UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

MITIGATING ECONOMIC CONSEQUENCES OF POPULATION AGEING IN SLOVENIA AND AUSTRIA IN LIGHT OF OLD-AGE POVERTY AND GENDER INEQUALITY

Ljubljana, June 2023

ANA GROŠELJ

AUTHORSHIP STATEMENT

The undersigned Ana Grošelj, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title Mitigating Economic Consequences of Population Ageing in Slovenia and Austria in Light of Old-Age Poverty and Gender Inequality, prepared under supervision of doc. dr. Tanja Istenič

D E C L A R E

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.
11. that I have verified the authenticity of the information derived from the records using artificial intelligence tools.

Ljubljana, ________________________ Author's signature: _________________________

(Month in words / Day / Year)

TABLE OF CONTENTS

TABLE OF FIGURES

TABLE OF TABLES

LIST OF ABBREVIATIONS

AWG – Working Group on Ageing Populations and Sustainability
APG – Allgemeines Pensionsgesetz (Austrian Pensions Law)
EIGE – European Institute for Gender Equality
EU – European Union
BMGF – Federal Ministry Republic of Austria, Ministry of Social Affairs, Health, Care and Consumer Protection
GDP – Gross Domestic Product
OECD – Organisation for Economic Co-operation and Development
SURS – Statistični urad Republike Slovenije (Republic of Slovenia Statistical Office)
WHO – World Health Organisation
ZPIZ – Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Pension and Disability Insurance Institute of Slovenia)
ZPIZ-3 – Zakon o pokojninskem in invalidskem zavarovanju (Pension and Disability Insurance Act)
ZZZRZI – Zakon o zaposlitveni rehabilitaciji in zaposlovanju invalidov (Vocational Rehabilitation and Employment of Persons with Disabilities Act)
ZZZS – Zavod za zdravstveno zavarovanje Slovenije (the Health Insurance Institute of Slovenia)

1 INTRODUCTION

European nations are grappling with the dual challenge of an increasingly elderly populace and a decrease in the overall life satisfaction of individuals as they grow older, as evidenced by reports from the OECD (2021). Within the EU-27, the proportion of individuals between the ages of 55 and 64 who are actively employed falls below 60%, according to data from Eurostat (2021). Moreover, research by Istenič (2018) suggests that older individuals in developed nations typically retire before reaching their physical capacity to work.

Throughout their professional careers, it is frequently observed that women opt for periods of time away from work, engage in part-time employment, pursue lower-paying occupations, or make the decision to permanently exit the workforce (Grant et al. 2005). Consequently, women frequently encounter significantly reduced pension benefits compared to men. Consequently, women, in particular, confront an elevated vulnerability to poverty in their later years, with this risk further compounded as they grow older. This phenomenon could be attributed to the larger proportion of older women who are widowed (Eurostat, 2022).

Within the European Union, a frequently employed indicator to assess poverty is the proportion of individuals whose equivalized disposable income (after accounting for social transfers) falls below the risk-of-poverty threshold. This threshold is typically set at 60% of the national median equivalized disposable income (after social transfers) (Eurostat, 2005). The old-age poverty can be tackled with different initiatives and businesses that actively involve the elderly (Hoff, 2008). Additionally, this can help with resolving the gender gap issue.

The purpose of this master thesis is to investigate how to mitigate the economic consequences of population ageing in Slovenia and Austria, focusing on reducing old-age poverty and gender inequality. In particular, the objectives of my research are: 1) to find out how the two countries address age inequality (old-age poverty) and also gender inequality in old age, and to analyse the situation regarding old-age poverty and gender inequality in the two countries, 2) to analyse the legal systems of the two countries in relation to the promotion of labour market activity after reaching retirement age, and 3) to present the already existing good practices and compare the legal possibilities of implementation in one or the other country. The objectives outlined above will help me answer the research questions listed below.

Research question 1: What is the magnitude of old-age poverty present in Slovenia and Austria as compared to other age groups?

Older women tend to be poorer than men. Due to shorter career spans and lower earnings, women typically receive reduced pension benefits compared to men. Nevertheless, women, on average, enjoy longer lifespans than men, as highlighted by Berger (2022). Additionally, older women have a higher likelihood of living alone, and consequently, face increased risks of poverty compared to their male counterparts in similar living arrangements, as noted by Holzmann et al. (2009). However, there are differences between countries as regards gender pay gap and consequently pension gap (Boll & Lagemann, 2019).

