance or income support or belonged to any of the weakest categories of persons with disabilities in the period from August 2022 to March 2023 were entitled to a one-off energy bonus.

The amounts of the one-off energy bonus were:

- EUR 200 for single persons,
- EUR 200 for single-parent families, with an increase of EUR 118 for each child or EUR 59 for a child in shared custody,
- EUR 314 for two-parent families, with an increase of EUR 118 for each child or EUR 59 for a child in shared custody,
- EUR 314 for couples without children, and
- EUR 200 for the weakest income categories of persons with disabilities.

In the period from 2 November 2022 to 30 October 2023, the energy bonus was paid to 74,552 recipients of cash social assistance and/or income support, totalling EUR 19,472,200.00, and to 10,359 beneficiaries belonging to the weakest income category of persons with disabilities, totalling EUR 2,071,800.00.

Temporary extension of the scope of beneficiaries of cash social assistance and income support (and subsequently the energy bonus)

When determining whether a person is entitled to the abovementioned rights for the period from October 2022 to March 2023, investors' assets (except savings and securities) were not taken into account. All potential beneficiaries of income support (i.e. all persons receiving a pension below the threshold for income support) were invited to check if they were eligible for income support.

The extension of the scope of beneficiaries led to an increase in the number of recipients of cash social assistance by 780 and in the number of recipients of income support by 2,490. Subsequently, the number of recipients of the energy bonus also increased. However, these figures also take into account recipients who are simultaneously entitled to both rights, while the energy bonus was a one-off payment based on one right and, as a consequence, the number of energy bonuses paid is slightly lower than the above figures for the increase in the number of recipients of social assistance and income support due to the measure that extended the scope of beneficiaries.

Development of criteria for determining and assessing the number of energy-poor households

Due to high energy prices (electricity, gas, district heating, etc.), the energy poverty of the population was the focus of much attention in the second half of 2022 and in 2023. With the aim of monitoring and reducing energy poverty, in October 2022 the Government of the Republic of Slovenia adopted the Decree on the criteria for determining and assessing the number of energy-poor households, laying down detailed criteria for identifying and assessing the number of energy-poor households. According

to the criteria set out in the Decree, the Statistical Office of the Republic of Slovenia (SURS) estimates annually the share and number of energy-poor households in Slovenia for the previous year, and the ministry responsible for energy must draw up a three-year action plan in which it defines measures to improve energy efficiency aimed at reducing energy poverty.

3) For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021. *The minimum wage in Slovenia is defined by law.*

4) Please provide information as to whether the cost-of-living crisis has led to the extension of inwork benefits (such as the prime d'activité in France, or the Working Family, Payment and the Back to Work Family Dividend in Ireland).

Measures taken to mitigate the cost-of-living and energy price increases do not include intervention measures promoting employment and supporting the purchasing power of unemployed persons with low incomes.

It should be stressed that the employment measures target unemployed individuals and that, unlike social measures, they are not designed on the basis of the total disposable income of a household or family. Furthermore, employment measures are not designed on the basis of the element of purchasing power. However, if this were the purpose of the measure, Slovenia would develop measures in other areas, such as the economy or taxation. Thus, no intervention measures were adopted, but general measures were adopted. In the area of personal income tax, the general tax allowance was increased from EUR 3,500 to EUR 5,000, while the threshold for claiming the additional general allowance increased even more — the ceiling of EUR 13,316.83 of gross income in 2021 was the ceiling up to which taxpayers were entitled to claim the additional general allowance and it was raised to EUR 16,000 of gross income. This means that a taxable person with gross income from employment slightly over EUR 12,000 does not pay personal income tax. The amounts of other allowances and the income tax scale were also adjusted.

Unlike urgent action to quickly tackle some of the effects of crises, the Labour Market Regulation Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 80/10, 40/12 – ZUJF, 21/13, 63/13, 100/13, 32/14 – ZPDZC-1, 47/15 – ZZSDT, 55/17, 75/19, 11/20 – Dec. of the CC, 189/20 – ZFRO, 54/21, 172/21 – ZODPol-G, 54/22, 59/22 – Dec. of the CC and 109/23) supports a permanent measure to activate the unemployed who, due to their low levels of education, find it more difficult to re-enter the labour market and expect to have relatively low wages. The legislation allows such unemployed persons to receive, in addition to their wage, an employment incentive in the form of the unemployment benefit if they take up employment before the expiry of their unemployment benefit. Until the expiry of their entitlement to unemployment benefit (but not longer than 12 months), this is paid to persons who are in full-time employment and who have not completed primary school or have attained primary, lower vocational or upper secondary education (but this does not apply to shortage occupations).

5) Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation.

No legislative changes have been made to social security and social assistance systems (cash social assistance and income support) since the end of 2021.

