Event Report

2nd Conference on Pension Systems for Security Personnel in the Visegrad Countries

Budapest, 11 October 2018

About EUROMIL

The European Organisation of Military Associations (EUROMIL) is an umbrella organisation composed of 34 military associations and trade unions from 22 countries. It is the main Europe-wide forum for cooperation among professional military associations on issues of common concern. EUROMIL strives to secure and advance the human rights, fundamental freedoms and socio-professional interests of military personnel of all ranks in Europe and promotes the concept of "Citizen in Uniform". As such, a soldier is entitled to the same rights and obligations as any other citizen. EUROMIL particularly calls for recognition of the right of servicemen and -women to form and join trade unions and independent associations and for their inclusion in a regular social dialogue by the authorities.

European Organisation of Military Associations

Rue John Waterloo Wilson 78, 1000 Brussels

www.euromil.org

1. Introduction

In September 2017, EUROMIL organised the first conference on pension systems for security personnel in the Visegrad countries. The conference brought together representatives from professional associations as well as the security forces and governments to discuss the issue of pension systems for the personnel in the security sector. It enabled an exchange of information and best practises amongst participants on an issue of common concern. By addressing the security forces as a whole, challenges faced by personnel of the armed forces as well as of the police corps are addressed.

Participants agreed that further work on the issue is needed. As the examples exchanged during the conference were all from the same region with sometimes similar problems, participants expressed the desire to learn more about military and security personnel pension systems in other parts of Europe – to broaden their view on possible good practices.

2. **Pension systems for security personnel – Examples from Germany, Portugal and Europe**

   a. **Antonio L. Coelho, former President of Portuguese Sergeant's National Association (ANS)**

2nd Conference on Pension Systems for Security Personnel in the Visegrad Countries

Budapest – Hungary - 11th October 2018

The Situation in Portugal

Presented by Antonio Lima Coelho

The Situation in Portugal

Prior to the publication of Decree-Law no. 3/2017 of 6 January, which amended the conditions for the transition to the Reserve situation and the calculation of the retirement pension, there were thirteen different formulas in Portugal to obtain the calculation of the pension, which depended on the year of entry, length of service, age, type of service, etc.

The Situation in Portugal

After the publication of this decree, the military are now subject to three possible situations to go to the Reserve situation with the different consequences in the calculation of the retirement pension.

It is important to briefly reflect on the economic impact that changes to the retirement regime will have on the situation of many of our members.

The Situation in Portugal

Despite the fact that the Reserve system and the retirement pension calculation is safeguarded to the rules that were in force in 2005 (90% of the last remuneration for a maximum of 36 years of time of service), the military is deeply injured if have not been allowed to go to the Reserve situation until 31 December 2016.

The Situation in Portugal

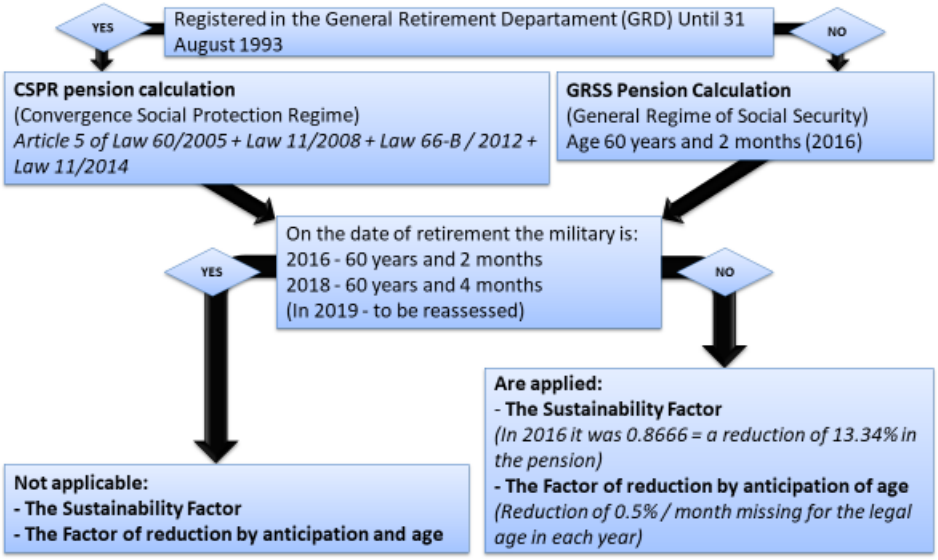
With the amendment to the law, the military were forced to remain in the ranks for many more years, in most cases, until they reached the age limit to stay in the rank, somehow contrary to the principle of volunteer service in the Armed Forces, as well as enhancing the disenchantment, frustration, demotivation and promoting the aging of the military staff.

The Situation in Portugal

In summary, the present situation has three different universes, with different levels of calculation of the retirement pension, being penalized the younger military.

As the situation is complex, our association has developed a flowchart for better understanding of the situation, which we will explain.

New formula for calculating pensions
(Article 2 of Decree-Law no. 3/2017, of 6 January)



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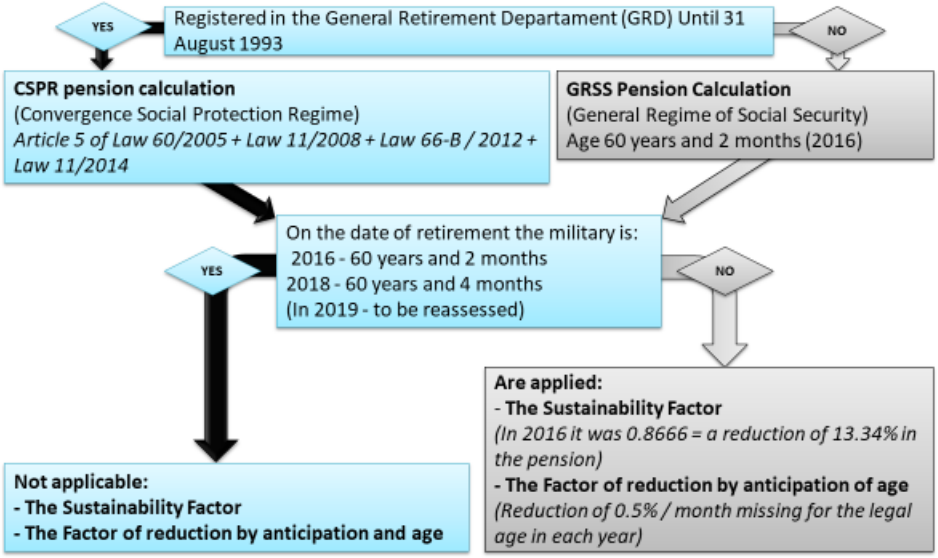

