

# Economic Security

12<sup>th</sup> Session Open-ended Working Group on Ageing

Submission February 2022

**Answers of the German Institute for Human Rights to the guiding questions for the focus areas of the 12<sup>th</sup> session of the Open-ended Working Group on Ageing:**

## **Economic Security**

### *National legal and policy framework*

1. What are the legal provisions and policy frameworks in your country that guarantees the minimum essential level of the enjoyment of economic, social and cultural rights, in particular the right to an adequate standard of living?

Germany is party of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and therefore obliged to fulfill Article 11 of the Covenant which guarantees every person, including older persons, the right to an adequate standard of living. Germany is also party of the (revised) Social Charter of the Council of Europe.

Persons who have paid into the statutory pension insurance scheme (gesetzliche Rentenversicherung) during their working life and have reached the standard retirement age (Regelaltersgrenze) receive standard pension (Regelaltersgrenze). The standard retirement age is between 65 and 67, depending on the year of birth. Persons who are employed in the public service (Beamt\*innen = civil servants), receive "Ruhegehalt" (pension).<sup>1</sup>

According to chapter 4 of Social Code XII (Sozialgesetzbuch [SGB] XII), persons in need receive basic security in old age (Grundsicherung im Alter).<sup>2</sup> Eligible persons are those who have reached the age limit and are permanently unable to support themselves from their own income. The age limit is between 65 and 67, depending on the year of birth (§41 SGB XII).<sup>3</sup>

<sup>1</sup> <https://www.dbb.de/lexikon/themenartikel/r/ruhegehalt.html>.

<sup>2</sup> [https://www.gesetze-im-internet.de/sgb\\_12/BJNR302300003.html#BJNR302300003BJNG000600000](https://www.gesetze-im-internet.de/sgb_12/BJNR302300003.html#BJNR302300003BJNG000600000).

<sup>3</sup> [https://www.gesetze-im-internet.de/sgb\\_12/\\_\\_\\_41.html](https://www.gesetze-im-internet.de/sgb_12/___41.html).

## 2. How is poverty defined in the national policy framework?

According to the definition of the European Commission's European Statistical Office, persons are at risk-of-poverty with an equivalized disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalized disposable income (after social transfers).<sup>4</sup> This definition is also provided in the Federal Government's Sixth Report on Poverty and Wealth.<sup>5</sup>

## 3. What are challenges faced by older persons living in poverty, including the impact of intersectional discrimination and inequality based on age, gender and other grounds?

„Old-age poverty is thus predominantly female” – this is one of the conclusions of the recent Report on Poverty 2021 of the *Paritätischer Wohlfahrtsverband*. A particularly large number of women aged 65+ are affected by old-age-poverty (18.4 percent compared with 13.9 percent for men).<sup>6</sup>

The effects of the gender pension gap are particularly serious: In 2015, women aged 65+ had own retirement income that was less than half of men. The gender pension gap was 53 percent, meaning that women received 53 percent lower own old-age security income than men.<sup>7</sup>

Older persons with disabilities are more at risk of poverty as older persons without disabilities. They have lower incomes and are more often affected by poverty, are less likely to own a home, are more likely to be alone, have poorer health ratings, are less likely to use leisure and recreational opportunities, and are less likely to participate politically.<sup>8</sup>

Migrants may be more susceptible to poverty in old age, as they are more likely to work in areas with increased physical strain, which can have consequences in old age. In addition, they may find it more difficult to go to authorities due to language barriers or experiences they had with authorities in their countries of birth.

## 4. What data, statistics and research are available regarding older persons living in poverty?

- The German Federal Government's Sixth Report on Poverty and Wealth [6. Armuts- und Reichtumsbericht der Bundesregierung]: [https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sechster-armuts-reichtumsbericht.pdf?\\_\\_blob=publicationFile&v=6](https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sechster-armuts-reichtumsbericht.pdf?__blob=publicationFile&v=6)
  - Executive Summary available in English: [https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sixth-report-on-poverty-and-wealth.pdf?\\_\\_blob=publicationFile&v=2](https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sixth-report-on-poverty-and-wealth.pdf?__blob=publicationFile&v=2)
- Federal Statistical Office [Statistisches Bundesamt]: Grundsicherung im Alter und bei Erwerbsminderung [Basic security in old age and reduced earning capacity]: <https://www-genesis.destatis.de/genesis/online?sequenz=statistikTabellen&selectionname=22151#abreadcrumb>

<sup>4</sup> [https://ec.europa.eu/eurostat/web/products-datasets/-/t2020\\_50](https://ec.europa.eu/eurostat/web/products-datasets/-/t2020_50)

<sup>5</sup> See [https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sixth-report-on-poverty-and-wealth.pdf?\\_\\_blob=publicationFile&v=2](https://www.armuts-und-reichtumsbericht.de/SharedDocs/Downloads/Berichte/sixth-report-on-poverty-and-wealth.pdf?__blob=publicationFile&v=2), page XIV.

<sup>6</sup> [https://www.der-paritaetische.de/fileadmin/user\\_upload/Schwerpunkte/Armutsbericht/doc/broschuere\\_armutsbericht-2021\\_web.pdf](https://www.der-paritaetische.de/fileadmin/user_upload/Schwerpunkte/Armutsbericht/doc/broschuere_armutsbericht-2021_web.pdf), page 13.