In 2021, the average number of recipients of cash social assistance per month was 63,600 and of beneficiaries approximately 99,900. In 2022 and 2023 the number of recipients and beneficiaries of cash social assistance declined. In 2022, the average number of recipients of cash social assistance per month was 52,900 and of beneficiaries approximately 81,900. In August 2023, the average number of recipients of cash social assistance per month was 50,200 and of beneficiaries approximately 77,100. The data on the trend in the number of recipients and beneficiaries of cash social assistance show how this trend is influenced not only by the economic, market and social conditions in society, but also by legislative changes in the area of cash benefits and changes to the eligibility threshold for the benefits. Approximately three-quarters of beneficiaries of cash social assistance are adults and a quarter are children. The Slovenian social assistance system has also been characterised for a long time by a relatively high number of long-term beneficiaries of cash social assistance (adult beneficiaries who have received cash social assistance at least 24 times in the last 36 months), although this right of persons who are able to work and of working age is in principle meant to be short-term, i.e. for a period of time to overcome difficulties that prevent individuals and families from providing for their own income (which is why cash social assistance is also granted for a relatively short period and its "renewal" requires a new application that is decided on by the social work centre). If the increase in the number of long-term beneficiaries of cash social assistance was understandable during times of economic crisis, tight labour market conditions and low employment, a decrease in the number of long-term beneficiaries of cash social assistance might be expected in a period of economic growth, favourable labour market conditions and high labour demand. However, the data show that this is not the case, as the share of adult long-term beneficiaries of cash assistance increased even in the years of good economic and labour market conditions. By June 2021, the share of long-term beneficiaries of cash social assistance already represented 68.5% of all adult beneficiaries, and by the end of 2021, the percentage of adult long-term beneficiaries among all adult beneficiaries of cash social assistance was as high as 86%. The most likely explanation for this extremely high percentage of long-term adult beneficiaries of cash social assistance at the end of 2021 is that, in a situation of high labour demand, all recipients of cash social assistance who are employable or capable of employment are being employed, while among those receiving assistance, the overwhelming majority are hard to employ and persons who suffer from various complex issues rendering them unable to work. It can be concluded that at the end of 2021, the most difficult or most in need of help and support remained among the recipients and beneficiaries of cash social assistance. In 2022 and 2023, the share of long-term adult beneficiaries among all adult beneficiaries of cash social assistance started to increase, reaching 91.7% at the end of 2022 and 92.7% in August 2023.

Income support is a social assistance payment to those individuals who cannot ensure their own financial security, providing them with the funds necessary to cover the cost of living which is incurred over a long period of time (e.g. costs of maintaining a home and replacing durable goods) and which is not the cost of meeting minimum subsistence needs. In June 2021 and December 2021, 23,897 and

23,054 beneficiaries respectively received income support. In 2022, the number of beneficiaries of income support remained roughly at the level of the second half of 2021 but started to increase in December 2022 and continued with an upward trend. Thus in 2023, the number of beneficiaries of income support exceeded 25,000, and in February and March it even exceeded 26,000. This is probably also due to the income support information and promotion campaign run by the Ministry of Labour, Family, Social Affairs and Equal Opportunities. In autumn 2022, when preparing measures to tackle the effects of increasing prices on the most vulnerable groups of the population, the Ministry called on all potential beneficiaries of income support (all persons receiving a pension below the threshold for income support) to check whether they might be eligible for income support.

The procedure for exercising the right to income support was simplified in relation to the requirement that parents are maintained by their children who have reached majority. Now, a declaration by such an adult child that they have their own children and/or a spouse and do not have sufficient means to support their parent is no longer a mandatory enclosure to the application. The requirement used to hinder individuals in exercising their right. A social work centre now first checks ex officio whether such an adult child is eligible for cash social assistance, income support, child benefit up to the sixth income bracket, state scholarship up to the fifth income bracket, or snack or lunch subsidies (which is considered as proof of insufficient means to maintain their parent). If it is established that the adult child does not have a decision on the abovementioned entitlements, the applicant will be asked to provide proof or declarations of the parents being maintained by their children.

The Act Amending the Parental Protection and Family Benefits Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No 153/22) introduced some new provisions, for example each parent is now entitled to 160 days of parental leave. Paternity leave has been reduced from 30 days to 15 days and parental leave has been extended to 160 days, with 60 days non-transferable for each parent. The father is now entitled to 15 calendar days of paternity leave, which he must take by the child's third month of age, and 60 non-transferable calendar days of parental leave, which he must take by the child's eighth birthday.

The period of part-time work for childcare purposes has been extended until the child's eight birthday (previously until the child completed the first grade of primary school). Both parents will now be able to work part-time for childcare purposes at the same time, but not more than 20 hours per week, as was the case previously, except that until now only one parent could exercise this right and not both simultaneously. The provision of one-year non-transferability for each parent is no longer in force.

The total amount of the partial payment for loss of income has been raised from the minimum wage to 1.2 times the minimum wage.

The new paternity and parental leave arrangements apply to parents of children born from 1 April 2023 onwards, and the other amended provisions are applicable as of 1 April 2023.

6) Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.

a. Annual adjustments of transfers to individuals and households

<u>The amounts of social transfers and other payments</u> (e.g. family benefits) are adjusted in accordance with the provisions of the Adjustment of Transfers to Individuals and Households in the Republic of Slovenia Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 114/06, 59/07 – ZŠtip, 10/08 – ZVarDod, 71/08, 98/09 – ZIUZGK, 62/10 – ZUPJS, 85/10, 94/10 – ZIU, 110/11 – ZDIU12, 40/12 – ZUJF, 96/12 – ZPIZ-2, 59/19, 81/19 – ZSDP-1C, 92/21 – ZSDP-1E and 153/22 – ZSDP-1F).

In line with the Adjustment of Transfers to Individuals and Households in the Republic of Slovenia Act (ZUTPG-C), transfers to individuals and households **are adjusted once a year**, **i.e. on 1 March of each year**, <u>with the growth of consumer prices in the previous year according to the data from the</u> Statistical Office of the Republic of Slovenia.