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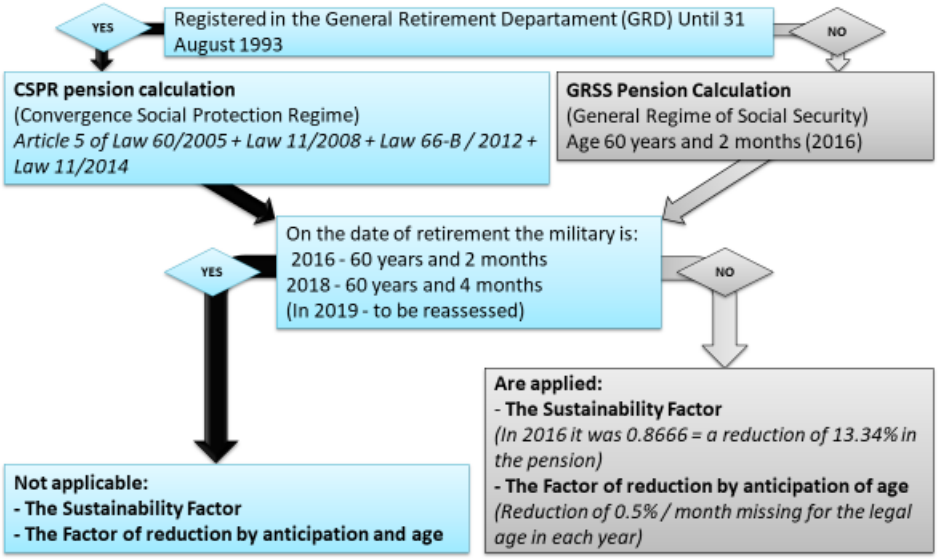

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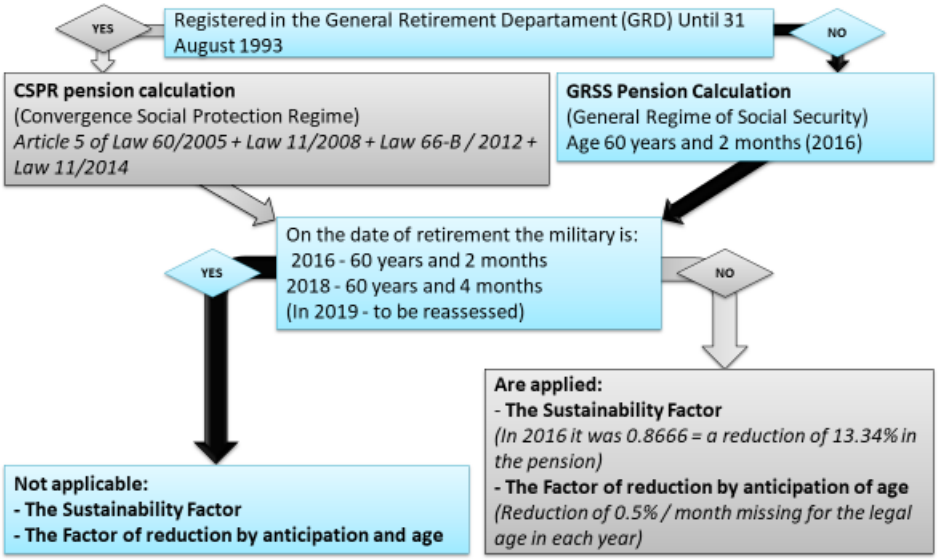

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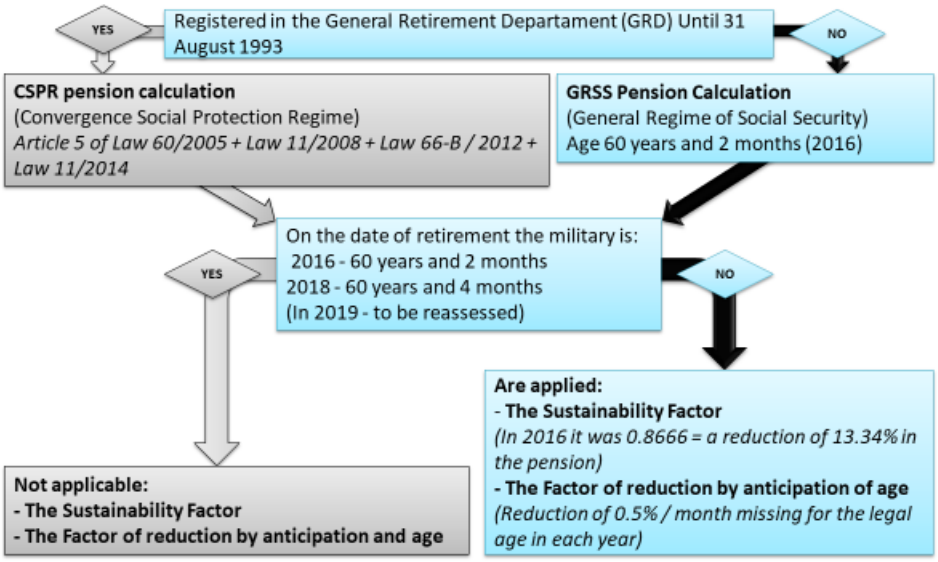