Research question 2: What is the magnitude of the gender differences with regard to old-age poverty in Slovenia and Austria?

To make public pension systems more sustainable and to encourage the older population to work, governments in the EU are actively changing legislation to address the problem. However, they are doing so with rather different measures.

Research question 3: What are the differences between Austrian and Slovenian legislation with regard to extended employment after reaching retirement age?

To understand how population ageing affects the welfare systems, private dimension should be taken into account as well (Istenič et al., 2019). There are different iniciatives to include older population into workforce, such as "Vollpension" in Austria and "Senior dela" in Slovenia. I would like to research the iniciatives in place in both countries and compare them.

Research question 4: What are examples of good practices of including older population into working population in Slovenia and Austria?

Research question 5: Can these best practices be implemented in the other country from a regulatory standpoint?

The master's thesis consists of a theoretical part and an analysis of good practices and incentives already in place that have an impact on the issues of old-age poverty and gender inequality in old-age in Slovenia and Austria. The first part (chapters 2 to 4) consists of an in-depth analysis of secondary sources, i.e., relevant scientific articles, surveys and reports from national, regional and other international institutions. Additionally, Eurostat, SURS, Statistics Austria and OECD statistics are analysed. The second chapter is devoted to understanding the aging population trends in Slovenia and Austria and the background to the issue of old-age poverty by analysing the scope of old-age poverty in both countries as well as differences and reasons for the issues and differences in both countries.

Additionally, the possibilities and solutions for mitigating the old-age poverty issue are explored. This is followed by an analysis of inequalities as regards pensions between genders in old-age in the third chapter. In the fourth chapter, Slovenian and Austrian legislation framework regarding pensions and how both jurisdictions approach the question of pensioners that want to continue working while receiving pensions are analysed. Additionally, room for improvement in each of the countries is explored. The fifth chapter is dedicated to the review of current good practices and initiatives already in place in both countries, analysing the opportunities to implement the Austrian solutions in Slovenian environment and vice versa, taking into account possible legal framework barriers.

2 OLD-AGE POVERTY

This chapter delves into the influence that state-backed retirement programs exert on poverty in the elderly, investigating how much senior poverty escalates in the absence of such pensions. The inquiry also concentrates on the question of whether the elderly demographic experiences a higher level of poverty compared to the overall population.

2.1 Analysis of aging population trends

The longevity of lives of Europeans has reached unprecedented levels, leading to a swift modification of the population's age demographics. As of the beginning of 2019, individuals aged 65 years or older constituted about a fifth (20.3 %) of the EU-27 population, totaling 90.5 million. Over the next three decades, it is predicted that the number of seniors in the European Union will rise, reaching an estimated peak of 129.8 million inhabitants by 2050. The proportion of the elderly in relation to the entire population will gradually increase to about 29.4 % by 2050 (Eurostat, 2019).

Simultaneously, as the number of older adults grows, the fraction of working-age individuals in the EU diminishes. This trend will persist in the forthcoming decades as the post-war baby boom generation transitions fully into retirement. Consequently, the evolving demographic structure will result in a reduced percentage of the population in the working age. By 2021, fewer than 60% of individuals aged 55-64 were actively engaged in the labor market in the EU-27 (Eurostat, 2021).

In 2020, life expectancy at birth in the EU stood at 80.4 years. Women outlived men by 5.7 years, with life expectancies of 83.2 years and 77.5 years, respectively (Eurostat, 2020). Meanwhile, the average age at which individuals retired was 64.2 years for men and 63.4 years for women (OECD, 2021). Women, having a longer life expectancy than men and typically retiring earlier, experienced a longer period in retirement. On average, women in OECD countries spent approximately 22.8 years in retirement in 2019, 6.2 of which were in ill health, while men spent 18.1 years in retirement, with 5.1 years in ill health (OECD, 2021).

