

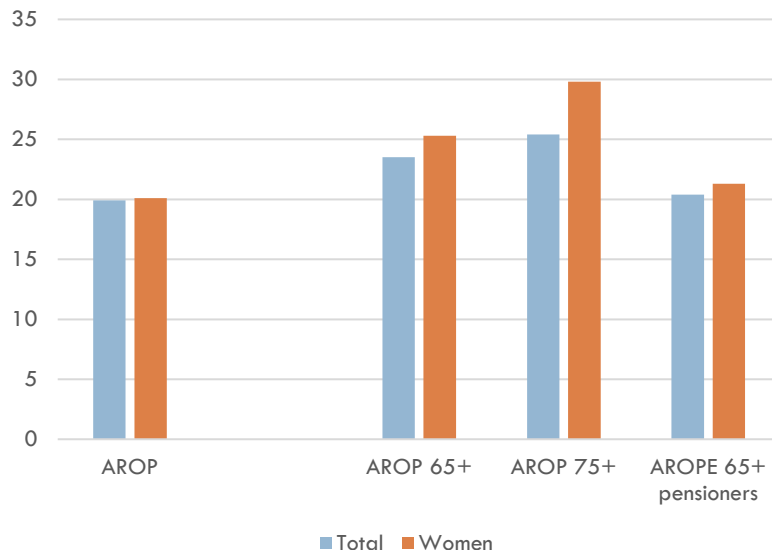


SOCIAL PENSION OPTIONS FOR SERBIA

Addressing Old-Age Poverty through Non-Contributory Benefits

ELDERLY POVERTY

At-risk-of-poverty rate for elderly and pensioners, total population and women

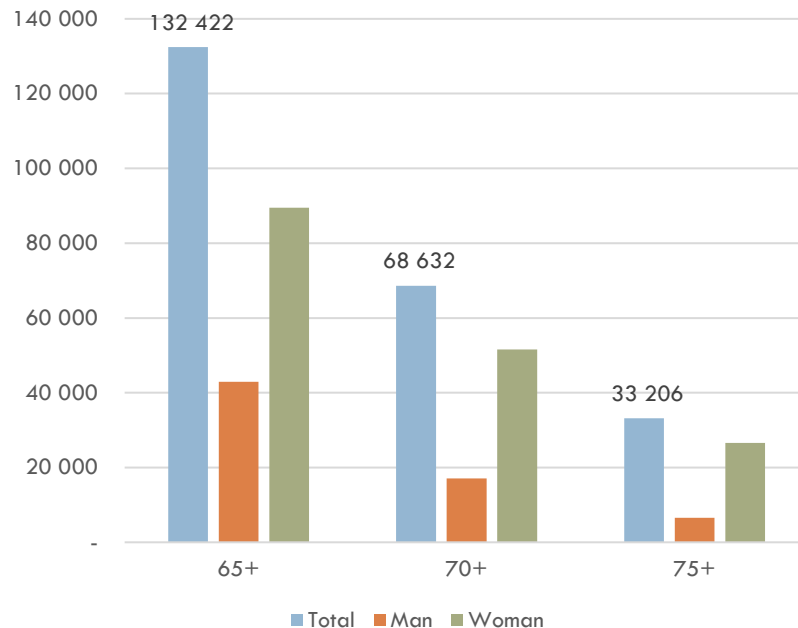


Source: Eurostat database [ilc_li02], [ilc_pns6]

- 8–22% of the elderly (65+) are vulnerable, depending on the criteria
- Vulnerability among the elderly is higher than in the general population and pensioners
- Vulnerability increases with age
- Older women, especially those 75+, are at higher risk
- In recent years, the situation of the elderly has deteriorated

PENSION COVERAGE IS A GENDER ISSUE

Population without a pension, total and by sex, 2022



Source: Population Census 2022

- Over 132,000 elderly (65+) receive no pension
- Pension Coverage (65+, 2022)
 - Total: 91.0%
 - Men: 93.2%
 - Women: 89.3%
- Gender gaps widen with age
- Over 80% of elderly (75+) without a pension are women

TWO OPTIONS FOR SOCIAL PENSIONS

- ▣ Two options for introducing a social pension — non-contributory benefit, funded from the budget aimed at reducing old-age poverty:
 - Guaranteed Minimum Income for the Elderly (GMIE) – pension income tested
 - Financial Social Assistance (FSA) module for elderly households — means tested

Matković, G. (2024). Socijalne penzije u Srbiji. U V. S. Kostić (urednik), *Budućnost starenja* (359-377). Beograd: Srpska akademija nauka i umetnosti.

GMIE & FSA MODUL

GMIE

- Who? Elderly without contributory pensions or with pensions below a defined minimum (mainly survivors' pensions)
- Amount: 10,000 RSD (2020), indexed to cost of living
- Age: 65+ or 70+ (reduces moral hazard)
- Estimated reach: 72,000–127,500 beneficiaries
- Expenditures: 7.4–13.7 billion RSD annually

Estimates based on SILC (2020) micro-simulation

FSA MODUL

- Who? Elderly households (not individuals), with income top-up support
- Asset criteria relaxed (*land ceiling, housing, etc.*)
- Amount: 10,000 RSD (single)/17,000 RSD (two-member HH)
- Age: Oldest household member is 65+ or 70+
- Estimated reach: 19,600–38,000 persons aged 65+
- Expenditures: 1–2.4 billion RSD annually

Estimates based on SILC (2020) micro-simulation

IMPACT

□ Simulation results:

Variants and scenarios	AROP reduction (pp) Elderly (75+)	Costs (bn)	Reduction of AROP per bn invested
GMIE (1)	1,92	13,7	0,14
GMIE (2)	1,83	7,44	0,25
FSA (1)	0,88	2,4	0,37
FSA (2)	0,44	1	0,44

□ Simulation results:

- V 2 – GMIE (70+) outperforms V1 (65+): similar impact, significantly lower cost
- V 1 FSA (65+) outperforms V 2 (70+) : similar cost-efficiency, greater poverty reduction
- Administration costs and capacities should also be taken into account