The following types of transfers from the state budget to individuals and households are adjusted in the above-mentioned manner (some items are missing because they are no longer adjusted in accordance with the ZUTPG):

- 1. child benefit in accordance with the act governing the exercise of rights to public funds,
- 2. **child care allowance** in accordance with the act governing parental protection and family benefits,
- 3. **large family allowance** in accordance with the act governing parental protection and family benefits,
- 4. birth grant in accordance with the act governing parental protection and family benefits,
- 5. **scholarships** in accordance with the act governing scholarships, except for Ad futura scholarships,
- 6. **the amount of subsidy for a university student meal** in accordance with the act governing subsidised meals for university students,
- 7. foster care payments in accordance with the act governing foster care,
- 8. unemployment benefit in accordance with the act governing the labour market,
- 9. disability allowance in accordance with the act governing the rights of war disabled,
- 10. special disability benefit in accordance with the act governing the rights of war disabled,
- 11. attendance allowance in accordance with the act governing the rights of war disabled,
- 12. care allowance in accordance with the act governing the rights of war disabled,
- 13. **disability supplement** in accordance with the act governing the **rights of war disabled**,
- 14. family disability allowance in accordance with the act governing the rights of war disabled,
- 15. family supplement in accordance with the act governing the rights of war disabled,
- 16. annuity in accordance with the act governing special rights of the victims of the war for Slovenia in 1991,
- 17. scholarship in accordance with the act governing special rights of the victims of the war for Slovenia in 1991,
- 18. attendance allowance in accordance with the act governing the rights of war disabled,
- 19. veteran supplement in accordance with the act governing the rights of war disabled,

- 20. monthly life annuity in accordance with the act governing the rights of victims of war,
- 21. monetary annuity in accordance with the act governing the rights of victims of war.

In line with paragraph one of Article 8 of the Social Assistance Payments Act (Official Gazette of the RS [*Uradni list RS*], Nos 61/10, 40/11, 14/13, 99/13, 90/15, 88/16, 31/18, 73/18, 196/21 – ZDOsk and 84/23 – ZDOsk-1; hereinafter: the ZSVarPre), the **basic amount of the minimum income** (hereinafter: BAMI), which affects the rights attached to it (e.g. (extraordinary) cash social assistance and income support) **is adjusted** according to the above-mentioned method. This provision also stipulates that the adjusted BAMI **is applicable as of the first day of the month following the adjustment, i.e. for new applications as of 1 April.**

Hence the amounts of the following rights or thresholds are adjusted on 1 April each year:

- the threshold for cash social assistance and income supplement;
- the amount of bereavement payment and the threshold for bereavement payment;
- the amount of funeral payment;
- the means threshold for cash social assistance and income support and the reduction in the value of assets for the purpose of determining the material situation under the Exercise of Rights to Public Funds Acts;
- the threshold for taking into account a passenger car and/or a single-track vehicle;
- the threshold for taking into account occasional income received in the last three months preceding the month in which the application is filed;
- the social security threshold for persons in institutional care.

In accordance with Article 47 of the ZSVarPre, the amount of cash social assistance is adjusted together with respective adjustments of BAMI during the period in which such cash social assistance is received, so that the amount of cash social assistance (with the exception of extraordinary cash social assistance) is increased accordingly, i.e. on 1 March for the already granted cash social assistance. This also applies to income support. BAMI is currently EUR 465.34 (previously EUR 421.89, so an increase of 10.3%).

In accordance with the provisions of the ZUTPG, certain other payments from the Health Insurance Institute of Slovenia are also adjusted in the above-mentioned manner, namely **company scholarships**, **home care assistant and wage compensations** on the basis of which benefits during temporary absence from work are calculated.

Adjustments in the past five years:

- 1 July 2019, adjustment in the amount of 2.4% (Decision, Official Gazette of the RS [*Uradni list RS*], No 46/19),
- 1 March 2022, adjustment in the amount of 4.9% (Decision, Official Gazette of the RS [*Uradni list RS*], No 17/22),
- 1 March 2023, adjustment in the amount of 10.3% (Decision, Official Gazette of the RS [*Uradni list RS*], No 25/23).

In accordance with Article 21 of the Exercise of Rights to Public Funds Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 62/10, 40/11, 40/12 – ZUJF, 57/12 – ZPCP-2D, 14/13, 56/13 – ZŠtip-1, 99/13, 14/15 – ZUUJFO, 57/15, 90/15, 38/16 – Dec. of the CC, 51/16 – Dec. of the CC, 88/16, 61/17 – ZUPŠ, 75/17, 77/18, 47/19, 189/20 – ZFRO, 54/22 – ZUPŠ-1 and 76/23 – ZŠolPre-1B), the **income thresholds for establishing eligibility for annual rights are adjusted annually**, i.e. in January with the growth of consumer prices in the period from January to December of the previous year compared to the same period in the year before the previous year according to the data of the Statistical Office of the Republic of Slovenia. The new income thresholds **are applicable as of the first day of the month following the adjustment**.

The adjustment of income thresholds of income brackets on the basis of which respective rights are granted includes:

- child benefit,
- state scholarships,
- reduced kindergarten fee,
- snack subsidy for pupils,
- snack subsidy for upper secondary school students,
- lunch subsidy for pupils.

The income thresholds for these rights were last adjusted on 1 March 2023, when they increased by 10.3%.

b. Adjustment (indexation) of pensions

The adjustment of pensions is an important instrument with which Slovenia preserves the value of pensions over a longer period of time, thereby **ensuring adequate pensions** and affecting the financial situation of pensioners. In accordance with the Pension and Disability Insurance Act (hereinafter: the ZPIZ-2), pensions are adjusted **once a year on the basis of the** <u>increase in the average gross monthly</u> <u>wage</u> and <u>the average increase in consumer prices</u> as determined and officially published by the Statistical Office of the Republic of Slovenia.

