Europe

Poland

Poland’s commissioner for civil rights protection lodged a complaint with the nation’s Constitutional Tribunal, arguing that separate retirement-age requirements for men and women are unconstitutional. Under current law, men aged 65 or older with 25 years of work experience and women aged 60 or older with 20 years of work experience are eligible to retire and receive retirement benefits from one of two plans. The commissioner for civil rights protection, also referred to as the “ombudsman,” maintains that although women will be required to work a greater number of years to earn retirement benefits if the age requirement were to match that of men, the change will benefit them in the form of larger pensions that result from the increased years of employment. Currently, women’s pensions are, on average, 34 percent lower than those of men because of women’s lower earnings and shorter work histories.

At present, it is unclear how the Constitutional Tribunal, which is a separate entity with its own regulatory authority apart from the Supreme Court, will address the complaint. Potential options include declaring the current legislation constitutional, asking parliament to create new law, or declaring the current law unconstitutional—which would lead to either a decrease in the age requirement for men or an increase in the age requirement for women. The Tribunal’s decision could also have implications for early retirement requirements, which are now age 55 for women and age 60 for men.


Russia

Russian President Vladimir Putin signed a law in November increasing the monthly base pension by an average of 300 rubles (US$12), effective December 1, 2007. According to government officials, this increase should help pensioners’ benefits keep up with inflation, which is projected to be around 9 percent by the end of this year. The Russian government estimates the base pension increase will cost the treasury 166 billion rubles (US$6.6 billion) from 2007 through 2008: 28 billion rubles (US$1.1 billion) in December 2007 and 138 billion rubles (US$5.5 billion) in 2008.


Spain

Spain’s Congress passed a law on November 22, 2007, to encourage labor force participation of older workers. Beginning January 1, 2008, Spanish workers who delay retirement after the normal retirement age of 65 will receive a higher benefit from the public pension system. Their initial benefit will increase an additional 2 percent per year for each year worked from age 65 to age 70. Workers with 40 or more years will receive a higher initial benefit, a 3 percent per year increase for each year worked from age 65 to age 70. Also, over the next 5 years, the law gradually phases in a higher minimum number of years required for a worker to receive a full pension, increasing from 12.8 years to 15 years. Another provision of the law raises the age requirement for both partial and early retirement, from age 60 to age 61.

Trinidad and Tobago

In January 2008, the National Insurance System (NIS) will increase both contribution rates and retirement benefits in Trinidad and Tobago. These measures respond to recommendations of the 7th Actuarial Review prepared by the International Labour Office. The increases in contribution rates, 1.5 percent over the next 4 years, reflect projections that the number of pension-age persons will nearly triple between 2008 and 2055, while the number of workers will decline by about 10 percent. The Review also recommends that benefits be increased so that pensions keep pace with the rising costs in Trinidad and Tobago in recent years.

Beginning January 7, 2008, the monthly minimum retirement pension that is related to earnings will increase from TT$1,000 (US$160) to TT$2,000 (US$320) and the universal minimum retirement grant will increase from TT$200 (US$32) to TT$2,000 (US$320). The combined employer and employee NIS contribution rates for Old-Age, Survivors, and Disability Insurance will increase from 9.9 percent to 11.4 percent from January 2008 through January 2012. Employees pay about one-third and employers about two-thirds of the contributions.


Ibero-American Multilateral Agreement

On November 9, 2007, 22 countries signed the Multilateral Social Security Agreement, which will provide social security benefits to immigrant workers in these countries. The 22 countries are members of the Ibero-American Social Security Association (OISS): the Spanish- and Portuguese-speaking countries in Latin America, Spain, Portugal, and Andorra. If ratified, the agreement will permit immigrants who have worked in multiple countries but who do not meet the minimum eligibility requirements in any one country to qualify for a benefit. Under the agreement, workers could qualify for old-age, survivors, disability, and work-injury benefits based on their combined contributions across participating countries. These workers would receive a benefit from one country, either their country of residence when they retire or their native country. The agreement must be ratified by the legislatures in at least seven of the countries before it becomes effective. Countries whose legislatures do not ratify the agreement will be excluded. Spain has the largest number of immigrants from OISS countries, about 1.5 million workers and more than 615,000 Spaniards working in Latin America.