<sup>7</sup> <https://www.bmfsfj.de/resource/blob/160308/73cf50519fdd0b72be8bce59a041079b/4-atlas-zur-gleichstellung-von-frauen-und-maennern-in-deutschland-broschuere-data.pdf>, page 72.

<sup>8</sup> [https://www.der-paritaetische.de/fileadmin/user\\_upload/Publikationen/doc/Paritaetischer\\_Teilhaberbericht\\_2019.pdf](https://www.der-paritaetische.de/fileadmin/user_upload/Publikationen/doc/Paritaetischer_Teilhaberbericht_2019.pdf).

- Poverty report [Armutbericht] of the Paritätischer Wohlfahrtsverband: <https://www.der-paritaetische.de/themen/sozialpolitik-arbeit-und-europa/armut-und-grundsicherung/armutsbericht/>
- Eurostat: The risk of poverty among older people: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing\\_Europe\\_-\\_statistics\\_on\\_pensions,\\_income\\_and\\_expenditure&oldid=500271#The\\_risk\\_of\\_poverty\\_among\\_older\\_people](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing_Europe_-_statistics_on_pensions,_income_and_expenditure&oldid=500271#The_risk_of_poverty_among_older_people)

### *Progressive realization and the use of maximum available resources*

5. What steps have been taken to address economic insecurity and poverty in older age and to ensure the right to an adequate standard of living for older persons?

In 2021, there were parliamentary elections. In the coalition agreement, the newly formed government consisting of Social Democrats, Greens and Liberals planned to expand the opportunities for older persons in basic security (see above) to improve their income by taking up gainful employment.<sup>9</sup>

Due to the Qualification Opportunity Act (Qualifizierungschancengesetz), employees have the opportunity to attend advanced training and further education if they have a need for further training as a result of digital structural change or are otherwise affected by structural change.<sup>10</sup>

6. What is the impact of macroeconomic policies on economic insecurity and poverty among older persons and vice versa? What policy options are available and/or implemented in order to expand fiscal space and maximize available resources to ensure economic security and the right to an adequate standard of living for older persons?

7. What good practices are available in terms of ensuring older persons' economic security, including through a life-course approach?

Regarding the “gender pay gap”, the government adopted the Pay Transparency Act [Entgelttransparenzgesetz] in July 2017. According to the law, employers with more than 200 employees must explain their employees, upon request, which criteria are used to determine how they are paid.<sup>11</sup>

Funded by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, the Service Agency Digitization and Older Persons (Servicestelle Digitalisierung und ältere Menschen) of BAGSO supports older persons in dealing with digital media and content.<sup>12</sup>

<sup>9</sup> [https://www.spd.de/fileadmin/Dokumente/Koalitionsvertrag/Koalitionsvertrag\\_2021-2025.pdf](https://www.spd.de/fileadmin/Dokumente/Koalitionsvertrag/Koalitionsvertrag_2021-2025.pdf), page 77.

<sup>10</sup> <https://www.bmas.de/DE/Service/Gesetze-und-Gesetzesvorhaben/qualifizierungschancengesetz.html>.

<sup>11</sup> <https://www.bmfsfj.de/bmfsfj/themen/gleichstellung/frauen-und-arbeitswelt/lohngerechtigkeit>.

<sup>12</sup> <https://www.bagso.de/projekte/servicestelle-digitalisierung-und-bildung-fuer-aeltere-menschen/>

*Equality and non-discrimination*

8. What measures are being taken to eliminate ageism and discrimination based on age that prevent older persons to access economic and other productive resources, including financial services, land, adequate housing and the right to inheritance?

Companies can apply to the Federal Employment Agency (Arbeitsagentur für Arbeit) for integration grants (Eingliederungszuschüsse) for hiring employees eligible for fundings. The grants are intended to support the professional integration of persons whose placement may be more difficult, for example persons with (severe) disabilities, persons who have been unemployed for a long time, or persons with lower qualifications. For employees aged 50 or older, the duration of the subsidy can be up to 36 months with a subsidy amount of up to 50 percent.<sup>13</sup>

Persons who have reached the standard retirement age and receive a pension may earn an unlimited amount in addition to their pension. Persons with a prepaid old-age pension (vorgezogene Altersrente) can earn up to 6.300€ per year without this being deducted from their pension.<sup>14</sup>

*Remedies and redress*

9. What mechanisms are necessary, or already in place, for older persons to lodge complaints and seek redress for denial of their economic security and enjoyment of the right to an adequate standard of living?

<sup>13</sup> [https://www.arbeitsagentur.de/datei/dok\\_ba013242.pdf](https://www.arbeitsagentur.de/datei/dok_ba013242.pdf).

<sup>14</sup> [https://www.deutsche-rentenversicherung.de/DRV/DE/Muttertexte/04\\_leistungen/01\\_rente/flexirente.html](https://www.deutsche-rentenversicherung.de/DRV/DE/Muttertexte/04_leistungen/01_rente/flexirente.html).