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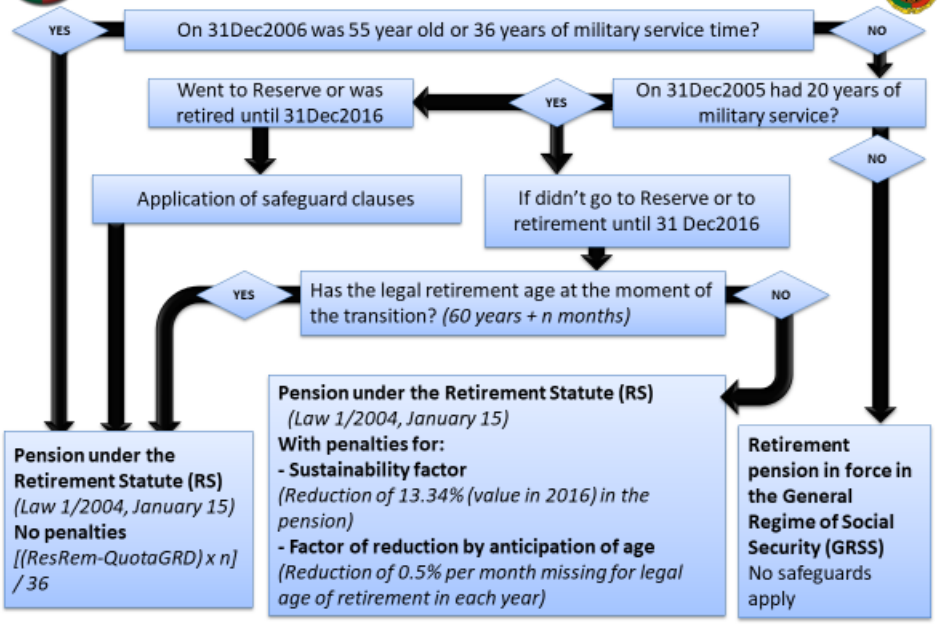
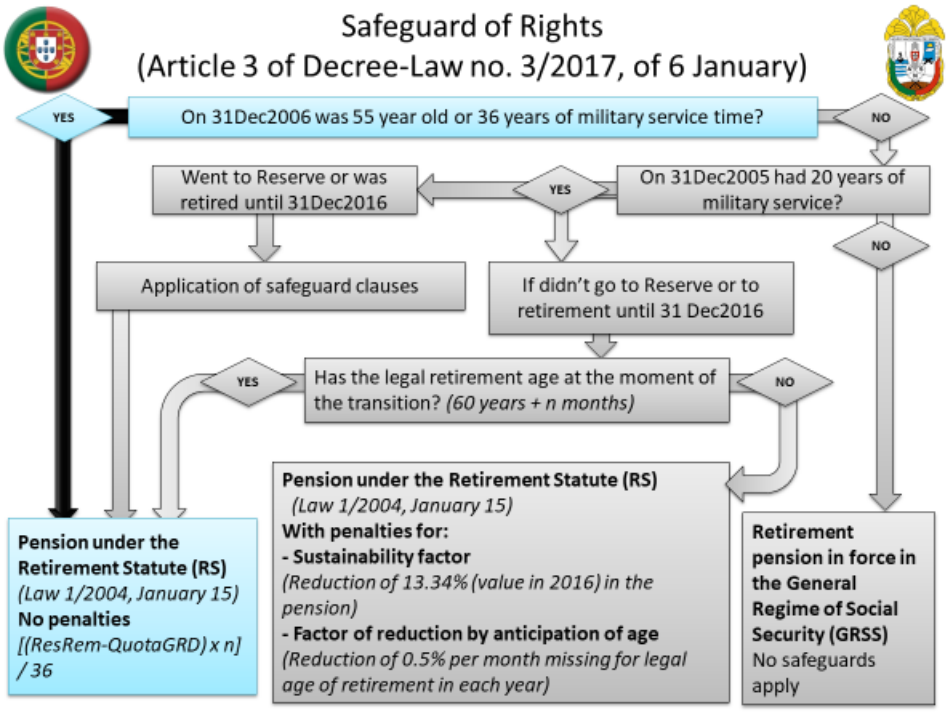
(Article 3 of Decree-Law no. 3/2017, of 6 January)

