



Zagreb, 22 Feb 2022

Formal input for the 12th Session of the Open-ended Working Group on Ageing - Economic security

National legal and policy framework

Under the Croatian Constitution, Croatia is a democratic and social state that encourages the economic progress and social prosperity of its citizens, while holding social justice as one of the highest values of the constitutional order. Persons without sufficient means to cover their basic living needs may be entitled to social welfare benefits, but these are, however, mostly not specifically tailored to older persons.

Although there is no official national definition of poverty, the Croatian Bureau of Statistics (CBoS) recognizes specific indicators of poverty and social exclusion – the at-risk-of-poverty-rate takes into account the yearly income of an individual or a family, and through „material deprivation indicators“ the CBoS measures the percentage of those who cannot afford heating, meat or fish every other day, a week of vacation outside the home once a year, an unexpected expense and the more general „ability to make ends meet“.

The CBoS estimated that in 2020 21,3 % of persons living in Croatia were over 65, with 33,8% of older persons (persons over 65) at risk of poverty or social exclusion, and for older persons living alone, that rate was as high as 52%. The average net pension was at 40,6% of the average net wage in December 2021, which further explains their vulnerability.

Progressive realization and the use of maximum available resources

To address economic insecurity and poverty in older age and to ensure the right to an adequate standard of living for older persons, the Government introduced the national benefit for older persons, aimed at persons over 65 who do not qualify for an old-age pension, as a specific measure targeting older persons. However, less than a third of the anticipated number of potential recipients have applied so far, raising concerns about whether those who could qualify are informed and whether the amount is too low compared to the guaranteed minimum welfare benefit (a benefit that also ties in other welfare benefits locally and nationally and that has increased in 2022 due to the new Social Welfare Act).

Additionally, majority of older persons who are retired can choose to work for up to four hours a day, and still receive their full pension – the latest group that has been given this option to work are family pension recipients and persons who receive the lowest guaranteed pensions (who can now work without losing a part of the guaranteed amount). For widows and widowers, who can currently either keep their pension or claim 70% of the pension of the late spouse, reform is underway, intending to improve their situation, allowing them to receive both their pension and a percentage of the pension of the late spouse.



Through the Social Welfare Act older persons who cannot support themselves can qualify for the guaranteed minimum benefit and other benefits, but many of them who undoubtedly belong to the poor cannot qualify for in-house assistance, for which the income threshold is set extremely low, so some people find themselves in a particularly difficult position.

Furthermore, we note many challenges, primarily for those who live alone in rural, remote areas of Croatia that have a lower education level and live on an extremely low income, often without any community-based support or support that is provided only for short, limited periods, through EU-funded projects. With inaccessible public transport, sometimes without access to water and electricity, a lack or insufficiently available healthcare and social services, we recognize intersectional age discrimination, combined with gender, disability, and national origin as other grounds. Their position has been particularly exacerbated by the earthquake which hit one of the poorest regions in Croatia in 2020.

The two-year fight against the COVID-19 pandemic made these problems even worse.

In April 2021 the Government announced a one-time payout to pension recipients with pensions below a certain amount, claiming that the payout would alleviate the financial consequences of the pandemic. Some CSOs claim that the payout did not reach as many older persons as it should have, since the application procedure imposed on pension recipients who worked abroad, combined with an insufficiently visible campaign, left many missing the strict application deadline. Another round of pay out was recently announced, citing rising energy costs.

Equality and non-discrimination

A few years ago the labor market additionally opened up to older persons, with changes in pension legislation that allowed certain groups of retirees to improve their financial situation by working. The legislative framework to protect older persons against domestic violence was also set up, which, among other things, recognizes economic violence. However, the state should further regulate the support until death agreements and lifelong support agreements that currently do not provide older persons with sufficient safeguards from financial abuse (including timely court rulings in support until death agreements cases)¹.

In the context of mandatory and voluntary health insurance, the legislation puts workers over 65 in a less favourable position – their temporary sick leave benefit is paid out by the employer, and not by the Croatian Health Insurance Institute that covers the benefit for all other workers, which deters employers from hiring workers over 65. Equally so, some private voluntary health insurance houses, offer insurance only to persons younger than 65 or 70.

¹ <https://gov.hr/en/a-lifelong-support-agreement-or-a-support-until-death-agreement/758#:~:text=If%20you%20are%20a%20maintenance,by%20reserving%20the%20real%20encumbrance>

Remedies and redress

Older persons can submit complaints to the Ombudswoman, however, the warnings, opinions, suggestions, and recommendations of the Ombudswoman are not legally binding. In the context of age discrimination, the Ombudswoman can intervene in courts proceedings on the side of a plaintiff and may bring a joint legal action for the protection against discrimination.

Additionally, there are various mechanisms for redress in various systems (e.g. retirement, welfare), but most of them are insufficiently time-sensitive in the context of older persons. For example, appeal proceedings regarding individual pension rights on average take 106 days, and as for the appeals within the welfare system – these can take from 6 months to a year and a half. In both cases, there is a legally mandated 60-day time frame to render a decision. Courts take years to decide in support until death cases and unfortunately older plaintiffs die during that time.