The rapid aging of the population poses an increasing threat to the financial stability of public systems in EU Member States. The rising ratio of pensioners to workers will augment public pension, health, and long-term care expenses, thereby straining the balance between tax revenues and future public outlays. Key drivers of this aging population trend have historically been low fertility rates, increased life expectancy, and in certain instances, migration patterns (AWG, 2021). The combination of an aging population and extensive public pension systems jeopardizes the viability of public transfer mechanisms. Older individuals in developed countries usually retire before they are physically incapable of working, a trend that has been adjusted over time through policy changes and pension reforms (Istenič, 2018).

The ongoing surge in the elderly population implies a contracting labor force, which can potentially render pensions, healthcare, and long-term care systems financially unmanageable for a country (Eurostat, 2019). As a response, strategies and programs aimed at promoting active aging are devised to foster personal responsibility, provide age-friendly environments, and encourage intergenerational solidarity. These require active engagement from individuals and/or families to plan and prepare for old age by adopting positive health practices throughout life (Rudawska, 2010). Concurrently, there is a growing need for supportive environments that facilitate making healthy choices (WHO, 2015).

2.1.1 Austria

Like numerous other developed nations, Austria is witnessing demographic transformations leading to an ageing population. This scenario is marked by a rising count and percentage of seniors in the population, alongside a dwindling number of younger individuals. As of 2022, 19.8% of Austria's population was 65 years old or above. The proportion of Austrians aged 65 and over escalated from 14.4% in 1973 to 19.8% in 2022, with an average annual growth rate of 0.65%. Consequently, the old-age dependency ratio (the ratio of those aged 65+ compared to those aged 20–64) is predicted to rise from 33.3% in 2023 to 54.1% in 2070 for the EU, and from 29.8% in 2023 to 52.2% in 2070 for Austria (Eurostat, 2023).

Just like many other developed nations, Austria has observed a consistent rise in life expectancy over the past few decades. As per Eurostat's data (2020), life expectancy at birth in Austria was 83.8 years for women and 78.8 years for men in 2021. The birth rate in Austria has been on a downward trajectory for several decades, resulting in a reduced fraction of young individuals within the population. This is a trend also noticeable in other developed nations. Changes in family structures and the prioritization of career advancement among younger adults have contributed to this uneven growth in the elderly population (Eurostat, 2023). Concurrently, fertility rates—representing the average number of offspring a woman would have in her lifetime—are expected to stay below the natural replacement rate of 2.1 (the average number of offspring per woman required for a population to replace itself from one generation to the next, without migration) in all EU-27 countries until 2070 (AWG, 2021). In 2021, Austria's total fertility rate increased by 0.04 (2.78%) to reach 1.48 children per woman, which is significantly below the replacement rate, following a period of declining fertility (O'Neill, 2023).

2.1.2 Slovenia

Similarly to Austria and other developed countries, Slovenia is facing a rapidly ageing population, with declining birth and rising birth rates and longer life expectancy. The birth rate in Slovenia has been declining over the past few decades, resulting in a smaller proportion of young people in the population. The fertility rate for Slovenia in 2023 is at 1.6, a 0.49% increase from 2022, which is below the replacement rate (SURS, 2023a).

The aging population trend is partly due to changes in family structure and a focus on career development among younger adults. The proportion of older adults in the population is increasing in Slovenia. According to Eurostat (2020), people aged 65 and over accounted for 19.5% of the total population in Slovenia.

The old-age dependency ratio is projected to rise from 25% in 2013 to 55% by 2060, making older people an increasingly predominant part of the population. In addition to that, the proportion of people aged 80 and over is projected to increase to 11% in 2050 according to OECD (2017), compared to 4% in 2010, which is much higher than in any other OECD country (Walkenhorst & Sila, 2015). The old-age dependency ratio in Slovenia is projected to increase from 33.8% in 2023 to 52.9% in 2070 (Eurostat, 2023).