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NO
Went to Reserve or was retired until 31Dec2016
YES
On 31Dec2005 had 20 years of military service?
NO
Application of safeguard clauses
If didn't go to Reserve or to retirement until 31 Dec2016
YES
Has the legal retirement age at the moment of the transition? (60 years + n months)
NO
Pension under the Retirement Statute (RS)
(Law 1/2004, January 15)
No penalties
[(ResRem-QuotaGRD) x n] / 36
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(Law 1/2004, January 15)
With penalties for:
- Sustainability factor
(Reduction of 13.34% (value in 2016) in the pension)
- Factor of reduction by anticipation of age
(Reduction of 0.5% per month missing for legal age of retirement in each year)
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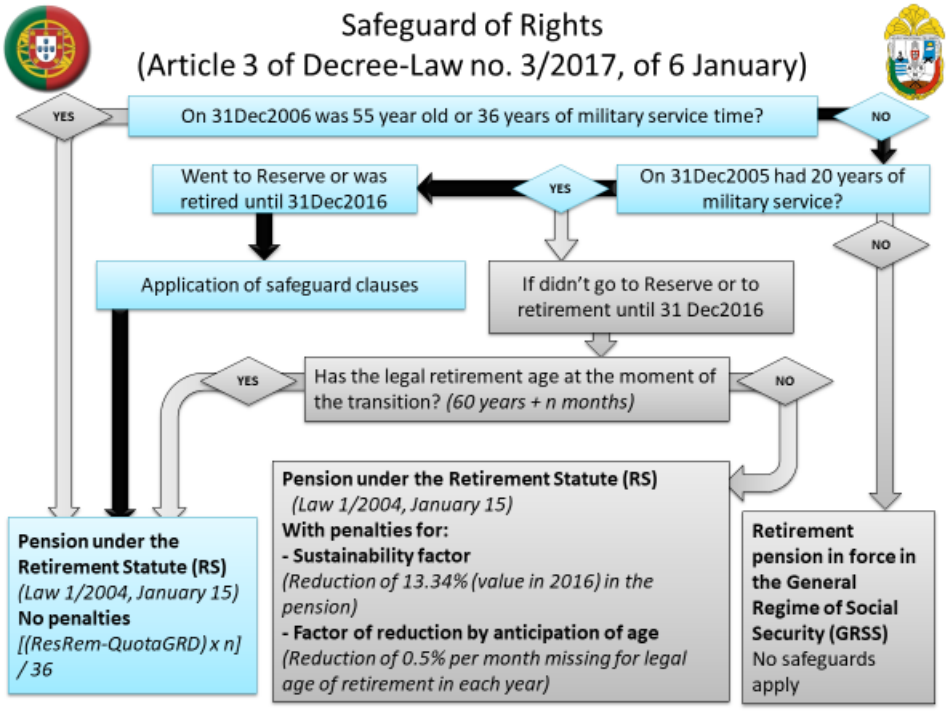
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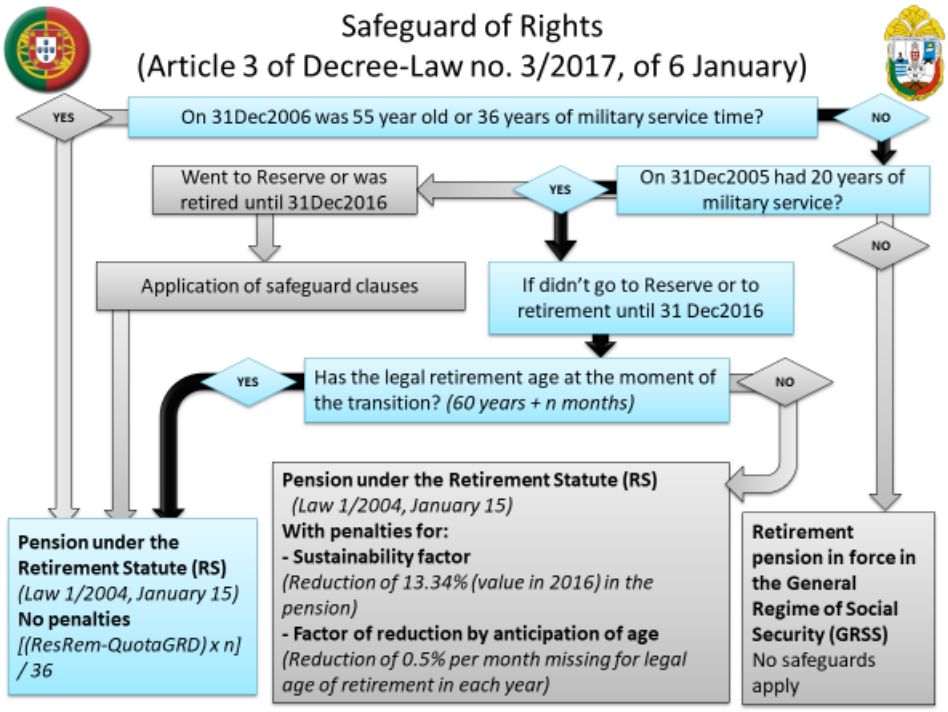
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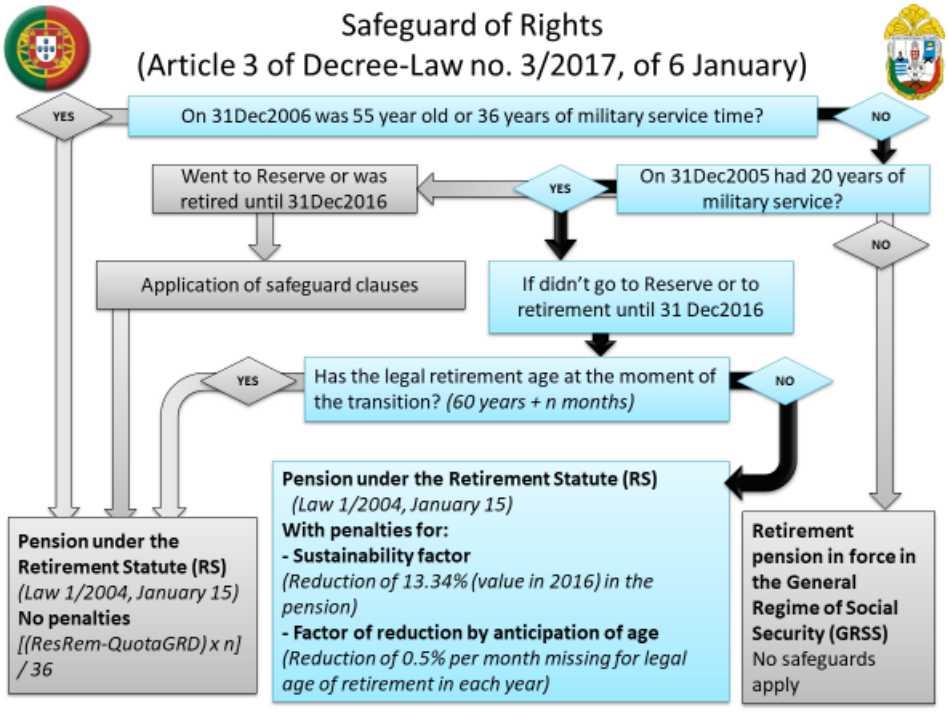
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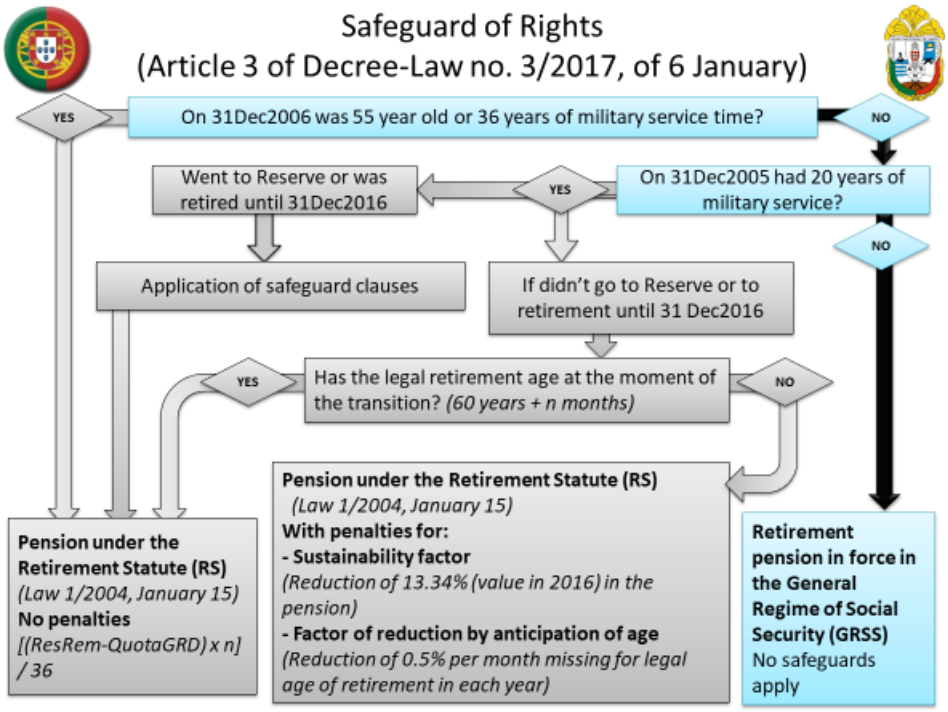
