

## ETUC SOCIAL PROJECT - SURVEY FOR NATIONAL CONTACT PERSONS

### Trade Union report for Austria

#### National Trade unions that participated in the survey: ÖGB

This survey, for completion by the National Contact Persons on behalf of their trade union, is an important source of the qualitative and quantitative information required for the ETUC's SociAll Project. This is in addition to the extensive information about each country's pension system that will already be available to the National Experts from established national and international sources.

The survey will provide the National Experts with:

- Background information, specifically from a trade union perspective, about the country's pension system and attitudes to recent trends in pension provision;
- To outline the challenges in the sphere of pension provision that have been identified by trade unions; and
- Set out the trade unions' priorities and proposals.

The survey is divided into three sections that are summarised in Table 1 below. These relate to the corresponding sections of the National Reports, as outlined in the Methodological Note. Section 4 of the National Reports will also be informed by the information that is provided.

<b>Table 1. Outline of the National Survey</b>	
<b><u>Section 1.</u></b>	<b>The Country's Pension System:</b> The views of the national trade unions on the strengths and weaknesses of prevailing pension system and the content and the expected effects on the system of recent reforms and those currently under active discussion.
<b><u>Section 2.</u></b>	<b>Current Challenges:</b> Trade unions' perception of the main socio-economic and demographic challenges that affect the present and future of pension provision.
<b><u>Section 3.</u></b>	<b>Possible Reforms:</b> The trade union's priorities in pension policy and the strategies required to have more effective pension protection in the future.



## Section 1. The Country's Pension System

*This section of the survey covers the current situation, including questions on the trade unions' views on the strengths and weaknesses of prevailing national pension system. It also asks questions on the content and the expected effects on the country's pension system of recent reforms and those currently under active discussion. It should be taken that the National Experts are already familiar with the country's existing pension system and current issues. The status of the current reforms should be identified as follows:*

- **Completed Reforms**, i.e. those implemented since 2010
- **Planned reforms**, i.e. i.e. almost certain to be adopted, i.e. having gained enough political support and formulated as draft legislation
- **Reforms under active discussion**, i.e. those that are under discussion, with an indication of the likelihood that the reform will be adopted.

## QUESTIONS

### GENERAL OVERVIEW

#### Role of Social Partners in general and trade unions in shaping pension reforms

##### Q 1.1

Can you describe how trade unions in particular and social partners in general are involved in the pension policy debate and decision-making process in your country and how does the involvement take place (involvement in bipartite/tripartite institutions, consultation by government/parliament, negotiations)?

A high level of social partner involvement in designing and administrating public welfare has been one of the main characteristics of the Austrian welfare state.

With regard to pensions, social partner involvement has taken place in various forms:

- Governance of public pension insurance by social partner representatives
- Pre-discussion of pension legislation in tripartite settings aimed at consensus finding (both in the form of expert meetings and meetings of political leaders)
- Opinion on draft legislation - the social partners (together with many others) are invited to give their written opinion on draft legislation

In recent times, depending on the respective government, the situation has somewhat changed. Conservative-right coalition governments (2000-2006, 2017-2018) have tried to substantially reduce social partner participation, primarily via abandoning the pre-discussion of draft legislation or limiting it to formal consultation. As employers' organizations have ongoing close direct connections to the governing conservative People's Party the reduction of social partner participation primarily targeted trade union influence.

Furthermore, based on legislation passed in Parliament in 2018 representation of employees in the self-governing bodies in the statutory social security system has been



heavily reduced. Since the beginning of this year, even in social security carriers covering only employees all decisions need the approval of representatives of the employers.

#### Q. 1.2

Which is the trade union role in the latest pension reform processes (implemented and under discussion)? Provide your own assessment (major role, marginal role, total exclusion) and few examples in case of influence

Over the last 10 years, pension reforms implemented were focussed on

- restricting access to both invalidity and early-retirement pensions. Temporary invalidity pensions were transferred to the health insurance system.
- increasing income-tested minimum pension level for those with long working careers.
- removing pension deduction for early retirement for those with an employment career of at least 45 years.
- simplifying pension benefit calculation (full implementation of 'pension account system' within pay-as-you-go financed public pension insurance).

