

Serbia

Exchange rate: US\$1.00 equals 71.92 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922, implemented in 1937.

Current laws: 2003 (pension and disability insurance), with amendments; and 2004 (social insurance), with amendment.

Type of program: Social insurance system.

Note: Social assistance benefits are provided to all individuals and families with monthly income lower than a set minimum level.

Coverage

Employed persons; self-employed persons, including members of handicraft and fishery cooperatives, artists, and persons performing a gainful economic activity under some kind of contract; and farmers.

Voluntary coverage is possible.

Special system for armed forces personnel.

Source of Funds

Insured person: 11% of gross earnings; voluntary contributors pay 22% of chosen earnings, according to 12 income brackets.

The minimum monthly earnings for contribution purposes are equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly earnings for contribution purposes are equal to five times the national monthly average wage.

The insured's contributions also finance benefits for work injuries and occupational diseases and medical benefits for pensioners.

Self-employed person: 22% of taxable income.

The minimum monthly income for contribution purposes is equal to 40% of the national monthly average wage.

The maximum monthly income for contribution purposes is equal to five times the national monthly average wage.

The self-employed person's contributions also finance benefits for work injuries and occupational diseases and medical benefits for pensioners.

Employer: 11% of payroll. (Reduced-rate contributions are paid for up to 2 years on behalf of newly hired older workers.)

The minimum monthly earnings for contribution purposes are equal to 40% of the national monthly average wage.

The maximum monthly earnings for contribution purposes are equal to five times the national monthly average wage.

The employer's contributions also finance benefits for work injuries and occupational diseases and medical benefits for pensioners.

Government: Guarantees cash benefits; covers any eventual deficit.

Qualifying Conditions

Old-age pension: Age 63 (men) or age 58 (women) with at least 20 years of insurance coverage; age 53 with 40 years of insurance coverage (men) or age 53 with 35 years of insurance coverage (women); at any age with 45 years of insurance coverage.

Between 2008 and 2011, the retirement age will increase gradually by 6 months a year to age 65 (men) or age 60 (women) with at least 20 years of insurance coverage.

An old-age pensioner can begin new employment after retiring.

Deferred pension: A deferred pension is possible. There is no maximum deferral period.

Benefits are payable abroad under reciprocal agreement.

Disability pension: The insured must be younger than the pensionable age and assessed as incapable of all work (total disability). The required contribution period increases with age: 1 year of insurance if the disability began before age 20; 2 years if before age 25; 3 years if aged 25–29; and at least 5 years if aged 30 or older.

There is no minimum qualifying period for a disability resulting from a work injury or an occupational disease.

To receive cash benefits for a work injury or an occupational disease, the insured must have an assessed degree of disability of at least 30%. There are eight categories of assessed disability, ranging from 30% to 100%. The degree of disability is assessed by the Occupational Medicine Commission. The disability may be reviewed every 3 years.

Survivor pension: The deceased was a pensioner or had 5 years of insurance coverage or was eligible for a disability pension.

Eligible survivors include a widow aged 45 or older (a widower aged 53 or older), or disabled, or caring for a child younger than age 15 (age 26 if a student, no limit if disabled); a dependent mother aged 58 or older or disabled; a dependent father aged 63 or older or disabled; children younger than age 15 (age 26 if a student, age 27 if in military service, no limit if unemployed and disabled); and dependent grandchildren, brothers, or sisters.

Between 2008 and 2011, the age requirement will rise gradually to age 50 for a widow, age 60 for a dependent mother, and age 65 for a dependent father.

Benefits are payable abroad under reciprocal agreement.

Old-Age Benefits

Old-age pension: The pension is calculated as the product of the value of personal points (a personal coefficient multiplied by the number of years of service) and the value of the general point.

The personal coefficient is equal to the sum of annual personal coefficients divided by the period for which they are calculated. The annual personal coefficient is the ratio between an individual's wage and the average wage in Serbia for the same calendar year.

