

BAGSO Responses to the Guiding Questions on the Focus Areas of the 10th Session of the Open-Ended Working Group on Ageing: Social Protection and Social Security

- 1. What are the legal provisions in your country that recognizes the right to social security and social protection, including non-contributory and contributory old-age benefits? Do they have a constitutional, legislative or executive foundation?**

In Germany, the Social State Principle is enshrined in the **Basic Law** and thus has the rank of a constitutional principle. The legal basis for social insurance is the **Social Code**.

Social security includes social insurance (health, accident, pension, unemployment and long-term care), welfare benefits (e.g. housing benefit), employer expenses (company pension schemes) and occupational group-specific security. Social security is largely financed through social security contributions and taxes.

- 2. What steps have been taken to guarantee universal coverage, ensuring that every older person has access to social security and social protection schemes including non-contributory, contributory and survivor old-age pensions, to ensure an adequate, standard of living in older age?**

Statutory and contributory pension is governed by the **German Statutory Pension Insurance Scheme** as laid down in the German Social Code. It comes into effect when people retire due to old age or reduced earning capacity. If the insured person is deceased, dependent relatives (widows', orphans') pensions are also paid.

The German pension level (on average 51%) is well below the average of many industrialised countries (OECD average: 63%). The amount depends on the duration and amount of contributions paid into the state pension insurance fund. Also included are non-contributory child-raising periods, some training periods and other aspects.

The old-age pension is funded from the contributions currently paid by the employees liable for contributions today in the pay-as-you-go system.

Civil servants, in contrast, do not pay any contributions for their pension. Their pensions are based on years of service and the last salary. The maximum rate of 71.75% is significantly higher than for pensioners.

Every employee can also pay into a **company pension scheme** supported through state subsidies. Furthermore, the state supports the development of an **additional private**, capital-covered old-age provision.

Since 2005, **Guaranteed minimum pension in old age and in the event of reduced earning capacity**, a needs-based social benefit financed from tax revenues, is to secure the necessary subsistence when assistance is needed.

- 3. What steps have been taken to ensure that every older person has access to social security and social protection schemes which guarantee them access to adequate and affordable health and care and support services for independent living in older age?**

Employees, pensioners and other groups are obliged to take out **statutory health insurance**. Through this insurance, affected persons receive preventive health services, medicine, therapeutic and medical aids (albeit sometimes with substantial private co-payments), home nursing care and household assistance, rehabilitation services as well as cash benefits (e.g. continued payment of wages in the event of employee illness).

The **statutory long-term care insurance** supports home and inpatient care. However, it is not a full cost insurance. Only care-related costs are subsidised, depending on the degree of care needed.

The **statutory accident insurance** protects against occupational accidents and work-related illnesses and, if necessary, provides compensation.

Adequacy

4. What steps have been taken to ensure the levels of social security and social protection payments are adequate for older persons to have access to an adequate standard of living, including adequate access to health care and social assistance?

In the event of unemployment, insufficient pensions or inadequate long-term care insurance benefits, the State shall ensure access to such benefits.

For those who receive **unemployment benefits** and/or were subject to pension insurance contributions in the year before unemployment, contributions to the **statutory pension, health and long-term care insurances** are paid in full by the Federal Employment Agency.

If the benefits provided by the statutory long-term care insurance are not sufficient, private income (usually pensions) and assets must be used. In this case, a support obligation of the family members is also examined.

Through the guaranteed minimum pension in old age and in case of reduced earning capacity, small pensions are raised to the level of the minimum pension.

Accessibility

5. What steps have been taken to ensure older persons have adequate and accessible information on available social security and social protection schemes and how to claim their entitlements?

The social benefit providers must inform and advise citizens and insured persons free of charge. Consultation may also be provided by other institutions, such as lawyers, trade unions, employers' associations or municipalities.

The Statutory Health Insurance sends out annual information on the status of the calculated individual pension amount. There are also information and advice centres as well as a telephone hotline and voluntary insurance consultants. Registered pension consultants advise citizens and insured persons on a fee basis.

In the event of incapacity for work, there is a special entitlement to individual consultation and assistance.

Within the framework of long-term care insurance, so-called care consultants possessing additional qualifications provide advice.

6. The design and implementation of normative and political framework related to social security and social protection benefits included an effective and meaningful participation of older persons?

Social elections take place every six years. The elected, voluntary and unpaid self-governing bodies of the social insurance institutions represent the interests of employees, pensioners and employers.

The **Federal Participation Act** aims at strengthening the participation and self-determination of people with disabilities in view of the UN Convention on the Rights of Persons with Disabilities.

Non-governmental organisations represent the interests of their members nationwide with regard to socio-political issues and necessary reforms.

Equality and non-discrimination

7. Which are the measures adopted to ensure equitable access by older persons to social security and social protection, paying special attention to groups in vulnerable situation?

Basic provision for old age and reduced earning capacity pensions are essential instruments for the protection of groups in precarious situations.

The pensions in West and East Germany will be gradually adjusted.

Older women are particularly disadvantaged as a result of the gender pay gap and gender pension gap.

Accountability

8. What mechanisms are in place to ensure social security and social protection schemes are effective and accountable?

The Federal Government's Social Report provides yearly information on the status and expenditures of social security and the various social security systems.

9. What judicial and non-judicial mechanisms are in place for older persons to complain and seek redress for denial of their right to social security and social protection?

The Social Court Act stipulates that insured persons may appeal the rejection of a benefit applied for. If the objection is not successful and the benefit provider rejects it again, insured persons can bring an action before the Social Court.

BAGSO – German National Association of Senior Citizens' Organisations
Guido Klumpp, Managing Director, Thomas-Mann-Str. 2-4, 53111 Bonn, Germany
Tel.: +49-228-24 99 93 13, E-Mail: klumpp@bagso.de