ÖGB was involved in preparing most of the reforms. Regarding restricting access to disability and early retirement ÖGB objected that many of the workers concerned do not have the choice to stay in employment or to re-enter employment after periods of unemployment.

#### Q. 1.3

Provide a general assessment of the extent to which the existing pension system addresses the needs of current and future retired people in your country, indicating where and why it falls short.

*A general assessment will be enough, as a more detailed section on challenges will follow.*

Overall, the existing pension system meets the needs of both the current pensioners and future retired people.

- Calculation of pension benefits has undergone substantial change. New 'pension account' rules (with reference to life-time earnings as a calculation base, etc.) fully apply for those who entered the labour market from 2005 onwards, for others transitional rules apply.
- Effective retirement age is increasing (supported both by pension reform legislation restricting access to early retirement and labour market related changes such as improving educational levels).

Main shortcomings: many low pensions especially among women / high gender pension gap (due to poor labour market integration, career interruptions, low pay, gender pay gap, etc.)

#### Q. 1.4

- a. What are the main principles and policy drivers that inspired the design of the pension system under analysis? Are they still valid?

- Clear priority for pay-as-you-go financed public pensions (90% of all pensions paid)
- Main goals:
  - adequate income replacement (accrual rate: 1.78% of insured earnings per year / 80.1% gross replacement rate after 45 years, at statutory retirement age)
  - minimum pension for those in need
- Main principles:
  - principle of insurance
  - principle of equivalence (level of benefits in line with the level of contributions paid or, more precisely, the level of insured earnings)
  - principle of social balancing
    - \* pension credits granted for periods of unemployment, child-care, etc.
    - \* preferential treatment for workers who have performed “heavy” work and have attained a very long insurance record
    - \* income-tested minimum pension
- “Defined benefit” individual accounts increasing transparency and reliability
- Financing primarily based on contributions, supplemented by state subsidies

All these principles are currently valid, although pension benefit calculation has undergone substantial change strengthening the equivalence principle (change of benefit calculation based on “15 best years” to “lifetime earnings”)

Main policy drivers:

- Coping with ageing population
- Cost containment
- Increasing low effective retirement age

b. Is the European Pillar of Social Rights and the recent European Council’s Recommendation on Access to social protection for workers and the self-employed<sup>1</sup> shaping the debate on pensions?

No impact on public debate

c. Within trade unions?

EPSR principles are being referred to in Trade Union documents

d. In bipartite or tripartite social dialogue?

No impact, so far

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<sup>1</sup> <https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&langId=en&newsId=9478>

#### Q. 1.5

Summarise the trade unions' views on the state of the country's pension system debate in terms of the balance between financial sustainability and social adequacy, coverage and effectiveness.

Public pension debate is primarily focused on cost containment in the context of an ageing population, i.e. issues of fiscal sustainability. The new leadership in the conservative party which has dominated governments since 2018 abandoned attempts to lower pensions and increasing legal retirement age due to a lack of public support.

Main items of debate

- Evolution of public pension expenditure (state subsidies)
- (Effective) Retirement age
- Early-retirement and disability pensions (access rules, deductions in case of early-retirement)
- Low pensions among women
- "Heavy labour" pension

Adequacy issues are primarily related to

- Low average level of women's pensions / high gender pension gap
- Pension prospects for today's youth
- Employment opportunities for older workers

#### Q. 1.6

Summarise completed reforms (as defined above) and indicate the trade union's assessment (if any) of their impact on the adequacy, coverage, and effectiveness of pension provision?