The value of the general point is 347.46 dinars (January 2006). The general point is adjusted every 6 months in April and October.

The minimum monthly pension is equal to 25% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum pension is determined by rules that state that the personal coefficient must not exceed 4 and the annual personal coefficient must not exceed 5.

Schedule of payments: Pensions are paid twice a month; pensioners who were previously self-employed are paid monthly.

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living and average net wages.

Permanent Disability Benefits

Disability pension: The pension is calculated as the product of the value of personal points (a personal coefficient multiplied by the number of years of service) and the value of the general point.

The personal coefficient is equal to the sum of annual personal coefficients divided by the period for which they are calculated. The annual personal coefficient is the ratio between an individual's wage and the average wage in Serbia for the same calendar year.

The value of the general point is 347.76 dinars (January 2006). The general point is adjusted every 6 months in April and October.

Projected years of service are calculated as 2/3 of the period between the date of the onset of disability and age 53 and 1/2 of the period between ages 53 and 58 (women) or ages 53 and 63 (men).

The full permanent disability pension is paid with a 100% disability.

Schedule of payments: Pensions are paid twice a month; pensioners who were previously self-employed are paid monthly.

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living and average net wages.

Survivor Benefits

Survivor pension: 70% of the pension paid or payable to the deceased is paid for one survivor; 80% for two survivors; 90% for three survivors; or 100% for four or more survivors. Full orphans receive a pension for both deceased parents.

The minimum survivor pension is equal to the old-age pension calculated on the basis of 20 years of insurance coverage.

The maximum survivor pension must not exceed the maximum disability pension.

The widow(er) pension does not cease on remarriage.

The survivor pension is suspended during any period for which the survivor is engaged in insured employment.

If a survivor receives a pension in his or her own right, the survivor must choose to receive only one pension.

Funeral grant: For the death of a pensioner, the cost of the funeral is paid to the person who paid for the funeral, up to a maximum of 150% of the average pension paid in the last quarter before the pensioner's death.

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living and average net wages.

Administrative Organization

Republic Fund for Employees' Pension and Disability Insurance administers the program for employees.

Separate funds administer pension and disability insurance for self-employed persons and farmers.

Sickness and Maternity

Regulatory Framework

First law: 1922.

Current laws: 2002 (families with children), with amendment; 2004 (social insurance), with amendment; 2005 (health insurance), with amendment; and 2005 (labor), with amendment.

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Employed and self-employed persons.

Medical benefits: Employed and self-employed persons, civilians employed in the armed forces, farmers, pensioners, registered unemployed persons, persons older than age 65, all women during pregnancy and for up to 12 months after giving birth, mentally and physically disabled persons, social assistance beneficiaries, children younger than age 15 (age 26 if a full-time student), and some categories of foreign citizens working in Serbia (if covered by a reciprocal agreement).

Voluntarily coverage for medical benefits is possible.

Special system for armed forces personnel.

Source of Funds

Insured person: 6.15% of gross earnings; 12.3% of the pension is paid by the pension fund on behalf of pensioners; voluntary contributors pay 12.3% of gross declared earnings for medical benefits.

The minimum monthly earnings for contribution purposes are equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly earnings for contribution purposes are equal to five times the national monthly average wage.

Self-employed person: 12.3% of taxable income.

The minimum monthly income for contribution purposes is equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly income for contribution purposes is equal to five times the national monthly average wage.

Employer: 6.15% of payroll. (Reduced-rate contributions are paid for up to 2 years on behalf of newly hired older workers.)

The minimum earnings for contribution purposes are equal to 40% of the national average wage. The gross national average wage is 27,378 dinars (November 2005).

The maximum earnings for contribution purposes are equal to five times the national average wage.

Government: None; contributes as an employer.

Qualifying Conditions

Cash sickness benefits: Must be insured for at least 3 continuous months or 6 months with interruptions in the last 18 months. There is no minimum insurance period required for an incapacity resulting from a work injury or an

occupational disease. The benefit is also payable for providing care for a sick family member or if the insured provides a tissue or organ donation (but not a blood donation).

