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## **Key Figures**

€1 billion is the deficit of the Social Insurance Fund (IKA)

€540 million is the deficit of the Sosial Insurance Organization of Freelance Professionals (OAEE)

€13 billion are the liabilities to the Insurance Funds

41% is the weighted-average pension reduction since 2010

6€ billion is the cost of tax evasion on an annual basis

22% of pensioners face the danger of poverty (lack of necessary resources to satisfy basic human needs)

## A new, modern social security system in Greece

The existing social security system in Greece is characterized by legal and administrative fragmentation along with a complicated institutional structure, adversely affecting its effective operation. It doesn't treat all insured parties on equal terms, while discrepancies arise in the benefits provided.

A major aim of the Pension Reform under way is the unification - for the first time - of rules applicable to all parties, so as to develop a fair and rational social security system characterized by stability and functionality.

This will be done in a way so as for the restricted resources of funds to be properly allocated without further pension reductions, enabling the policy currently promoted to ensure the sustainability of the social security system.

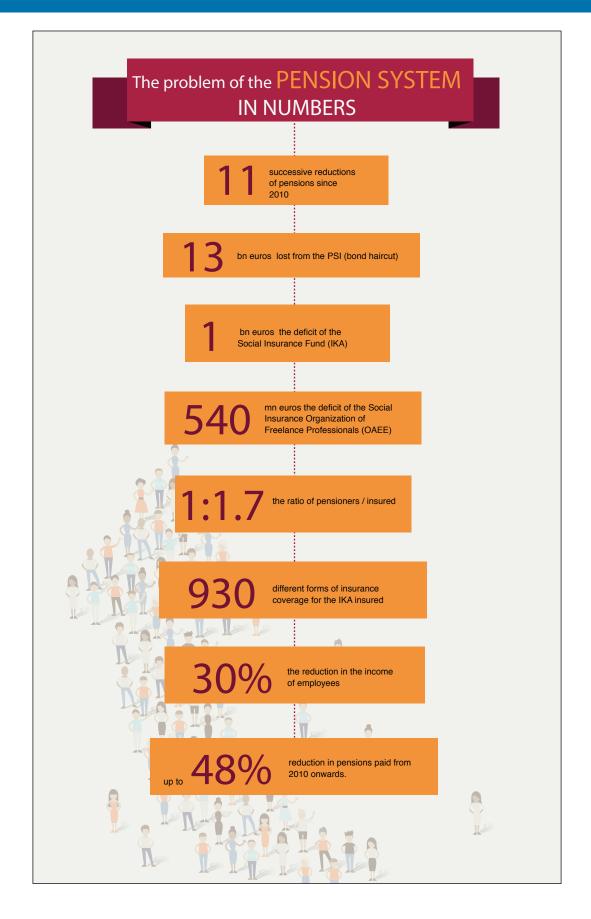
The new legislation will be applied to ensure control, cost reduction and deficit shrinking, which deteriorated due to the prolonged financial crisis. Part of this venture will be the development of the funds' movable and immovable property in order to attain immediate financial benefit.

The reform of the social security system is based on a fully documented actuarial report, which is based on new economic data. Within this framework, we will pursue the unification of the many existing social security funds into a single authority.

This single authority will strengthen the sustainability of funds, given the existing lack of united supervision and revenue-cost systems, while it will reinforce the fight against tax evasion and uninsured work.

The proposed reform sees to the non-reduction of pensions – both main pensions and additional annuities – so as to protect the elderly and alleviate new employees against unfair and oversized contributions.









- WE ENACT a national pension equal to 60% of the average income, financed directly by the budget regardless of contributions, which functions as a poverty shield.
- **WE PREVENT new horizontal cuts.** 
  - **WE INTRODUCE** for the first time a growth clause allowing for a pension raise perspective.
- WE LEGISLATE a Social Solidarity Allowance for Elders for those with fewer than 15 years of insurance.
  - WE CONNECT the final pension amount with the total years of insurance.
- **WE CREATE** incentives for everyone to seek a longer stay in active employment.
  - WE REINFORCE the national pension with a contributory pension, based on a redistributive system of defined benefits protecting the poor and the disadvantaged.
- WE SECURE the long-term sustainability of the pension system.
  - **WE GUARANTEE** both national and contributory pension disbursements.
- WE CREATE one single pension fund for all, with fair and uniform rules regarding contributions and benefits.
  - **WE GUARANTEE** no cuts in pensions and even an increase in some low pensions.
- **WE GUARANTEE** a level of dignified subsistence for all insured.
  - **WE ABOLISH** all unfair and unjustified age discrimination.





## **BANKRUPT PENSION FUNDS**

The chronicle of destruction from 1950 until today MANDATORY DEPOSIT of the Funds' reserves to the Bank of Greece, with minimal or almost zero interest, without planning and without taking into account the rate of inflation for a very long time. GAMING of the 20% of the reserves in the Stock Market with the help of law 2076 / 1992. DAMAGING involvement of the Funds in the so-called "new" bank products and the stock exchange derivatives at the time of the "bubble" of the stock market. **COMPLETION** of the destruction with a haircut on the bonds losses of 13bn euros. of the Funds (the so-called PSI of 2012). CONSTANT SALARY CUTS of more than 30% in the an economy in a constantly replenished recession and reduction of social security contributions. public and private sectors, with consequences. BURST OF UNEMPLOYMENT in all sectors of the economy from 25% to 50% resulting in a shortfall in contributions of 5,22bn euros annually. Enormous WAIT IN THE PAYMENT OF PENSIONS AND LUMP SUMS due to the failed reforms. **DETERIORATING RATIO** of the pensioners - economically active population to an unsustainable 1:1.7 ratio. DOUBLING of partial, rotating and undeclared employment of more than 25%, with losses of at least 6bn euros/ year. **INABILITY** of **self-employed** to pay **contributions**, by more than **50%**. **REDUCTION** by 4% of employer contributions since 2012. **CLIENTELISM** and **subordination** of social benefits to **politics**.