Reform 2012:

- Restricting access to early retirement → via increase of required years of insurance from 37.5 to 40 years
- Increase of pension deduction in the case of early retirement → from 4.2 % p.a. to 5.1 % p.a.
- Restricting access to disability pensions → via a) replacing former temporary disability pensions with rehabilitation measures associated with rehabilitation benefits and b) abolishing more favorable access rules for workers of a higher working age
- Decrease of pension indexation in 2013 and 2014 below inflation rate

Along with these cost containment measures (part of a 'cost saving austerity package' implemented in the aftermath of the 2008/2009 crisis) the 2012 reforms also contained a substantial reform relating to the transparency of the pension benefit calculation:

- Conversion of all 'old' public pension entitlements into the 'pension account system', first established in 2005, for those born in 1955 or later. All individual pension entitlements acquired before 1.1.2014 were re-calculated and transmitted into entitlements displayed on the individuals' personal pension accounts. Pension entitlements gained from 2014

onwards follow the ‘pension account’ rules, i.e. annual pension credit 1.78% (calculation based on insured earnings).

#### Reform 2016

- Increase of income-tested minimum pension for those with an employment career of at least 30 years: Top up to € 1,000 per month (€ 1,080 by 2020)

#### Reform 2019

- Abolition of pension deduction in cases of early retirement for those with an employment career of at least 45 years
- Increase of income-tested minimum pension for those with an employment career of at least 40 years: top up to 1,315 € per month.

#### Impact of the reforms on formal coverage, effective coverage and adequacy

Impact on formal coverage	none
Impact on effective coverage	from a worker’s perspective, access to disability pensions is currently too restrictive (against the background of poor prospects of re-entering employment for older people with reduced work capacity)
Impact on adequacy	2012 reforms restricted access to pensions before reaching the legal retirement age and, via increasing pension deduction, made it less attractive to retire early. ÖGB has critically pointed out the fact that many older workers (esp. blue-collar) do not have a choice as to how long they remain in employment. 2016 and 2019 reforms increased the pension level for those concerned.

#### Q. 1.7

Summarise reforms and those under active discussion (as defined above) and indicate the trades union’s assessment (if any) of their impact on the adequacy, coverage, and effectiveness of pension provision?

Reforms implemented: see Q 1.6

Reforms under discussion: At present, the government is not signalling substantial pension reform for the near future, except regarding the 2019 abolition of any deduction in cases of early retirement for those with an employment career of 45 years [legislation adopted in Parliament in November 2020, despite trade union protest, has re-established deductions and, instead, has set up pension bonuses for those who started early into working life].

Employer organisations, in line with repeated EU semester recommendations, plead for the linking of statutory retirement age to increasing life expectancy - ÖGB strongly rejects this concept.

With the financial support of the European Union



## Section 2. Current challenges

*This section of the survey is about the trade unions' perception of the main socio-economic and demographic challenges that affect the present state and future of pension provision in terms of coverage effectiveness and adequacy (and the effective implementation of the Recommendation on Access to Social Protection for Workers and the Self-Employed).*

*This should cover:*

- *The issues the trade union regards as the more urgent challenges to pensions; and*
- *The main social and occupational groups that, in the view of the trade union movement, need greater attention for more effective pension protection.*
- *The gender dimension of the challenges*

The lists of issues provided for certain questions is non-exhaustive and other issues should be covered, if appropriate

## QUESTIONS

### Main Challenges

#### Q. 2.1

- a. What are, in general, the main social challenges in pension provision with respect to the social and economic outlook of your country?