2.2 Old-age poverty trends

As individuals advance in age, they become more susceptible to health complications and disability, subsequently escalating their risk of impoverishment (Kidd & Whitehouse, 2009). There are several definitions and measures for poverty. One such measure, defined by Statistics Austria (2023), is the "Risk of poverty or social exclusion," a key concept and indicator in the context of Austrian national poverty reduction objectives, the European Pillar of Social Rights, and the UN Sustainable Development Goals. This metric is utilized universally and represents the number of individuals in private households meeting at least one of the following criteria:

- individuals in the household are experiencing "severe material and social deprivation" (qualifying as absolute poverty by a European standard of living). This state refers to individuals falling below a predetermined minimum living standard, a part of the Europe 2030 strategy. This standard encompasses various basic necessities, defined by 13 deprivation characteristics at household and personal levels. A household is considered severely materially and socially deprived if they can't afford at least seven out of these 13 characteristics (Statistics Austria, 2023);

- there's a "risk of poverty," represented by a household income significantly lower than the population's median income;
- the household falls under the category of "households in which persons are not included in the workforce, or there is very low work intensity in the household." These households display work intensity levels among eligible members falling below 20% of the total annual work capacity. Eligible members are individuals aged 18 to 64, not enrolled in education and not retired. This metric is reported only for those under 65 (Statistics Austria, 2023).

A person is considered at risk of poverty when their income level is less than 60% of the population's median income, taking into account social transfers (Eurostat, 2019; Lelkes et al., 2009). Examining poverty within elderly subgroups uncovers distinct patterns across these groups. Notably, poverty gaps appear more profound for those aged 75+ compared to those aged 65 to 74 (Meyer & Sullivan, 2007).

Old-age income poverty, therefore, describes a circumstance in which elderly individuals' income fails to cover their basic needs. In both Austria and Slovenia, steps have already been implemented to tackle old-age income poverty (ZPIZ-3, 2023; APG, 2023).

Upon retirement, the risk of old-age poverty typically grows and escalates further with an extended retirement duration. This growth can be attributed to increasing healthcare requirements and the devaluation of pension benefits over time. The capacity of current pension systems to prevent poverty and replace income varies significantly among countries (Economic Policy Committee, 2020). In 2021, about 95.4 million people in the EU, equivalent to 21.7% of the EU population, were at risk of poverty or social exclusion (Eurostat, 2022).

The rates of those at risk of poverty are higher among the elderly compared to the general population. In 20 out of 36 OECD countries, the old-age income poverty risk is lower than for the population at large. This risk generally increases with age during retirement and is particularly high for women (OECD, 2021). Poverty in old age, limited financial resources, and subpar living standards lead to accumulating disadvantages. Such disadvantages can be further intensified by negative aging processes, cohort effects, and societal perceptions of old age (Richter, 2019).

As seen in Table 1 below, in the group of people aged 66-75, the younger part of the older population, risk-of-poverty is less frequent than among the very old population at 11.6% for the persons aged 66-75, and 16.2 for those aged 75+ in OECD. This is also true for most OECD countries (OECD, 2021). However, as is apparent from Table 1, Austria seems to be an exception in that regard, with the younger part of the older populations' risk-of-poverty rates being slightly higher than of the older part.

Table 1: Income poverty rates by age and gender, 2016 or latest available year in OECD, %

	Older people (aged 65+)					Total population
	All	Age group		Gender		
		Age 66-74	Aged 75+	Men	Women	
Austria	8.7	9.0	8.5	5.9	11.0	9.8
Slovenia	12.3	10.5	15	6.8	16.3	8.7
OECD	**13.5**	**11.6**	**16.2**	**10.3**	**15.7**	**11.8**

Source: OECD (2021).

2.2.1 Austria

Statutory pension insurance is still used by many employees as the only form of old-age income. The model worked for many years, but due to social developments and the increase in life expectancy, it is now not optimal (Kunert, 2019).

Table 2 below presents the scope of gender disparities in relation to senior citizen poverty in Austria. The segment "Households without pension" from Table 2 exclusively includes individuals from ages 0 to 64 and omits pension beneficiaries, pensioners, and students. "Low work intensity households" refers to the work intensity of people aged between 18 and 64 in the household (excluding pension recipients, retired people, or students), which amounts to a maximum of 20% of a full working week.

The category "Severely materially and socially deprived" differentiates individuals who cannot afford specific goods, services, or social activities, as outlined in section 2.2. The term "At risk of poverty or social exclusion" refers to those facing poverty risk, residing in a household with low work intensity, or significantly lacking material or social provisions.

