

Serbia

Exchange rate: US\$1.00 equals 66.73 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922, implemented in 1937.

Current laws: 2003 (pension and disability insurance) and 2004 (social insurance).

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

Voluntary coverage is possible.

Special system for armed forces personnel.

Source of Funds

Insured person: 11% of covered earnings; voluntary contributors pay 22% of earnings according to 13 income brackets.

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

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

Self-employed person: 22% of covered income.

The minimum monthly income used to calculate contributions is 35% of the national monthly average wage.

The maximum monthly income used to calculate contributions is 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

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

Employer: 11% of covered payroll (a reduced rate for newly hired workers for up to 2 years for workers older than age 45 and for up to 3 years for workers younger than age 30).

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

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

Government: Guarantees cash benefits; covers any deficit; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 64 (men) or age 59 (women) with at least 17 years of coverage; age 53 with at least 40 years of coverage (men) or age 53 with at least 35 years of coverage (women); at any age with at least 45 years of coverage (men and women). (The retirement age is increasing gradually by 6 months a year to age 65 (men) or age 60 (women) with at least 15 years of coverage by 2011.)

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

Deferred pension: The pension may be deferred. There is no age limit.

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 coverage if the disability began before age 20; 2 years if aged 20 to 24; 3 years if aged 25 to 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, had at least 5 years of coverage, or was eligible for a disability pension.

Eligible survivors include a widow aged 49 or older (a widower aged 54 or older), disabled, or caring for a child younger than age 15 (age 26 if a student, no limit if disabled); a dependent mother aged 59 or older or disabled;

a dependent father aged 64 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, and sisters.

The age of eligibility for survivors is increasing gradually to age 50 for a widow, age 55 for a widower, age 60 for a dependent mother, and age 65 for a dependent father by 2011.

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

The survivor pension is suspended when the survivor is working in insured employment.

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

Benefits are paid abroad under reciprocal agreement.

Old-Age Benefits

Old-age pension: The pension is based on the number of years of service, the ratio of the individual's wage to the average wage, and the value of the general point.

The value of the general point is 604.51 dinars.

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 (no adjustments in 2009 and 2010).

Permanent Disability Benefits

Disability pension: The pension is based on the number of years of service, the ratio of the individual's wage to the average wage, and the value of the general point.

The value of the general point is 604.51 dinars.

The number of years of service are calculated as 66.7% of the period between the date the disability began and age 53 and 50% of the period between ages 53 and 59 (women) or ages 53 and 64 (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 (no adjustments in 2009 and 2010).

Survivor Benefits

Survivor pension: 70% of the pension the deceased received or would have been entitled to receive is paid for one survivor (140% for a full orphan); 80% for two survivors (160% for full orphans); 90% for three survivors

(180% for full orphans); or 100% for four or more survivors (200% for full orphans).

The minimum survivor pension is the old-age pension calculated based on 20 years of coverage.

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

Benefit adjustment: Benefits are adjusted every 6 months, in April and October, according to changes in the cost of living (no adjustments in 2009 and 2010).

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

Administrative Organization

Ministry of Social Affairs and Labor (<http://www.szmm.gov.hu>) supervises the program.

Sickness and Maternity

Regulatory Framework

First law: 1922.

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

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, persons with mental or physical disabilities, 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 covered earnings; 12.3% of the pension for pensioners; voluntary contributors pay 12.3% of covered declared earnings for medical benefits.

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Self-employed person: 12.3% of covered income.

The minimum monthly income used to calculate contributions is 35% of the national monthly average wage.

The maximum monthly income used to calculate contributions is 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Employer: 6.15% of covered payroll (a reduced rate for newly hired workers for up to 2 years for workers older than age 45 and for up to 3 years for workers younger than age 30).

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Government: None; contributes as an employer.

Qualifying Conditions

Cash sickness benefits: Must be covered for at least 3 continuous months or 6 months in the last 18 months. There is no minimum coverage period required for an incapacity resulting from a work injury or an occupational disease. The benefit is also paid for providing care for a sick family member or if the insured provides a tissue or organ 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: Paid to either of the child's parents or custodian. A foster parent is also entitled to benefits for adopting a child.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: The monthly benefit is paid from the first day of incapacity until recovery or 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 his or her average wage in the last 3 months, up to 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

The calculation base for a self-employed person is his or her average covered 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 at least 6 months of continuous coverage; 60% with more than 3 but less than 6 months; 30% with less than 3 months. The benefit is paid monthly.

Earnings in the last 12 months before the maternity leave period began are used to calculate benefits, up to 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

The minimum benefit is the monthly minimum wage.

For a self-employed person, the benefit is the average covered 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.

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 based on contracts with local health insurance associations.

Services include measures for prevention and early detection of diseases, medicine, 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 a 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 persons with permanent disabilities, 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 based on contracts with local health insurance associations.

Services include measures for prevention and early detection of diseases, medicine, 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 a schedule in law.

Copayments are reduced for benefits for military and civil war invalids, blind persons and persons with permanent disabilities, 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.zdravstvo-srpske.org/>) 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.

Unemployment

Regulatory Framework

First law: 1927.

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

Type of program: Social insurance system.

Coverage

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

Voluntary coverage is possible.

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

Source of Funds

Insured person: 0.75% of covered earnings.

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Self-employed person: 1.5% of covered income.

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly income used to calculate contributions is 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Employer: 0.75% of covered payroll.

The minimum monthly earnings used to calculate contributions are 35% of the national monthly average wage.

The maximum monthly earnings used to calculate contributions are 5 times the national monthly average wage.

The national monthly average wage is 46,457 dinars (March 2010).

Government: None; contributes as an employer.

Qualifying Conditions

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

For part-time work, the benefit may be reduced.

Unemployment Benefits

The monthly benefit is 50% of the insured's average earnings in the last 6 months.

The duration of the benefit depends on the length of the coverage period or the insured's age: the benefit is paid for up to 3 months with up to 5 years of coverage; up to 6 months with 5 to 15 years; up to 9 months with 15 to 25 years; up to 12 months with more than 25 years; or up to 24 months if insured will be of pensionable age within the next 2 years.

The minimum benefit is 80% of the national minimum wage.

The maximum benefit is 160% of the national monthly average wage.

Child's supplement: A supplement is paid.

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

Administrative Organization

National Employment Service (<http://www.nsz.gov.rs>) registers all employers and job seekers and administers the program.

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).

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

Parental allowance (means-tested): Paid to a mother for up to four children. The mother must be a resident citizen of Serbia and 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): Paid to a parent, custodian, or foster parent rearing up to four children. The parent, custodian, or foster parent must be a resident citizen of Serbia and 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: Monthly per capita family income must not exceed 5,927 dinars (January 2010). (The level increases by 20% to 7,112 dinars for a custodian, a foster parent, an unmarried parent, or the parents of a child with a disability). Per capita family income levels are adjusted monthly according to changes in the cost of living.

Family Allowance Benefits

Parental allowance (means-tested): A lump sum of 27,136 dinars is paid for the first child; 106,112 dinars for the second child; 190,992 dinars for the third child; and 254,654 dinars for the fourth child.

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

Child allowance (income-tested): 1,897 dinars per child is paid monthly.

In addition, kindergarten costs for orphans, foster children, children with disabilities, 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 benefits. In the event of an appeal, the Ministry of Labor and Social Policy reviews the decision.