*Please consider the needs of people, their rights and living conditions. You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.*

- Population ageing
- Poverty rates
- Access to essential services
- Out-of-pocket expenditure for healthcare and long-term care
- Low salaries
- Unemployment
- Increased share of atypical jobs (high rate of involuntary part-time/zero-hour contracts/
- Bogus self-employment
- Sluggish economic performance
- Low average productivity
- Increasing inequalities
- Gender gaps in employment/wages
- The Covid-19 Pandemic
- Other:

#### Main social challenges



- Labour market integration of good quality jobs for young people, women, immigrants, older people (good labour market integration across all ages is seen as key condition both for today's and tomorrow's adequacy and the fiscal sustainability of pensions)
  - Gender gap (both regarding wages and pensions)
  - Inequality (wealth, income)
  - Covid-19 Pandemic (impact on growth rates, employment, public finance, etc.)
- b. Who do these social challenges affect?  
Groups mentioned under 2.1. a)
- c. What are the main reasons for these challenges?
- Dominance of neoliberal politics
  - Problems for many women to reconcile employment and family life
  - Education and skill deficiencies
  - Reduced work capacity because of health problems
  - Wage discrimination
- d. Can you please provide data to support your views?  
Data will be provided in the country report

### Challenges to Formal coverage

#### Q. 2.2

*Please answer the questions shortly framing the relevant situation(s) in the demographic/ social/ macroeconomic context and always keep into account the gender perspective wherever relevant and possible. In your reply, please, consider in particular but not only employees, self-employed and atypical workers, as well as the gender dimension (de facto)*

- a. Are there any major gaps in formal coverage?

Since the 1950s, the Austrian public pension insurance has covered most types of employment, including business-people and farmers. Since the 1996/1997 reforms, new forms of self-employed people are also covered.

Only those performing mini-jobs (“geringfügig Beschäftigte”), i.e. monthly earnings do not exceed Euro 460.66 (2020), are not integrated into the compulsory pension insurance. Yet, since the 1997 reform, mini-jobbers have the possibility to opt-in with favourable terms and employers of mini-jobbers have to pay their share of social security contribution regardless of the decision of the employee to opt-in or not to opt-in (except where the employer's total pay for mini-jobbers does not



exceed 150% of the mini-job threshold)

Note: If a mini-job is performed alongside other employment and overall earnings exceed the threshold of € 460.66 per month, the mini-job is automatically covered by compulsory public pension insurance.

- b. What categories of workers, i.e. employees, self-employed and atypical workers, are formally excluded from the coverage of pension schemes by reason of their contract, or are only offered voluntary coverage by pension schemes? Which are the main groups (for example migrant, low-skilled, women) affected?

See 2.2. a)

- c. What determines/ how would you explain these gaps in formal coverage?

Up until the 1997-reform, against the background of a fast increasing number of mini-jobs, the non-existent social insurance of this group of workers was one of the key issues of social policy debate.

The mini-job social security provisions implemented in 1997 are widely accepted as being an adequate regulation.

From a trade union point of view, the treatment of mini-jobs in public social insurance schemes is a sensitive issue. For instance, compulsory inclusion could lead to critically questioning the existing possibility for unemployed people to supplement unemployment benefits with mini-job earnings.

- d. What are their main social consequences/impact?

Regarding old-age protection the fact that mini-jobbers are not automatically covered by public pension insurance means that during such periods of employment no pension credit is acquired (except where the mini-jobber opts in or the mini-job is performed alongside other employment and automatic coverage comes into effect).

As most mini-jobbers perform such jobs only for a limited period of time (e.g. during university studies) and pension credits from mini-job earnings, if granted, would be very small there is no huge impact on old-age protection.

- e. Do you see issues for fiscal sustainability of a system covering of a system covering people in all forms of employment?

No.

- f. Please provide data

Data will be provided in the country report.

## Challenges to Effective coverage

### Q. 2.3

- a. Is it possible to highlight any major effectiveness issues?

*Please, consider effects that, for example, possible entitlement conditions, wage levels, contribution levels, may have on non-standard workers, the self-employed, atypical workers, women.*

To be entitled to the old-age pension, public pension insurance legislation requires that at least 15 years of insurance (with at least 7 years of employment) be achieved. This legislation dates back to 2004. Previously, stricter rules applied.

In the past, strict qualifying conditions – together with very poor labour market integration of many women - led to a situation where a substantial share of women did not get an old-age pension.