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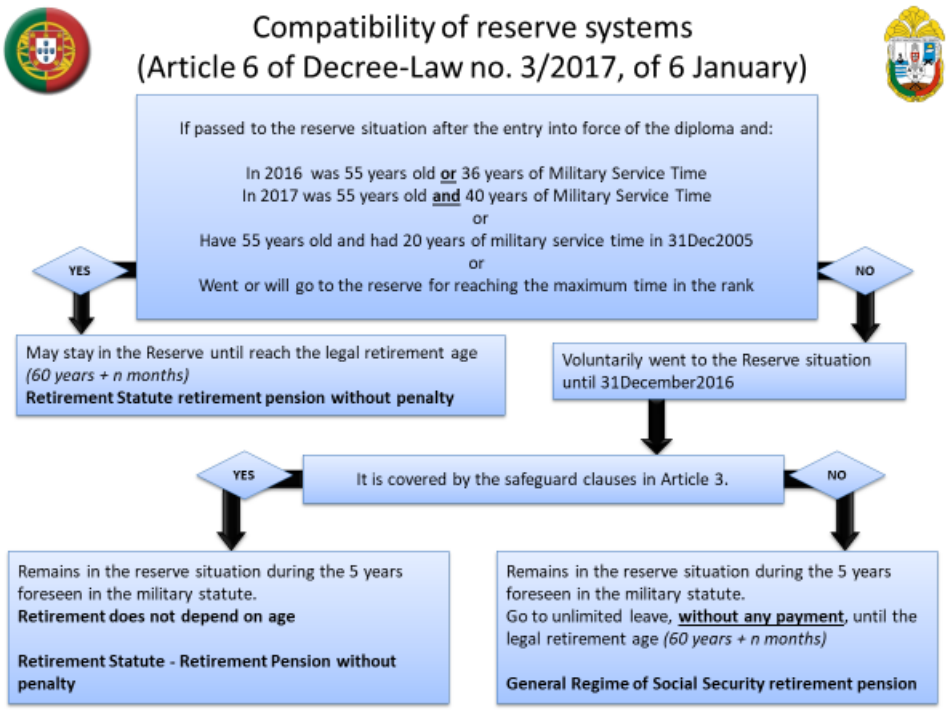
Compatibility of reserve systems
(Article 6 of Decree-Law no. 3/2017, of 6 January)
If passed to the reserve situation after the entry into force of the diploma and:
In 2016 was 55 years old or 36 years of Military Service Time
In 2017 was 55 years old and 40 years of Military Service Time
or
Have 55 years old and had 20 years of military service time in 31Dec2005
or
Went or will go to the reserve for reaching the maximum time in the rank
YES
NO
May stay in the Reserve until reach the legal retirement age (60 years + n months)
Retirement Statute retirement pension without penalty
Voluntarily went to the Reserve situation until 31December2016
YES
It is covered by the safeguard clauses in Article 3.
NO
Remains in the reserve situation during the 5 years foreseen in the military statute.
Retirement does not depend on age
Retirement Statute - Retirement Pension without penalty
Remains in the reserve situation during the 5 years foreseen in the military statute.
Go to unlimited leave, without any payment, until the legal retirement age (60 years + n months)
General Regime of Social Security retirement pension