Table 2: Risk-of-poverty for selected household types in Austria

Households with/without pension	**At-risk-of-poverty - quota in %**	**Households with very low work intensity 1) - quota in %**	**Severe material and social deprivation - quota in %**	**At-risk-of-poverty or social exclusion - quota in %**
Households without pension	15	7	2	18
Women living alone (without pension)	24	15	4	28
Men living alone (without pension)	22	17	5	27
Single-parent household	36	29	8	47
Households with pension	14	24	1	15
Women pensioners living alone	26	0	4	26
Men pensioners living alone	15	0	1	16

Source: Statistics Austria (2021).

As previously mentioned, individuals are deemed at risk of poverty if their income is less than 60% of the median equivalent household income. In 2022, the risk-of-poverty threshold for a single-person household was set at an annual income of EUR 19,488 (Statistics Austria, 2023). In 2021, 14% of pensioners were classified as being at risk of poverty, with single-person households suffering the most. Women aged 65 or above residing in such households faced a considerably higher poverty risk of 26% compared to their male counterparts of the same age group, who faced a 15% risk, as shown in Table 2.

2.2.2 Slovenia

Similarly to other countries, old age poverty is a significant concern in Slovenia (OECD, 2022). In Slovenia, the old age income risk-of-poverty rate is higher than in Austria, with 17.1% of older adults living below the poverty line in 2022 (Eurostat, 2023). Despite Slovenia's high economic growth over the past few years, more than 40% of pensioners receive a pension below the poverty risk threshold. The annual poverty risk threshold for a one-person household in 2018 was €7,946 (SURS, 2019). However, the government has taken steps to address this issue by introducing a guaranteed minimum income for older adults who do not have a sufficient pension. The government also offers social assistance programs to help older adults with medical expenses and other needs (ZZZS, 2019). This measure provides a safety net for those who are struggling financially in their old age. Despite these measures, the issue of old age poverty in Slovenia remains a concern. The government is continuing to work on developing policies and programs to support older adults and reduce the risk-of-poverty rate among this population (ZPIZ, 2023).

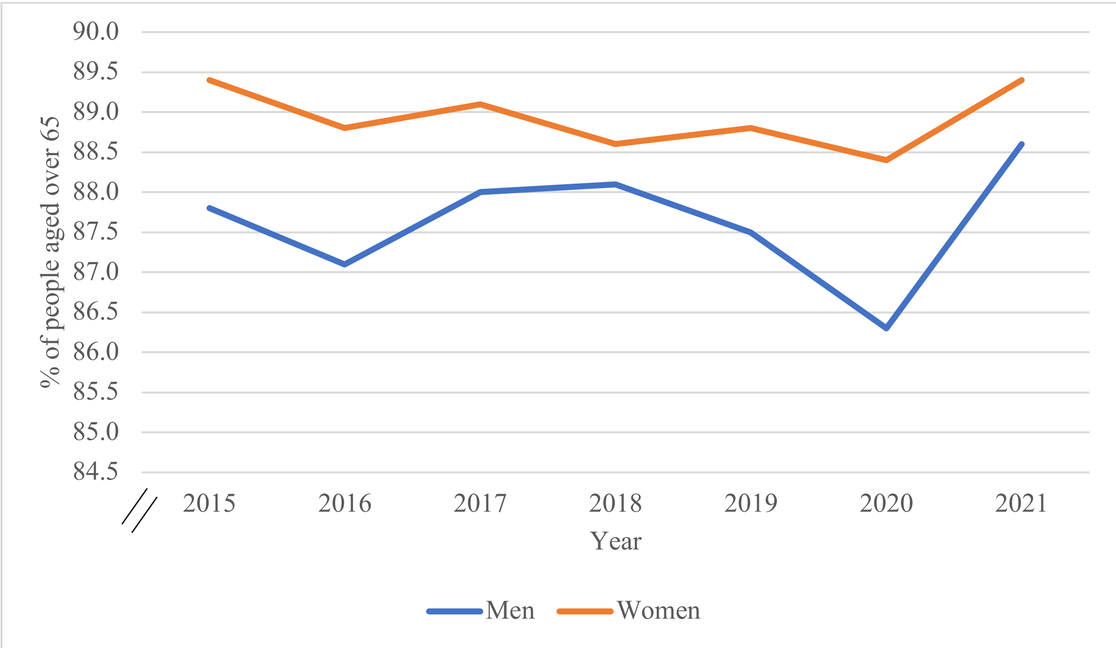
The main cause of old age poverty in Slovenia is a low level of pension income and the fact that people's survival is highly dependant on pensions in their old age. The Slovenian pension system is based on a pay-as-you-go principle, with contributions from current workers financing the pensions of current pensioners (ZPIZ, 2023). However, the system is facing challenges due to demographic changes, such as an aging population and a low birth rate, which has resulted in a smaller pool of workers contributing to the pension system (SURS, 2023c). To address the issue of old age poverty, the Slovenian government has introduced a guaranteed minimum income for older adults who do not have a sufficient pension. This measure provides a safety net for those who are struggling financially in their old age. As mentioned above, in addition to pensions, the government has implemented social assistance programs to help older adults with medical expenses and other needs. However, despite these measures, the issue of old age poverty in Slovenia remains a concern. The government is continuing to work on developing policies and programs to support older adults and reduce the risk-of-poverty rate among this population (ZPIZ, 2023).