At present, other issues are more relevant with regard to problems of effective coverage:

- fragmented careers especially among those in precarious jobs
- huge share of part-time workers among employed women (47 % in 2019)
- very low earnings of many people formally registered as being “self-employed” (who work without the protection of collective minimum pay agreements etc.)

- b. Who do these effectiveness issues affect? Are there categories of workers or self-employed that are at particular risk of limited effective coverage of pension benefits? *You can make reference to the topics and groups listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.*

- Women
- Younger workers
- Self-employed workers
- Bogus self-employment
- Atypical workers
- Precarious workers
- Agricultural employment
- Working poor
- Migrant workers
- Low skilled workers
- Other

Because of strong equivalence rules (the level of a pension benefit largely depends on the individual's previous earnings and the number of years of insurance) nearly all groups mentioned are at risk of ending up with a low pension benefit.

c. What are the main causes of the risk of ineffective coverage of workers?

*You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.*

- Significant lack of transparency in the access to relevant information
- Aggregation of contributions across schemes
- Waiting period
- Calculation rules
- Requirements to access old-age or seniority pensions
- Lack of reconciliation of professional and family life
- Incomplete work careers
- Low wages
- Missing financial capacity to save in (voluntary) pension schemes
- Others

Main causes:

- Precarious jobs
- Lack of reconciliation of professional and family life
- Incomplete employment careers
- Low wages

d. How far are the following contingencies significant in leading to ineffectiveness of pension provisions? *Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples.*

- Maternity, paternity, parental leave
- Study or training periods
- Sickness
- Unemployment
- Care duties (elderly, children, disabled, etc...)
- Other

See 2.3. c)

e. What are their major **social** impacts of ineffective pension provisions?

Substantial number of very low pensions, especially among women.

- f. Do you see issues for **fiscal sustainability of a fair and effective social protection system**?

As most of the causes of ineffective coverage stem from labour market shortcomings and from deficiencies regarding the reconciliation of employment and family life there is no fundamental issue of fiscal sustainability of the pension system. On the contrary, the solving of the problems mentioned would improve both adequacy and fiscal sustainability.

In the short run, as positive impacts of improving labour market integration will not materialize from one day to the next, increasing low pensions of those concerned by ineffective coverage (by means such as granting higher pension credits for care-periods) would necessitate increased public pension spending.

- g. Is the lack of transparency or satisfactory information about pension entitlements and obligations limiting *effectiveness of* pension provision; and, if so, which categories of workers and the self-employed are most affected?

Since 2014, benefit calculation in public pension insurance has been simple and transparent. Accordingly, there should be no negative impact on effective coverage.

Nevertheless, insufficient communication of reformed pension provisions together with ongoing questioning of fiscal sustainability of public pensions, primarily advocated by private pension providers and closely related 'experts', leads to widespread feelings of uncertainty, especially regarding the pension prospects of today's youth.

## Challenges to Adequacy

### Q. 2.4

- a. Is there a prevailing/institutional/constitutional reference or definition of adequacy that is used as standard in your country? How do you define adequacy?

There is neither a constitutional nor institutional definition of pension adequacy.

However, there is a key adequacy goal on which the 'pension account system', first implemented in 2004 and fully valid for those entering the labour market from 2005 onwards, is based:

- 80 % gross income replacement relative to the person's average lifetime earnings, provided
- 45 years of insurance and
- retirement at statutory retirement age of 65 (no deduction / no bonus)



The pension credit granted per year (1.78 %) is fixed at a level ensuring this adequacy goal will be met:

Pension credit for 1 year ..... 1.78 % (calculation base: insured earnings)  
Pension credit for 45 years ..... 80.1 % (1.78 x 45)

- b. Do you use any specific indicator to assess it in your country?  
See Q 2.4. a)

In the public pension debate, pension adequacy is primarily addressed by referring to the average level of pensions paid through the public pension insurance system. Unfortunately, highly differing figures are circulating, such as:

- Average level of all pension paid (including disability pensions, survivors' pensions and cross-national partial pensions paid to individuals getting another part of their total public pension from another state's system)
- Average level of old-age pensions (including cross-national partial pensions)
- Average level of old-age pensions (excluding cross-national partial pensions)

- c. Please provide the TU's view of the significance of the two main adequacy indicators used by the Commission (Theoretical Replacement Ratio/TRR; Aggregate Replacement Ratio/ARR – Pension Adequacy Report - PAR 2018).