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or
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YES

May stay in the Reserve until reach the legal retirement age *(60 years + n months)*
Retirement Statute retirement pension without penalty

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General Regime of Social Security retirement pension

The Situation in Portugal

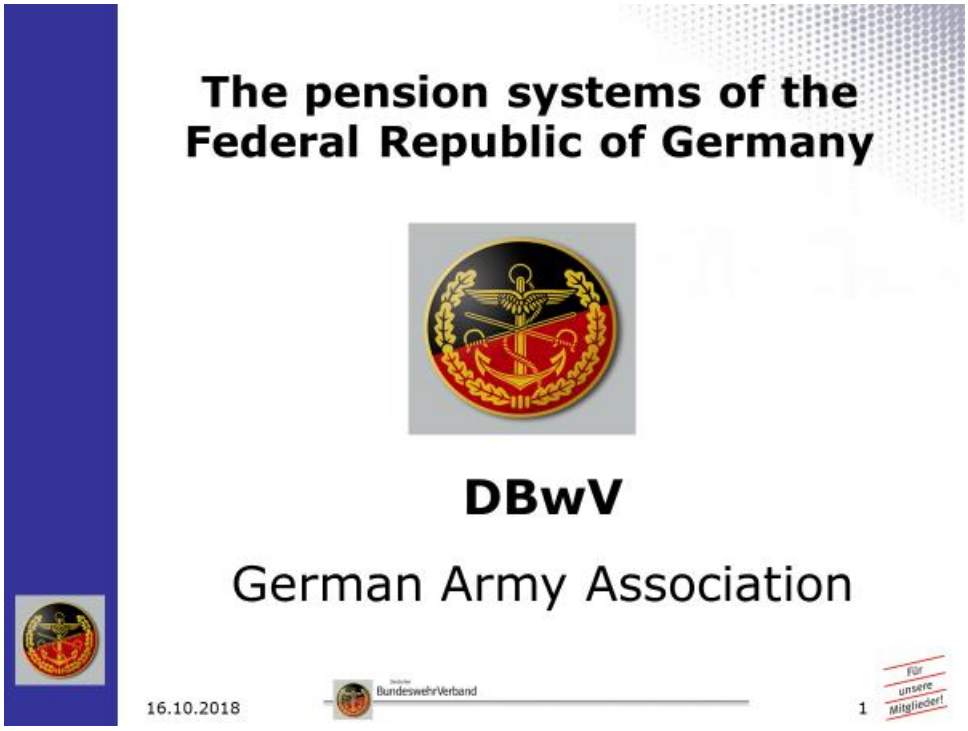
National Rank (NATO GRADE)	Gross Wage (GW) (1st Remuneratory Position)	Retirement Statute (RS)	Convergence Social Protection Regime (CSPR)	General Regime of Social Security (GRSS)
SMOR (OR-9)	2337,88€			
	GW after cut	2080,71€	1494,73€	1106,39€
	Cut percentage	-11%	-36,06%	-52,68%
	Value of the cut	-257,17€	-843,15€	-1231,49€
SCH (OR-8)	2152,51€			
	GW after cut	1915,73€	1393,32€	1045,26€
	Cut percentage	-11%	-35,27%	-51,44%
	Value of the cut	-236,80€	-759,19€	-1107,25€
SAJ (OR-7)	1905,34€			
	GW after cut	1695,75€	1300,78€	977,25€
	Cut percentage	-11%	-31,73%	-48,71%
	Value of the cut	-209,59€	-604,56€	-928,09€

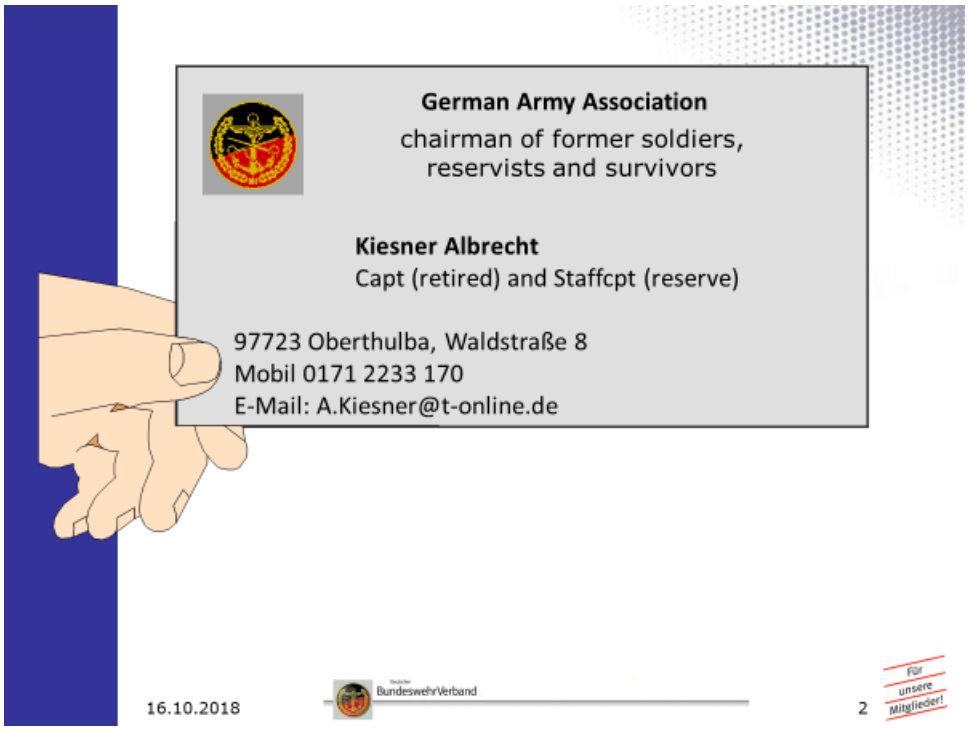
The Situation in Portugal

Thank you for your attention.

QUESTIONS???

b. Albrecht Kiesner, Chairperson for reservists, former armed forces personnel and surviving dependants, German Armed Forces Association (DBwV)





Workers and employees

Receive one by the German pension insurance guaranteed statutory pension

Officials, judges and soldiers

Get a state funded retirement pension

Pension amount of the statutory pension insurance for workers and employees

The pension is calculated according to the income during the whole life - working time. At present, this is 48% of the last gross earnings for a continuous working life (approx. 47 years).

Retirement pay for officials, judges and soldiers

The pension is calculated according to the length of service completed and the grade or rank last achieved After at least 40 years of service, it is 71.75% of the last salary..

The retirement pension

pensionable salaries **pensionable service**

calculation mode

Berechnung

Retirement pension

Captain (NATO Rankcode OF-2), born 07/1960

Military service from **01.08.1980 - 31.10.2015**

Retirement age: 55. Years + 3 month

Calculation

Militaryservice: 35 years and 92 days =
35.25 Years x 1.79375 %
=63.22969 %

Age limits surcharge 4 Years, 9 month =
4.75 Jahre x 1.79375 =8.52031 %

right to a pension = **71.75 %**

AS 8

Deutscher BundeswehrVerband

Für unsere Mitglieder!