In accordance with paragraph one of Article 106 of the ZPIZ-2, the regular adjustment of pensions is paid together with pensions for February. The pensions shall be adjusted by **60% of the growth in the average gross wage** paid in the period from January to December of the previous year compared to the average gross wage paid for the same period in the year before the previous year and by **40% of the average growth in consumer prices** in the period from January to December of the previous year compared compared to the same period in the year before the previous year.

The pension adjustment is **expressed as a percentage** and is the **sum of the two partial growths recorded**. Such pension adjustment may not be lower than half of the established growth in consumer prices.

In February **2023**, the Council of the Pension and Disability Insurance Institute of Slovenia adopted a decision on the regular adjustment of pension and other benefits **by 5.2%**, **effective as of 1 January 2023**.

The **minimum pension**, which is ¹EUR 310.11, the **guaranteed pension**, which is EUR 687.75, and the **minimum amount of the disability pension**, which is EUR 431.00, were also adjusted by 5.2% on 1 January **2023**. The adjustment (5.2%) is the percentage of the sum of 60% of the increase in the average gross wage and 40% of the average increase in consumer prices. Official data from the Statistical Office of the Republic of Slovenia show that the growth rate of the average gross wage paid for the period from January to December 2022 compared to the average gross wage paid for the period from January to December 2021 was 2.8%. In the period from January to December 2022, consumer prices on average increased by 8.8% annually.

Below, other important measures to ensure adequate pensions, improve the material and social situation of beneficiaries of low pensions, and contribute to mitigating the cost-of-living crisis caused by high inflation are described.

- **Annual bonus** Pensioners and recipients of disability insurance benefits are also paid an annual bonus, which is a specific right under compulsory pension insurance in Slovenia. The annual bonus is primarily intended to improve the material situation of recipients of low pensions and disability insurance benefits, and hence to increase their social security. It is paid in five different amounts, thus taking greater account of the solidarity principle and the social situation of pension recipients.
- Winter bonus Due to high inflation, pensioners and recipients of disability insurance benefits who will receive an annual bonus this year (2023) will also receive a winter annual bonus. This is a government measure aimed at mitigating the consequences of the cost-of-living crisis for the most vulnerable, which certainly includes pensioners and recipients of disability benefits. The winter annual bonus will be paid at 40% of the annual bonus for 2023 to all recipients of the annual bonus. It will be paid together with the regular payments of pensions or disability benefits for December 2023 or, in the case of a subsequently recognised basic right, with the payment for April 2024.
- **Payment of an increased part of pensioners' benefits** To enhance social security, an increased part of pensioners' benefits is planned to be paid to recipients of pensions and disability benefits (other than the recipients of the attendance allowance and the disability allowance for physical impairment), amounting to 1.8% of the pension or disability benefit. The increased part of the benefits will be paid three times likely together with the payment of the pension or disability benefit in November and December of this year (2023) and in January 2024. The basis for the assessment will be the payment of the pension or benefit in October or December 2023. As the increased part of pensioners' benefits must not deprive pensioners of other rights to public funds, the draft act stipulates that such an increased part will not be counted as income for the purposes of determining eligibility for rights to public funds. This means that the payment will not affect the threshold for exercising the right to cash social assistance or income support. Beneficiaries under this draft act do not include recipients of attendance allowance and disability allowance for physical impairment, as the increased part of pensioners' benefits are not

¹In **2021**, the regular adjustment was 2.5%, and in **2022**, the regular adjustment was 4.4% and the additional adjustment was between 3.5% and 1% (depending on the recognition of the right).

adjusted under the ZPIZ-2 but in accordance with the act regulating the adjustment of transfers to individuals and households in Slovenia.

7) Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel and basic food items.

The Government adopted a number of measures in response to the **food and energy** price increases. The most important measures include **mitigation of the consequences of rising prices and various transfers to vulnerable groups** (see also the <u>answer to question 2, as the measures repeat</u>).

The most important measures and effects for individual households in different areas are presented below and include:

- solidarity bonus to remedy the consequences of energy poverty,
- inflation allowance for children,
- price cap on oil and petroleum products,
- electricity price cap,
- price cap on natural gas,
- subsidy for the purchase of fuel pellets,
- adjustment of tax allowance and tax scale for personal income tax assessment, and other tax measures,
- energy bonus for vulnerable groups (e.g. the poorest households: recipients of cash social assistance, recipients of income support and persons with disabilities the measure is described in the answer to **question 2**),
- an income increase for pensioners (winter bonus, payment of an increased part of pensioners' benefits measures are described in the answer to **question 6**),
- measures in education (freezing of prices for snacks, boarding and accommodation fees),
- setting up the website "Compare prices" (in Slovenian "Primerjaj cene").

A more detailed description of the individual measures that directly or indirectly ensured the coverage of energy and food costs follows below.

MEASURE: Solidarity bonus to remedy the consequences of energy poverty

The solidarity bonus to remedy the consequences of energy poverty was paid in 2022.

The beneficiaries of the one-off solidarity bonus of EUR 150 also include:

- beneficiaries of child benefit from the first to the sixth income bracket,
- beneficiaries of large family allowance for 2021, and
- foster carers with at least one foster care contract concluded for December 2021.

The beneficiaries of large family allowance for four or more children in 2021 were in addition to the bonus in the amount of EUR 150 entitled to an additional bonus of EUR 50.