In October 2021, there were 626,111 people who received pension, according to SURS (2022). This number includes disability pensions and partial, invalidity, survivor's pension, with the majority of recipients being those receiving old-age pensions. More than 50% of pensioners receive a net pension of less than EUR 700, which is considered to be the poverty threshold. On the other hand, there are many people who receive pensions up to four times higher; more than 3000 are receiving pensions higher than EUR 2,200. The average old-age pension in 2021 was EUR 727.73 net (SURS, 2021).

Even though 19.5% of pensioners in Slovenia are receiving pensions below the poverty thresholds (SURS, 2021), this does not necessarily mean they automatically fall in the old-age poverty part of the population, as this data does not take into account the other assets and sources of income they might be receiving. Figure 2 shows that the risk-of-poverty ratio is indeed higher before social transfers than the numbers we have seen previously after the social transfers. This leads to a conclusion that social transfers, which include pensions, are helpful with tackling the old-age poverty issue, however, the disparity between men and women persists after social transefers, as seen in Table 3.

Social transfers therefore do solve the issue of old-age poverty to some extent, they should, however, be adapted to also tackle the gender income gap.

Figure 1: Risk-of-poverty ratio before social transfers in Slovenia, annually, in % of people over age of 65



Source: SURS (2023).

It should be noted that there are vast differences in expenses that different groups of older people encounter. Those who live with children, those who live alone or only with a spouse, those who own real estate and those who do not, and older women have different spending habits and require a different amount of money to stay above the at-risk-of-poverty-rate threshold (Bolina et. al. 2021).

Pensions have a beneficial effect on the risk-of-poverty rates, however, large amount of older population has other assets such as houses, apartments or other wealth, which need to be taken into account when defining whether a person is deemed to be suffering from old-age poverty. According to SURS (2021), pensioners owned 43% of real estate in Slovenia in 2021, compared to active working population who owned 48%. In comparison, pensioners owned 25.8% of real estate in Austria in 2021 (Statistics Austria, 2021). This is further visible from the Table 3 below, which is describing the risk-of-poverty for selected household types in Slovenia in 2012, which is the lastest year for which such data is available.

Table 3: Risk-of-poverty for selected household types in Slovenia in 2012, % of population

Type of household	Risk-of-poverty (in % of population belonging to particular group)
Households without dependent children	13.2
Single-person household	15.6
Single-person household (women)	37.5
Single-person household (men)	34.2
Single-person household (0-64, women)	40.1
Single-person household (0-64, men)	33.6
Single-person household (65+)	42.3
Single-person household (65+, men)	34.7
Single-person household (65+, women)	44.5
Two adults with no dependent children, both 0-64	11.9
Two adults with no dependent children, at least one 65+	8.6
Other households without dependent children	4.7
Households with dependent children	11.2
Single-parent household with at least one dependent child	25.8
Two adults with at least one dependent child	10.6
Two adults with at least two dependent children	10.0
Two adults with at least three dependent children	14.3
Other households with dependent children	7.6

Source: SURS (2012).

This leads us to the answers to the initial two research questions: the extent of senior citizen poverty in Slovenia and Austria compared to other age groups, and the scale of the gender disparities in elderly poverty in Slovenia and Austria. As seen in Table 3, the risk-of-poverty rates for single-person households vary between men and women across different ages. In the 65+ age group, women are at greater risk, being at a significantly higher risk-of-poverty in single-person households at 40.1% compared to men at 33.6%.