Status: 06/2018

Bes.-Gruppe	ruhegehaltf. Dienstbezüge inkl. Einbaufaktor	Ruhegehalt 71,75%
A 8	3.410,10 €	2.446,75 €
A 9	3.602,08 €	2.584,49 €
A9 mA	3.900,01 €	2.798,26 €
A 10	4.029,26 €	2.890,99 €
A 11	4.466,66 €	3.204,83 €
A 12	4.904,95 €	3.519,30 €
A 13	5.426,31 €	3.893,38 €
A 14	5.889,92 €	4.226,02 €
A 15	6.632,85 €	4.759,07 €
A 16	7.373,40 €	5.290,41 €
B 3	8.127,17 €	5.831,24 €
B 6	9.632,36 €	6.911,22 €
B 7	10.121,22 €	7.261,98 €
B 9	11.267,54 €	8.084,46 €
B10	13.238,70 €	9.498,77 €

MasterSergant OR - 8

Captain OF - 2

Lieutenant Colonel OF - 4

Brigadier General OF - 6

16.10.2018 Deutscher BundeswehrVerband 8 Für unsere Mitglieder!

Pension for soldiers serving in the National People's Army

Category 1 :

Soldiers who were excreted from the service until 31.12.1992 received

= Pension for periods of military service according to pension law (SGB VI and AAÜG)

Category 2:

Soldiers taken over into the "Bundeswehr" receive = pension and retirement

Pension and retirement pension for soldiers with NVA service

Pension calculation for NVA service hours (basis)

- It counts the times of belonging to the special care system (NVA),
- the gross annual salary actually earned during that period, including allowable surcharges,
- However, the resulting pension is only paid when the pensionable age is reached (currently 66, rising to 67)

Retirement pension for service in the „Bundeswehr"

The basis of calculation

- The service rendered in the "Bundeswehr"
- The salary from the last grade

A Master Sergeant (OR 8) with 15 years of service in the NVA receives round about **650 €** pension,

But only with reaching the retirement age (currently 66 years)

In the meantime (on request) he receive a temporary increase if

- the Retirement rate of 66.97% not reached
- no higher additional earnings than average of € 525 per month

Exampel:

- Mastersergant (OR 8), born 13.12.1956, married,
- Entrance to the „NVA“: 01.11.1975,
- Entrance to the „Bundeswehr“: 03.10.1990,
- Retirement **31.12.2009**

The following pensio claims arise to this Date (after at least 35 years of service in the "Bundeswehr")

- Basic salary (OR 8), age level 8 = **2991.38 €**
  family allowance, level 1 = **114,38 €**
- pensionable salaries = **3105,76 €**
- of which 71.75 per cent **= 2228,40 €**

Gross amount of retirement pension

For our example of the Master Sergeant, the following calculation of the pension results from his service in the "Bundeswehr":

- Service from 03.10.1990 - 31.12.2009 that is
- 19 Years, 90 Days = 19,25 Years x 1,79375 percent = **34,5297** percent of last salary
- Special age allowance = **10,7625** percent

- The achieved pension rate is:

34,5297 %

+ 10,7625%

= **45,29 v. H.**

Example: Master Sergant (OR8), periods of service: NVA 15 Years, Bundeswehr 19 Years

Salary from the **end of service (54 years) to retirement (66 years)**

Retirement pay for 19 years of service in the Bundeswehr = 45,29 % of 3105,76 € = **1406,60 €**

For 15 years service in the NVA

(**temporary increase)**

15 x 0,95667 = 14,35% =	**429,26 €**
	1835,86 €

From retirement date (66 years)

For the service in the Bundeswehr	**1406,60 €**
Pension for NVA service:	**650,00 €**
	2056,60 €

16.10.2018 BundeswehrVerband 15 Für unsere Mitglieder!

Thank you for your attention

BundeswehrVerband Für unsere Mitglieder!

c. Marina Monaco, Advisor, European Trade Union Confederation (ETUC)

Marina Monaco started her remarks by emphasizing that the situation of workers in the public service is a very particular one. However, many issues which concern the European policy framework are also of concern to military personnel. One of the central aspects' governments tend to look at in pension discussions are issues of a budgetary balance and the costs of an ageing society. The ETUC however advocates to also include concrete measures to allow everyone a life in dignity. At present, there are several inequalities in pension systems:

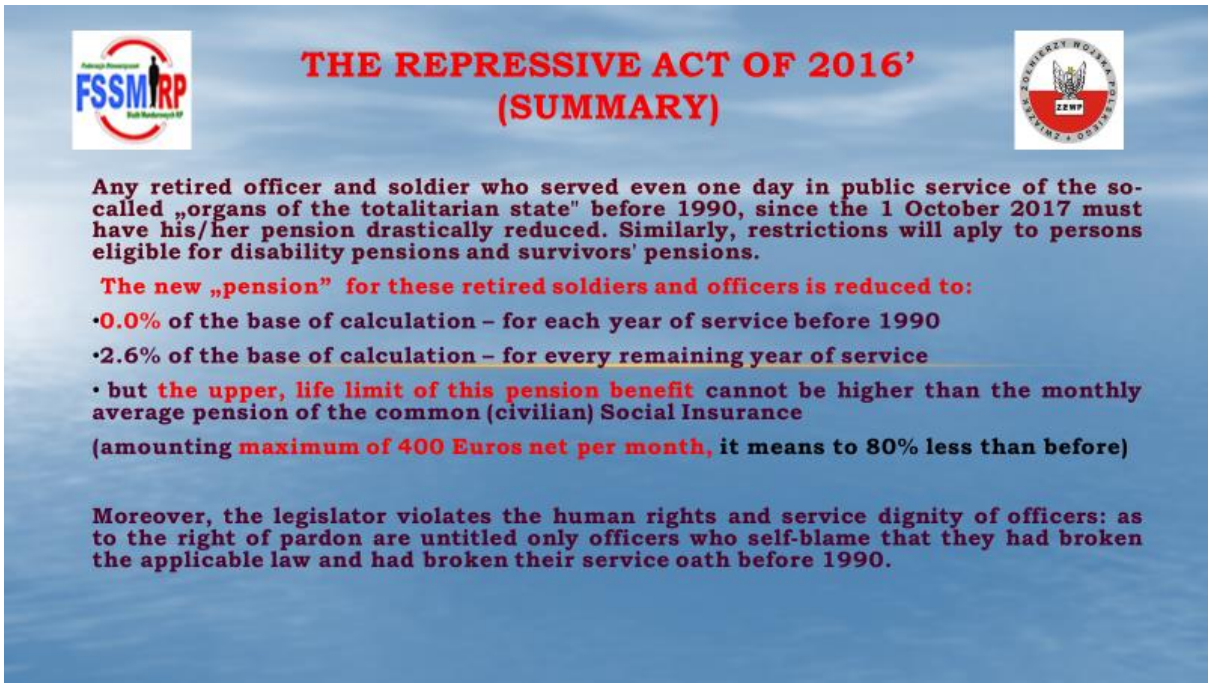
- An inequality between men and women, also known as the gender pension gap. As pensions mirror wages, the gender pay gap is also reflected in the pensions, leading to a situation where women – although performing the same jobs as men – usually get lower pensions.
- A flexible labour market with short term contracts and little job security means that a growing number of workers cannot contribute in a meaningful way to their social security.
- Generally, the retirement age is linked to the life expectancy. This leaves a lot of important factors out of the consideration, such as: the nature of the performed job (physically intense or not?), the (healthy?) working environment etc.