MEASURE: Inflation allowance for children

Inflation allowance for children was paid in 2022 and 2023. The measure helped families entitled to child benefit during the cost-of-living crisis. Thus in November and December 2022 and in January 2023, they received an inflation allowance for children in addition to the child benefit. Families were entitled to inflation allowance for children in the amount equal to the child benefit for the first child, depending on their income bracket. The family received the inflation allowance for all the children for whom it received child benefit. Foster carers also received the inflation allowance for children up to the age of 18 years.

MEASURE: Price cap on oil and petroleum products

On 15 June 2022, the Government adopted the Decree on setting prices for certain petroleum products, which on 21 June 2022 introduced a system of regulated margins for traders in petroleum products outside motorways and expressways in the interior of the country and a relaxed pricing regime on motorways and expressways. The Decree had to be adopted as the price of oil increased by around 75% in a year and a half while retail prices in our country lagged behind. With the Decree, the Government aimed at achieving a balance in which each stakeholder – the state, traders and consumers – bears a part of the burden of the rising prices of oil and petroleum products on global markets.

The government measure covered three areas of action:

- for 12 months the margins of all petroleum product traders outside motorways were regulated,
- margins of traders on motorways were not regulated,
- all traders' margins were frozen up to and including 16 August 2022, while during this period the state waived the levies it is allowed to waive under EU regulations.

The capping of the margins of all traders in petroleum products limited the price of oil and petroleum products outside motorways. Furthermore, the state temporarily waived the environmental tax on the price of diesel outside motorways.

The maximum margin for extra-light fuel oil was also capped at EUR 0.08 per litre as of 13 September 2022.

On 21 June 2023, the Government extended the price cap regime for certain petroleum products.

MEASURE: Electricity price cap

Due to the high increase in electricity prices, a measure was adopted to cap the price of electricity for a year. The objective of this measure was to help individual groups of customers to manage their energy costs in view of less certain conditions on energy markets.

Maximum retail electricity prices per kWh were set and levies (contributions and excise duties) were reduced.

From 1 September 2022 to 31 December 2023, the Government capped electricity prices for households, including multi-apartment buildings, by a Decree determining prices of electricity:

- high tariff: EUR 0.11800 per kWh,
- low tariff: EUR 0.08200 per kWh,
- standard tariff: EUR 0.09800 per kWh.

At the same time, the Government by way of a Decree determining the amount of excise duty on energy products and electricity, maintained the previously lower excise duty and reduced the VAT rate to 9.5%. The lower excise duty measure was in force until 31 December 2023 and the lower VAT rate measure was in force until 31 May 2023. As of 1 September 2022, a lower contribution for the provision of support in the production of electricity from renewable energy sources and in high-efficiency cogeneration (renewable energy sources (RES) + cogeneration of heat and power (CHP) contribution) was also applicable to households and small businesses (low-voltage customer group without power measurements). The measure was in force up to and including 31 August 2023.

The increasing social hardship of the population and the uncertain business climate resulting from the high energy prices also made it necessary to adopt a new act. In December 2022, the National Assembly adopted the Act Regulating Emergency Intervention to Address High Energy Prices (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 158/22 and 49/23), which, inter alia, lays down emergency measures to reduce import dependency in energy supply and price control and collection of contributions from any surplus market revenues of electricity producers.

As of 1 November 2023, households are fully exempted from the RES+CHP contribution, which will on average reduce electricity bills by 9%. The measure will be in force until 31 December 2024.

MEASURE: Price cap on natural gas

In view of the energy price increases, the Government capped the prices of natural gas for certain groups of eligible customers, including households. In the period from 1 September 2022 to 31 December 2023 the following applied:

- for households and joint household customers, highest permissible tariff rates for gas prices at 0.07300 €/kWh (excluding VAT);
- for small business customers and essential social services, highest permissible tariff rates for gas prices at 0.07900 €/kWh (excluding VAT).

Due to the unstable natural gas supply, the Decree determining the price of natural gas from the gas system limits the maximum permissible price of natural gas from the gas system also for the period from 1 January to 30 April 2024. For households and other eligible customers, the highest permissible tariff rate for natural gas prices will be EUR 0.0599 per kWh (excluding VAT).

MEASURE: Subsidy for the purchase of fuel pellets

The Government also prescribed how the subsidy for the purchase of fuel pellets would be paid. The Centre for Support to Natural Persons enabled natural persons who have an installed combustion installation for fuel pellets and who purchased pellets for heating their household between 1 September 2022 and 31 December 2022 to file from 6 March to 31 May 2023 an online application for the subsidy.

The Centre published the list of approved applications.

Price cap on natural gas

The highest permissible retail gas price was set until the end of 2023 for the alternative and basic supply of natural gas to households and joint household customers.

The maximum permissible natural gas prices were applicable from 1 September 2022 to 31 December 2023, as follows:

- for households and joint household customers, highest permissible tariff rates for gas prices at EUR 0.07300 per kWh (excluding VAT);
- for small business customers and essential social services, highest permissible tariff rates for gas prices at EUR 0.07900 per kWh (excluding VAT).

The reduced VAT rate of 9.5% was applicable to all natural gas customers in the period from 1 September 2022 to 31 May 2023. The Government also maintained the lower excise duty rates until the end of 2023.

MEASURES: in the area of education (freezing of prices for snacks, boarding and accommodation fees)

In order to alleviate the social hardship of pupils, upper secondary school students and their families, the Government froze the prices of snacks (which remained at the level set for the 2021/2022 school year) and prices of boarding and accommodation fees in halls of residence for upper secondary school students and university students (boarding fees remained at the same level as the baseline price in force from 1 January 2022 to 31 August 2022) for the period from 1 September 2022 to 31 August 2023.