As can be seen from Table 3, women, aged 65+ that live in a single-person household were at the highest risk of poverty at 44.5% among all groups, whereas the risk for men in the same age group that also lived alone were significantly lower at 34.7%. It is interesting to find, that compared to Table 2, the results for Slovenia and Austria differ significantly. The percent of old-age poverty for pensioners is significantly lower in Austria at 26% for women aged 65+ living alone and 15% for men aged 65+ living alone as seen in Table 2. In Austria, by far the highest percent of risk-of-poverty is met by single-parents household at 36%. However, it needs to be taken into account that the data from Austria is more recent (from 2021), which means the visible difference in data could also be affected by reforms that have come into force since then, such as the 2013 pension reform (de la Maisonneuve & Martins, 2015), alongside demographic and other changes.

2.3 Mitigating the issue of old-age poverty

Societies build old-age pension systems to achieve different economic and social goals, such as preventing old-age poverty, equalising consumption over a lifetime, insuring against the risk of longevity or reducing inequality. According to Barr and Diamond (2008), because of these multiple objectives, the pension systems in the majority of countries are built around different pension schemes that operate in different ways: contributory or non-contributory, with different proportions of contributory and tax-funded benefits, pay-as-you-go, funded, defined benefit or defined contribution. Only the combination of these different but complementary programmes in a unified system can provide the basis for a successful future (Barr & Diamond, 2008).

Public pensions have significantly mitigated elderly poverty in both developing and developed countries, serving as the most prevalent strategy implemented to combat the risk of old-age poverty. One of the advantages of receiving pensions is the freedom it provides individuals to choose whether to continue working (Kidd & Whitehouse, 2009).

A retirement income system aims to enable individuals to maintain a satisfactory or desirable living standard in retirement through adequate pensions (OECD, 2021). Pension adequacy is evaluated based on (AWG, 2021):

(i) its effectiveness in preventing poverty;

(ii) the extent to which it substitutes prior employment income; and

(iii) its ability to fulfil both aspects throughout the entirety of retirement.

The fundamental societal objectives of pension systems are to alleviate old-age poverty and to ensure consumption equilibrium throughout a person's life, that is, to prevent a decline in living standards following retirement (Hagemejer, 2018). Principle 15 of the European Pillar of Social Rights (2017) states that employees and self-employed individuals have the right to a pension proportionate to their contributions, ensuring sufficient income, with men and women having equal rights to accumulate pension benefits, and everyone having the right to resources in their old age that facilitate a dignified life.

Retirement income provision is diverse and intricate in high-income countries. In low- and middle-income countries, social pensions, which are government-provided pensions, are entirely distinct from earnings-related plans. Pensioners receive benefits either from the social pension or from the earnings-related scheme. In contrast, in high-income countries, most individuals receiving a social pension also benefit at least partially from the earnings-related scheme, leading to significant and complex overlaps and interactions between social and earnings-related pensions (Pearson & Whitehouse, 2009).

In 2018, social transfers in the EU-27, including pensions, lowered the poverty risk of individuals aged 55-64 by 8.3 percentage points, whereas the corresponding decrease for older people (65 years or more) was 2.7 percentage points. Except for Malta, social transfers, inclusive of pensions, led to a greater decrease in poverty risk among those aged 55-64 than among those aged 65+ in all EU Member States (Eurostat, 2020). Social transfers, including pensions, have lowered the poverty risk among men aged 65+ by an average of 2.4 percentage points. For older women, the reduction was higher by 0.6 percentage points, at 3.0 percentage points. Social transfers led to a greater decrease in poverty rates among older women aged 65+ than among men of the same age in 20 EU Member States. Notably, in Slovenia, the effect was greater for men at 11.5% than for women at 8.1%, while in Austria, the impact was higher for women by approximately one-third (Eurostat, 2020).

3 GENDER INEQUALITY IN OLD AGE

3.1 Gender and old-age population

The demographic data confirms that older women outnumber older men, and this is particularly true within the European Union's 27 member countries (Kidd & Whitehouse, 2009). In 2019, for example, there were twice as many women aged 85 or over compared to men. Moreover, the 2018 data showed that nearly one-fifth of women (19.1%) aged 75 or more were at risk of poverty, a percentage that was 6.3 points higher than men in the same age group (Eurostat, 2020).