From the point of view of the ETUC, the key to a reform of pension systems must therefore be fairness and equality. Everyone should be given the chance to contribute but should also be able to benefit. The current trend in which on the one hand, there are less and less jobs (due to digitalization and globalization) which means that less people can pay into social security services, and on the other hand governments are cutting their contributions to social security services is highly contradictory.

To conclude, Ms. Monaco emphasized the ETUC demand for an effective access to social protection and minimum guarantees for workers, adding that pensions should be available whenever the retiree needs them, i.e. should not be frozen.

3. **Pension systems for security personnel – The current situation in the Visegrad countries**

   a. **Henryk BUDZYNSKI, ZZWP, Poland**



EFFECTS OF THE ACT
(AFTER ONE YEAR OF APPLICATION)

- 41,000 people affected by the Act, (the youngest - 50, the oldest - over 90),
- Approximately 50,000 decisions decreasing pensions, disability pensions and surviror's pensions
- Tragic consequences of the law - 53 people died following pension cuts
- 27 500 appeals brought to the Director of the Pension Office of the Ministry of the Interior
- No appeals recognized by the Pension Office, only part of them forwarded for further consideration to the District Court in Warsaw,
- The District Court referred the question to the Constitutional Tribunal regarding the compliance of the Act with the Constitution, and suspended all proceedings,
- In the question, the District Court used the same arguments against the Act as the Supreme Court, leading professors and researchers in the field of law, the Helsinki Foundation for Human Rights, etc.,
- It may take years to get the answer to the legal question of the District Court.
- By that time, due to their age, 15-20% of victims of the Act will pass away before any trial.

ACTIVITIES OF THE FEDERATION OF ASSOCIATIONS OF UNIFORMED SERVICES

- Organizing 4 demonstrations in front of the Parliament
- Elaborating of a draft civic bill amending the repressive act and submitting it to the Polish Parliament, *(almost 280,000 signatures of Polish citizens under the draft of the bill)*,
- Submitting appeals and petitions to the President, Prime Minister, Chairmen of Sejm and Senate
- Conference in the European Parliament (public hearing)
- Organizing the Center for Monitoring Effects of Repressive Acts and its website,
- Cooperation with Ombudsman, political parties, Helsinki Foundation for Human Rights, Batory Foundation, etc.
- Petition of the Federation to the District Court, reporting infringement of the decision of the Constitutional Tribune (2011) by the Pension Office
- The struggle with the negative propaganda and keeping dialog with the mass media
- Legal and psychological support to the victims, encouraging their participation in the elections
- On Oct.4-th the Statuts Commission of the Parliament agreed on illegality of depravation uniformed officers of their uniformed pension for the service after 1990.

PROBLEMS

- Prejudice, politicization of the justice system and stigmatization of victims
- Unfriendly attitude of state-owned mass media towards people affected by the repressive act, their further social stigmatization and exclusion
- Ignorance and apathy of the society to the collective infingement of human dignity and rights of uniformed officers and soldiers by the state
- Indifference of the part of military retirees who hope that the repression will not affect them (the lack of solidarity)
- Indifferent attitude of soldiers and security/police officers in active service who fear of losing their post and avoid official support for their colleagues - pensioners affected by the provisions of the repressive law.

CONCLUSIONS

We have a long fight for our rights ahead.

And we must remember:

WE CANNOT TRAVEL TO THE SUCCESS BY AN ELEVATOR,

WE HAVE TO GO TO THE SUCCESS BY THE STAIRS

b. Q&A and discussion

During the subsequent discussion, participants raised a number of important issues:

Retirement age

- When raising the retirement age, it should be made sure that workers can perform their job longer (both, physically and mentally).

Pensions

- Massive pension losses can lead to social exclusion.
- While on the private labour market a wage convergence is key to abolish the gender pension gap in the long run, wages in the military are fixed to ranks. Promotion practices must therefore ensure equal opportunities for men and women to rise through the ranks.

Social dialogue

- Social dialogue and the effective involvement of trade union partners is key to manage transitions.
- On a European level, the ETUC lobbied to include one "social" recommendation per country in the country specific recommendations which are part of the European semester. This is a good opportunity to raise specific concerns linked to the social situation of workers and retirees.

- Within the armed forces, having the right of association and trade union rights is key to be involved in discussions about the working and retirement conditions in a meaningful way.

4. Conclusion

Participants welcomed the possibility to exchange good practices and experiences on a European scale. They agreed that it is important to not only focus on concrete legislations but also analyze the implementation. After all, the situation of military personnel is quite particular – as one participant put it "Being in the military is not a job – it's a service to your country" – which should be acknowledged as such by your country.