Pursuant to the minister's decision, schools received additional funds from the state budget to cover the loss of revenue; otherwise they would have incurred a loss or would not have been able to provide pupils and upper secondary school students with healthy snacks as required by expert guidelines. The halls of residence for upper secondary school students received additional funds from the state budget, otherwise they would have incurred a loss due to frozen prices of boarding fees paid by the pupils and upper secondary school students. On 7 October 2022, the Act on Intervention Measures in Education (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No 133/2022; hereinafter: the ZIUVI) entered into force, laying down the above-mentioned measures and in relation to higher education stipulating in paragraph one of Article 4 that in the 2022/2023 academic year, a student with subsidised accommodation in a public hall of residence for university students, a public hall of residence for upper secondary school students or a private hall of residence for university students pays the accommodation amount set on 1 June 2022. In accordance with paragraph two of this Article, public halls of residence for university students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper secondary school students, public halls of residence for upper s

are accommodated received in the 2022/2023 academic year from the state budget additional funds for uninterrupted provision of public service in the amount determined by a decision of the minister responsible for higher education.

MEASURE: Adjustment of tax allowance and tax scale for personal income tax assessment, and other tax measures

Changes to personal income tax were introduced as a result of a general increase in prices. The amounts of all allowances and the personal income tax scale were adjusted. Furthermore, the general allowance increased by a significantly higher percentage than the other allowances (from EUR 3,500 in 2021 to EUR 5,000 in 2023), and the threshold for claiming the additional general allowance was significantly adjusted—the ceiling of EUR 13,316.83 of gross income in 2021 was the ceiling up to which taxpayers were entitled to claim the additional general allowance and it was raised to EUR 16,000 of gross income (in 2023). This means that a taxable person with gross income from employment slightly over EUR 12,000 does not pay personal income tax.

As a result of rising food prices and subsequently rising cost of employees' meals during work, the Government, by adopting the Decree on the tax treatment of reimbursement of costs and other income from employment, increased the ceiling for tax-free reimbursement of meals during work by around 30%. For each day on which an employee is at work for four hours or more, the tax-free amount increased from EUR 6.12 to EUR 7.96. If an employee is at work for ten hours or more, the tax-free amount increased from EUR 0.76 to EUR 0.99 for each additional hour at work after having spent eight hours at work. The amended Decree applies to reimbursements of costs for September 2022. The amounts of tax-free reimbursements of expenses for travel to and from work, business travel, per diems, fieldwork supplement, separation allowances, jubilee bonuses, severance payments upon retirement, and payments to apprentices, upper secondary school students and university students also increased. The tax-free amount of solidarity assistance in the event of the death of an employee or a family member, serious disability or prolonged illness is also higher. The abovementioned adjustment of tax-free reimbursements of the actual right to reimbursement of meals during work in the context of trade union negotiations or on the basis of a decision by the employer.

MEASURE: Setting up the website "Compare prices"

The website "Compare prices" ²provides in one place information on physical inventories of food prices and information on prices of food products available from online retailers. It provides daily updates of information on food prices of four online retailers and information on results of 14-day physical inventories of food prices. Hence consumers can compare more than 17,000 products in one place, which facilitates their purchasing decisions.

The 14-day physical inventory of prices provides information on a specified group of food products in the offline shops of Eurospin, Lidl, Hofer, Mercator, Spar and Tuš. The online inventory of prices

²Link: Primerjaj cene - Hrana (primerjaj-cene.si)

provides data on food prices of 17,000 food products available in four online shops, namely Tuš, Spar, Mercator and Jager. It is updated daily and available to the public.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

The latest available indicators on social exclusion, material and social deprivation, and risk of poverty **remained at lower levels than before the pandemic**, and the impact of energy price increases on the financial situation of households in 2022 was below the EU average. The material and social well-being of the population improved after 2015 as employment and household disposable income increased, and the situation of hard-to-employ population groups improved after 2019 due to severe labour shortage. Supported by measures to help the population during the epidemic and the energy crisis, real household disposable income increased in 2020 and 2021 and declined only slightly in 2022 due to high inflation, while the financial problems of households were less than in previous year and much less than the EU average. Similarly, the risk of social exclusion and of material and social deprivation remained in 2022 close to the lowest levels and well below the EU average. In 2023, Slovenia had the lowest number of unemployed persons since it has gained independence and one of the lowest surveyed unemployment rates in the EU.

After a gradual decline from 2015 to 2021, the <u>at-risk-of-poverty rate</u> increased slightly in 2022, but it <u>remains one of the lowest in the EU</u>. The most severely affected are vulnerable groups such as older women and low-educated older persons, the unemployed, single-person households, persons with disabilities, children of low-educated parents, and tenants. In 2022 (calculated on the basis of income in 2021), 251,000 persons were living below the risk-of-poverty threshold and the risk of long-term poverty was significantly reduced (to 100,000 persons). However, some population groups were still more likely to be at risk of poverty than the EU average, in particular single-person households, pensioners (and those aged 65+) and the low-educated. The share of poor households (below the atrisk-of-poverty threshold) was close to the EU average (18.4%) in 2021 (16.4%), ranking Slovenia 10th in the EU. (IMAD, 2023).

Since 2015, income inequality has also been declining and is among the lowest in the EU, owing to low wage inequalities, a progressive income tax system and social transfers. For a longer period, **social transfers have also reduced the risk of poverty significantly more than the EU average**. Nevertheless, the risk of poverty remains high or the living conditions poor for certain vulnerable groups (older women and low-educated older people, the unemployed, single-person households, persons with disabilities, children of low-educated parents, tenants, etc.).