Theoretical Replacement Rate (TRR) calculations, carried out both by the OECD and European Commission, well reflect the performance capacity of national pension systems and make international comparison easier. It is a great advantage that both gross and net calculations are published. However, there is danger of misinterpretation of TRR calculations because real career paths of individuals in many cases will deviate a lot from standardized assumptions.

While TRR calculations are addressed in national pension debate from time to time, the Aggregate Replacement Ratio (ARR) indicator is widely unknown.

- d. How would you define “ageing in dignity”?

We agree with the ETUC's definition in resolution of 26/27-03-2019 on access to social protection: ‘ageing in dignity’ requires guaranteeing adequate pensions, quality healthcare and accessible long-term care whilst supporting the sustainability of the systems.

- e. Do you have in mind any specific indicator that could help in assessing “ageing in dignity” in your country?
- Poverty rate among elderly
  - Relation between average income and average pension

f. What are the major deficiencies (if any) in the provision of adequate pensions?

As mentioned above, major deficiencies in the provision of adequate pensions primarily result from labour market shortcomings (unemployment, under-employment, problems reconciling employment and family life, deficiencies in qualifications and health protection, poor employment perspectives of many older workers, low pay, gender pay gap, etc.).

The high gender pension gap is the result of both the high gender pay gap and a high share of incomplete careers among women. Unions address this via minimum wage policy, alleviation of seniority, increasing starting salaries in wage systems and the recognition of parental leave in wage systems. Furthermore, trade unions call for better reconciliation of employment and family life.

g. What determines these deficiencies?

*You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.*

- Lack of provision of minimum pension
- Volatility of complementary pensions
- Low rates of return from funded pensions
- Wage levels
- Contribution levels
- Worked hours
- Repartition of contributory obligations on employer/employee
- Length/continuity of careers
- Purchasing power erosion
- Lack of indexation
- Cost of living
- Services for old age provided publicly/without out of pocket expenses
- Need of personal/private (out-of-pocket-expenses) for health and long-term care
- Others

[See 2.4. f\)](#)

h. **Who** do these deficiencies affect? Please, consider employees, self-employed and atypical workers

[See 2.4. f\)](#)

- i. What are the major social impacts of these deficiencies?  
Many low pensions, especially among women.
- j. Do you see issues for **fiscal sustainability of a fair and adequate social protection system**?  
See 2.3. f)

## Other challenges

### Q. 2.5

What are the **challenges and the opportunities related to occupational pension policy/schemes** concerning their contribution to formal coverage, effective coverage, adequacy (and transparency) of pension systems?

About 20% of the Austrian workforce are covered by occupational pension schemes. Most of the schemes are defined-contribution administered by for-profit pension funds under the ownership of banks and insurance companies. Contribution rates vary between extremely low rates (e.g. 0.75 % for civil servants) and rates of 2 or 3 %. Only when an income exceeds the public pension insurance income ceiling (€ 5.370/2020) are the contribution rates higher. Most of the schemes are based on company agreements, to be signed by both the employer and the work's council. At sector level, only very few collective occupational pension agreements exist.

As the Austrian public pension system, compared to international standards, offers rather high income replacement rates, occupational pensions primarily fulfil a top-up function. ÖGB supports occupational pensions in their top-up function.

However, the ÖGB strongly rejects the concept, first launched by the World Bank in the 1990's, of expanding occupational (and private) pensions in order to bring relief to public pension costs by decreasing public pensions. Shifting old-age protection from state to occupational schemes would not provide cost relief but, at the best, cost shifting. Furthermore, the shifting of old-age protection from compulsory public to voluntary private would result in fragmented old-age protection and massive risk shifting towards individuals.