If the insured receives benefits for more than 6 continuous months or for longer than 12 months within an 18-month period and is still incapable of work, a disability pension may be paid.

Cash maternity benefits: Payable to the child's parent (including the father) or custodian.

A foster parent is also entitled to benefits for the adoption of a child.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: The monthly benefit is payable from the first day of incapacity until recovery or until the award of a disability pension. (The employer pays benefits for the first 30 days.) The insured receives 65% of the calculation base; 100% for a work injury or an occupational disease; 100% for a tissue or organ donation.

The calculation base for an insured person is the insured's average wage in the last 3 months, up to a maximum of five times the national monthly average wage.

The calculation base for a self-employed person is average taxable income in the last 3 months.

If the beneficiary receives the benefit for more than 2 months, the calculation base is adjusted each month according to changes in the average wage in his or her place of employment.

Maternity benefit: 100% of earnings are paid with 6 months of continuous insurance coverage; 60% with more than 3 but less than 6 months; 30% with at least 3 months. The benefit is paid monthly.

Earnings for benefit calculation purposes are earnings in the last month before the maternity leave period began, up to a maximum of five times the national monthly average wage.

The minimum benefit is equal to the minimum monthly wage.

For a self-employed person, the benefit is equal to average taxable income in the last 3 months.

The leave period for the first and second child begins 28 days before the expected date of childbirth and is paid for 365 days. The leave period for the third and each successive child is paid for 2 years.

Benefit adjustment: Benefits are adjusted monthly according to changes in the national average wage.

Maternity grant: The amount of the grant is determined by the Republic Health Insurance Fund.

Workers' Medical Benefits

Medical services are provided directly to patients through the facilities of the government health service on the basis of contracts with local health insurance associations.

Services include measures for prevention and early detection of diseases, medicines, surgery, family planning and maternity care (for up to 12 months after childbirth), dental treatment, and prostheses.

Compulsory medical insurance funds finance from 65% to 100% of the cost of medical services and treatments, according to the schedule in law; 100% of the cost of medical services and treatments for work injuries and occupational diseases.

Copayments are reduced for benefits for military and civil war invalids, blind persons and permanently disabled persons, persons receiving financial compensation for providing care to another person, and for voluntary blood donors.

Dependents' Medical Benefits

Medical services are provided directly to patients through the facilities of the government health service on the basis of contracts with local health insurance associations.

Services include measures for prevention and early detection of diseases, medicines, surgery, family planning and maternity care (for up to 12 months after childbirth), dental treatment, and prostheses.

Compulsory medical insurance funds finance from 65% to 100% of the cost of medical services and treatments, according to the schedule in law.

Copayments are reduced for benefits for military and civil war invalids, blind persons and permanently disabled persons, persons receiving financial compensation for providing care to another person, and for voluntary blood donors.

Administrative Organization

Ministry of Health supervises the Republic Health Insurance Fund.

Republic Health Insurance Fund (<http://www.rzzo.sr.gov.yu>) administers the program at the local level through regional bodies.

Work Injury

Regulatory Framework

There is no specific program for work injury. Cash and medical benefits for a work injury or an occupational disease are provided through the Old Age, Disability, and Survivors and Sickness and Maternity programs, above.

Unemployment

Regulatory Framework

First law: 1927.

Current laws: 1996 (citizens employed abroad), with amendment; 2003 (unemployment insurance), with amendment; and 2003 (vocational rehabilitation), with amendment.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons (entrepreneurs, founders, or members of commercial entities) and contract workers.

Voluntary coverage is possible.

Exclusions: Farmers, children and full-time students, and pensioners.

There are no special systems for any specified groups of employees.

Source of Funds

Insured person: 0.75% of gross earnings.