The risk-at-poverty rates in Slovenia and their comparison with the EU average are shown below for the period from 2005 to 2023. (*The share of persons living in a household with equivalised disposable income of less than 60% of the median equivalised disposable income (EDI) of all households, using the so-called OECD adjusted equivalence scale.*)



Figure 1: At-risk-of-poverty rate, 2005–2022 (Slovenia, EU)

Source: Development Report, IMAD (2023, p. 17)

In 2021, 5% of the working population aged 18 ³and over was at risk of poverty. In its Development Strategy (2017), Slovenia set a target for 2030 as a performance indicator (development objective 7), i.e. an in-work at-risk-of-poverty rate below 5%.

Following a significant decline in 2019, the in-work at-risk-of-poverty rate slightly increased in 2020 and remained at that level in 2021. According to EU-SILC 2021 (which takes into account income in 2020), 5% of the working population aged 18 and over was at risk of poverty in 2021, which is the same as in 2020. In Slovenia, the at-risk-of-poverty rate of the working population aged 18 and over was below the EU average in the last decade; it was the lowest (4.5%) in 2019 (EU: 9.2%). For women, it was 4.4% in 2021, having risen by 1.2 percentage points over the previous two years, while for men it was 5.4% in the last three years. In terms of age, the risk of poverty is lowest in the age group 55–64.2, at 3.9% in 2021 (EU: 8.5%). IMAD estimates that the low risk of poverty in this age group is influenced by the seniority bonus system which for equally demanding jobs provides older workers with higher wages than younger workers. In terms of education, the risk of poverty is lowest among highly educated workers. In 2021, 3.2% of them were at risk of poverty (EU: 4%), compared to 13% of the low-educated (EU: 19.8%). In Slovenia, the risk of poverty of the highly educated working population increased in the last two years (by 0.9 p.p.), while the EU average has slightly decreased.

As in other countries, the at-risk-of-poverty rate <u>is higher</u> in Slovenia <u>among temporary, part-time and</u> <u>self-employed workers</u>. <u>In the last ten years</u>, the at-risk-of-poverty rate <u>for permanent employees</u> <u>peaked in 2015 at 4.5%</u>. <u>According to the calculation for 2021 that includes data on income for 2020,</u> <u>it was 2.4% in 2021</u>, the lowest since measurements began. <u>In 2021, the increase in the at-risk-of-</u> <u>poverty rate for temporary workers was noticeable</u>, which may be linked to job retention measures applied by employers mainly to permanent employees, while temporary workers were more likely to become unemployed. <u>The at-risk-of-poverty rate for part-time workers was 9.2% in 2021, which is</u> <u>4.7 p.p. higher than for full-time workers</u> (4.5%) (IMAD, 2023).

³The in-work at-risk-of-poverty rate is the share of persons who are employed and live in households with a disposable income below the risk-of-poverty threshold (i.e. below 60% of the median disposable income of all households).

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Objective Slovenian Development
												Strategy ⁴
SLO	6.0	6.5	7.1	6.4	6.7	6.1	6.6	6.0	4.5	5.0	5.0	< 5
EU	8.8	8.9	9.0	9.5	9.5	9.6	9.4	9.4	9.2	8.8	8.9	

Table: At-risk-of-poverty rate of persons in employment aged 18 years or older, 2011–2021, in %

Source: Eurostat (Development Report, IMAD, 2023)

The data on the at-risk-of-poverty rate by household type show that the income situation of households with dependent children in general improved after 2014, with the exception of the first year of the COVID-19 pandemic (i.e. 2020), when the at-risk-of-poverty rate rose slightly (by 0.3 p.p.), before dropping again to 8.0% by 2022. In contrast, the situation of households without dependent children was slightly less stable over the years and, in particular, the at-risk-of-poverty rate of such households increased slightly (by 0.6 p.p.) between 2020 and 2022 despite an intermediate decline. However, the at-risk-of-poverty rate of households with dependent children steadily declined since 2012 compared to households without dependent children – with the biggest difference in 2022 (by 8.5 p.p.).

Effective social transfers are an important factor in maintaining an adequate standard of living for households with dependent children and helping to ensure that they are in a comparable (or even better) situation than households without dependent children. According to data for 2022, social transfers (excluding pensions) are 33 p.p. more effective in mitigating the risk of poverty of households with dependent children than those without dependent children. In 2021, the highest level of effectiveness of social transfers in mitigating the risk of poverty of households with dependent children was recorded in the last ten years (at 57.5%), but it dropped slightly in 2022 (by 2.7 p.p.).

Despite significant differences in living standards between types of households with dependent children, the risk of poverty for all households in principle decreased slightly between 2021 and 2022. The largest drop in the at-risk-of-poverty rate was observed for single-parent households with at least one dependent child (by 5.3 p.p.), standing at 16.5% in 2022. This is the lowest value of the at-risk-of-poverty rate for single-parent households with at least one dependent child in the last ten years, accounting for half of the rate in 2015 (32.5%) but still remaining the highest among all households with dependent children. The trend of improving the income situation of households with two adults and two children also continued, with the lowest at-risk-of-poverty rate since 2012 recorded in 2022 at 5.9%.

⁴ On 7 December 2017, the Government adopted the Slovenian Development Strategy 2030, a national development framework: <u>Slovenian-Development-Strategy-2030.pdf (gov.si)</u>.