### Q.2.6

Is there any other particular (set of) challenge(s) that you deem key or that should be addressed as a priority in order to give impetus to upward convergence?

- a. *Please, explain the reasons of your answer.*

Labour market related challenges should be brought to the fore in pension debate, both with regard to adequacy and fiscal sustainability (need for an integrated approach of employment and pension policy).





Even against the background of massive population ageing, a further increase of the economic dependency ratio (defined as no. of pensioners + unemployed relative to the no. of those in employment) can be curbed, to a large extent, by improving labour market integration across all ages, in good quality jobs.

b. Please provide data.

Data will be provided in the country report.

#### Q.2.7

How is the Covid 19 emergency impacting your priorities?

Over the recent 'corona' weeks, avoiding job losses (negotiating short-time arrangements etc.), ensuring safe working conditions for those who had 'to keep the country running', supporting those who lost their jobs (the ÖGB has called for an increase in unemployment benefits), etc. completely dominated trade union activities.

Over the coming months and years recovering from the negative economic and budgetary impacts of the corona crisis in an employment-friendly and social way will be of key importance, including protecting and further developing social welfare.



### Section 3. Possible Reforms

*This section seeks information about the trade union's priorities in pension policy; and their involvement in the policy making process and the strategies to have more adequate and effective pension protection for all. **The examples given under each question are for assistance and other issues should be covered, when appropriate.***

#### QUESTIONS

##### Q. 3.1

What are the main demands/actions/reforms that the trade unions propose in order to meet the challenge(s) highlighted in the answers to Section 2?

*Provide a concise description from those listed below, plus any other that you consider relevant in light of your replies in the previous set of questions. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples*

- Minimum schemes
- Employment related or income-based schemes
- Occupational pension provision
- Pensionable age and early retirement schemes
- Regulation of the labour market and active labour market policies
- In-kind benefits, long-term care and social assistance
- Other

*Please, explain also how the proposed reform would address the challenge(s) identified in your replies to the previous set of questions*

*- keeping in mind the possible effects linked to age groups/ gender/ forms of employment and  
- providing an assessment and considering effects of main issues from the topics listed below, in the light of your replies in the previous section, plus any other that you consider relevant. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples.*

- Formal coverage for specific categories of workers and self-employed
- Effective coverage
- Adequacy of benefits
- Inequalities (gender pension gaps, pension rights of younger cohorts of workers, coverage of atypical jobs)
- Other:

*As mentioned above, the key shortcomings regarding both effective coverage and pension adequacy mainly result from poor labour market integration, respectively poor earnings across an individuals' professional life.*



Regarding retirement age, ÖGB instead of increasing statutory retirement age, demands to focus on

- employment exit age (many workers exit their last employment years before entering retirement) and
- effective retirement age (average effective retirement age is far beyond statutory retirement age)

by improving labour market opportunities for older workers.

Regarding pension provisions, 1.78% pension credit p.a. is accepted as being adequate.

However, against the background of poor labour integration due to deficiencies in reconciling employment and family life, the ÖGB has called for more public support for people with care duties.

Furthermore, the ÖGB has also called to widen access rules for “heavy labour” pensions.

### Q 3.2

What would be the main fiscal sustainability drivers necessary to support your policy proposals? What would be the issues arising? What the desirable sources of financing?

As mentioned above, improving effective coverage and pension adequacy by improving labour market integration would support fiscal sustainability.

### Q.3.3

Are there any major actors supporting or opposing your proposal and why?

In most cases, the pension policy of the Social Democratic Party is close to the trade unions' position.

Significant differences exist between the trade unions on the one hand and the employers' organisations and related experts on the other hand, primarily with regard to long-term sustainability issues and increasing or not increasing the statutory retirement age.