The minimum monthly earnings for contribution purposes are equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly earnings for contribution purposes are equal to five times the national monthly average wage.

Self-employed person: 1.5% of taxable income.

The minimum monthly income for contribution purposes is equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly income for contribution purposes is equal to five times the national monthly average wage.

Employer: 0.75% of payroll.

The minimum monthly earnings for contribution purposes are equal to 40% of the national monthly average wage. The gross national monthly average wage is 27,378 dinars (November 2005).

The maximum monthly earnings for contribution purposes are equal to five times the national monthly average wage.

Government: None; contributes as an employer.

Qualifying Conditions

Unemployment benefit: Must be insured for at least 12 consecutive months or 12 months with interruptions in the last 18 months. An interruption in insurance coverage must not last longer than 30 days.

Part-time work is permitted, but the income from work may reduce the benefit payable.

Unemployment Benefits

The monthly benefit is equal to 60% of the insured's average earnings in the last 6 months and is paid for up to 3 months; thereafter, the benefit is equal to 50% of the insured's average earnings. If the beneficiary is enrolled in an educational or vocational course, the benefit is increased by 10%.

The duration of the benefit depends on the length of the insurance coverage period and the insured's age: the benefit is paid for up to 3 months with up to 5 years of insurance coverage; up to 6 months with 5 to 15 years; up to 9 months with 15 to 20 years; up to 12 months with more than 20 years; or up to 24 months if insured for more than 20 years and at least age 61 (men) or age 56 (women), if insured for more than 38 years (men) or 33 years (women) and at least age 51, or if insured for more than 25 years and older than age 55.

The minimum benefit is equal to the national minimum wage for the month the benefit is paid.

The maximum benefit is equal to the national monthly average wage.

Child's supplement: A supplement is payable.

Schedule of payments: The benefit is paid monthly or the total amount is paid as a lump sum to be used as start-up capital for a new business.

Benefit adjustment: Benefits are not adjusted, but the minimum benefit must equal the national minimum wage.

Administrative Organization

National Employment Service (<http://www.rztr.co.yu>) registers all employers and jobseekers, administers the program, and pays benefits.

Republic Council for Employment advises the government on employment policy and legislation.

Family Allowances

Regulatory Framework

First law: 1949.

Current law: 2002 (families with children), with amendment.

Type of program: Universal system.

Coverage

Serbian citizens residing in Serbia.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Benefits are financed through the central governmental budget. Municipal governments may provide supplements or additional benefits.

Qualifying Conditions

Family allowances:

Parental allowance (means-tested): Payable to a mother for up to four children. The mother is a citizen of Serbia, resides in Serbia, and is covered for health insurance.

In the absence of the mother, the father may be eligible.

The parental allowance is not paid if the mother, or the family members with whom she lives, pays tax on property valued above 12,000,000 dinars.

Child allowance (income-tested): Payable to a parent, custodian, or foster parent rearing up to four children. The parent, custodian, or foster parent is a citizen of Serbia, resides in Serbia, and is covered for health insurance.

The child must be younger than age 19 (age 26 for children with special needs or full-time students).

Income test: The per capita family income level is 4,290 dinars. (The level is increased by 20% for a custodian, foster parent, single parent, or the parents of a disabled child.) Per capita family income is adjusted monthly according to changes in the cost of living.

Family Allowance Benefits

Family allowances

Parental allowance (means-tested): A lump sum of 20,000 dinars is paid for the first child; 76,981 dinars is paid for the second child in 24 monthly installments; 138,560 dinars for the third; and 184,745 dinars for the fourth.

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living.

Child allowance (income-tested): A custodian, foster parent, single parent, or the parent of a disabled child receives 1,819 dinars a month.

In addition, kindergarten costs for orphans, foster children, disabled children, and children living in low-income families are reimbursed. The child must be eligible for the child allowance.

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living.

Administrative Organization

Municipal governments award entitlements. In the event of an appeal, the Ministry of Social Affairs reviews the decision.