According to data on the at-risk-of-poverty rate for children in Slovenia, the child poverty rate in 2022 was slightly lower compared to previous years. It was 9.3%, down by 0.9 p.p. compared to 2021. While the at-risk-of-poverty rate for children steadily declined since 2017 (when it was 12.8%), it remained lower than the rate for the general population in Slovenia since 2015, with the difference between the two rates peaking in 2022 at 2.8 p.p. This indicates a long-term positive trend in a favourable standard of living for children in Slovenia. Effective social transfers are an important factor in mitigating the risk of poverty and thus maintaining a favourable situation and standard of living for children.

9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter and to diminish reliance on last-resort relief, such as food banks and soup kitchens.

In order to ensure a coordinated approach to tackling child poverty and social exclusion, Slovenia adopted the Action Plan for the Child Guarantee 2022-2030. The Action Plan aims to create equal opportunities for all children and prevent the intergenerational transmission of poverty. The 62 actions, which address all the points of the Council Recommendation (EU) establishing a European Child Guarantee, are aimed at strengthening the well-being of children, ensuring equal opportunities and rights for all children, strengthening protection and care of children, and improving the opportunities for inclusion and participation of children. It pays special attention to providing all children with accessible early childhood care and education, education (including school-based activities), at least one healthy meal each school day, widely accessible healthcare, and effective access to healthy nutrition and adequate housing. In designing the targeted actions, particular attention was paid to children of migrants, children with a migrant background or from ethnic minorities (especially Roma children), children with special needs, children with mental health problems and/or mental disorders, children living in dysfunctional, precarious family situations and/or in socially and financially disadvantaged environments, and children in alternative (especially institutional) care. The Action Plan is aligned with key international documents and national development documents relevant to children; the identified objectives and actions are implemented within the framework of the planned policies of several ministries and will contribute significantly to improving the well-being of children and their families and ensuring the rights of the child.

In July 2023, the National Assembly adopted the amendments to the **Social Assistance Act** (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 3/07 – official revised version, 23/07 – corr., 41/07 – corr., 61/10 – ZSVarPre, 62/10 – ZUPJS, 57/12, 39/16, 52/16 – ZPPreb-1, 15/17 – DZ, 29/17, 54/17, 21/18 – ZNOrg, 31/18 – ZOA-A, 28/19, 189/20 – ZFRO, 196/21 – ZDOsk, 82/23 and 84/23 – ZDOsk-1), which introduce company scholarships in the area of social protection and provide a basis for the implementation of measures and drawing of European funds for the promotion of social inclusion of persons at risk of poverty or social exclusion, including the most vulnerable adults and children. In 2022, the National Assembly adopted the **Resolution on the national social protection programme for the period 2022–2030** (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No 49/22; hereinafter: the ReNPSV22-30). The ReNPSV22-30 is a strategic document that provides guidelines for coordinated and integrated long-term development of social protection. It lays down policies, programmes and measures for the prevention of poverty and social exclusion at

the national and local levels. The ReNPSV22-30 is focused on measures to modernise and improve the responsiveness of the social protection system, to prevent the risk of poverty and social exclusion of children, young and older people, and to reduce the risk of unemployment and keep hard-to-employ persons connected to the labour market.

10) Please provide information on steps taken to consult with, and ensure the participation of the persons most affected by the cost-of-living crisis and/or organisations representing their interests in the process of designing of measures in response to the crisis.

Below we provide information on some of the measures targeting those most affected by the cost-ofliving crisis.

- In October 2022, all potential beneficiaries of income support (all persons receiving a pension below the threshold for income support) were invited to check if they are eligible for income support and subsequently the energy bonus.
- An **online calculator** was launched on the government website that enabled recipients of cash social assistance and income support to work out their energy bonus.

A **Guide to Social Rights⁵** was published to help individuals and households in hardship to find out which cash benefits, subsidies and reduced payments they may be entitled to and how they can exercise their rights.

The Ministry of Labour, Family, Social Affairs and Equal Opportunities **co-finances various social assistance programmes**. **Social assistance programmes** are aimed at preventing and addressing the social hardship of vulnerable population groups and in specific cases at maintaining an acceptable social situation of persons. Networks of social assistance programmes are designed for individual areas or individual target groups, i.e. in the areas of prevention of violence, assistance to victims of violence and work with the perpetrators of violent acts, addiction, mental health, aid to the homeless, assistance to children and minors deprived of adequate family life and to minors with problems in growing up, assistance to older persons who need support in their daily activities, support for independent living of persons with disabilities, psychosocial assistance to children, adults and families, social inclusion of Roma, specialised assistance to victims of criminal offences, and prevention and correction of social hardships in other vulnerable groups. In 2023, just under EUR 22.5 million was earmarked for 192 social assistance programmes.

In the area of integrated family support, the Ministry published a call for proposals to finance the tendered content of family centres in the period 2021–2025 and subsequently funded 12 family centres which significantly complement social assistance services and programmes, having a positive impact on the quality of life of individuals and families. Family centres bring together different generations, strengthen the social roles of individuals, facilitate reconciliation of family and professional life, improve interpersonal relations and parental competences, and provide an opportunity to exchange examples of good practice and positive experience. Family centres are a place for informal gatherings, educational and practical workshops on developing positive parenting, holiday activities for children and workshops for children and adolescents, and counselling aimed at improving

⁵The Guide is available at the following link: <u>Vodnik-po-socialnih-pravicah-2022.pdf (gov.si)</u>

the ability to manage emotions, building a positive self-image and learning to solve various problems, among others. The programmes vary according to the perceived needs of individuals/users and offer tailor-made support to users in different life situations in their local environment.