3.1.1 Pension discrepancies between genders

In all OECD countries, with the exception of Chile, older women are at a higher risk of poverty compared to their male counterparts. Average rates of poverty risk for women and men in the OECD are 15.7% and 10.3% respectively. Contributing factors to this disparity include women's lower income from pensions and their longer life expectancy (OECD, 2021). Furthermore, according to Eurostat (2022), the risk of poverty or social exclusion in the EU in 2021 was 2.0% higher for women than men, at 22.7% and 20.7% respectively. Interestingly, data from 2018 showed that older women in EU-27 struggled more to pay for basic goods and services, with a deprivation rate of 6.0%, compared to 3.3% for men. Also, the median net income for older men in 2018 was 11% higher than that of women of the same age (Eurostat, 2020).

Gender pay gaps are present in many areas. The unadjusted gender pay gap is one measure that looks at the differences in gross hourly earnings between men and women and is expressed as a percentage of men's earnings. This measurement is used for businesses with 10 or more employees (Eurostat, 2021).

Another useful metric for assessing the gender income gap is the replacement rate, which reflects the proportion of annual employment income of indiviiduals, that is replaced by retirement income. For individuals who have periods of unemployment or childbirth (up to 4 years per child), the gender gap in the replacement rate in the EU decreases from 21.3 to 13.6 percentage points (EIGE, 2015).

Additionally, more women tend to live alone in old age, and these women are at a higher risk of poverty than men who live alone (Holzmann et al., 2009). Married women experience the largest gender pay gaps, with divorced women falling in between married and single women (Polachek & Xiang, 2014).

Studies have pointed to the importance of considering parenthood, and especially motherhood, when analyzing gender inequality. The impact of having children is significant throughout the EU-27, with the burden predominantly falling on women. This impact, often referred to as the "children penalty," typically increases with each additional child (Bettio et al., 2013).

This is due to the fact that having children impacts women's employment and income, which is reflected in their pensions in the long term. In several EU Member States, mothers have higher pension gaps than childless women. This disparity is a result of shorter working lives and lower incomes, the impacts of which are exacerbated with the increase in the number of children (Kleven et al., 2019).

Pensioners of both genders who live alone are at a higher than average risk of poverty. Women pensioners living with a partner face a lower risk, but are often economically dependent on their partners, as their own pensions are frequently insufficient to provide for their livelihood due to the close association with employment (Hofmann, 2021).

3.1.1.1 Austria

A closer look at Austria's old age population reveals a slight skew towards women. Data from Eurostat (2020) indicates that there were more women than men in the age group of 65 and over. Specifically, there were 1.26 women for every man in this age group, with the ratio varying with age. For instance, in the age group of 65-74, there were 1.07 women for every man, whereas in the age group of 85 and over, there were 2.29 women for every man. This discrepancy is partially due to the longer lifespan of women, who consequently make up a larger portion of the older population. Despite this, in 2015, female pensioners in Austria received only 68% of the income that male pensioners did. Moreover, in December 2016, almost twice as many women as men in Austria received the equalisation supplement, a benefit provided to those receiving a minimum standard rate pension (BMGF, 2017).

The pension gap happens primarily due to the lower income women earn during their working lives. On average, women's income throughout their working lives is only 60% of men's income. This is largely because women's hourly wages are lower and they work part-time more frequently. Women are also more likely to be employed in the low-wage sector, which is more likely to offer part-time jobs. As many as 17% of employed women (compared to only 6% of men) work in this sector (Ernst, 2023).

Austria has made some progress in reducing the gender pay gap, from 25.5% in 2006 to 22.2% in 2014. However, compared to other EU countries, Austria's gender pay gap remains significantly larger than the EU average of 16.7% in 2014. Analyses of the influence of various factors on the gender pay gap reveal that industry, occupation, level of education, age, length of tenure, extent of employment, type of employment contract, region and company size account for 8.6 percentage points of the gap. Despite this, a significant portion (13.6 percentage points) remains unexplained even when all these factors are accounted for (Eurostat, 2015).

Despite a five-year difference in the statutory retirement age, women in Austria do not retire significantly earlier than men. This is because they often do not accumulate the necessary insurance period for early retirement. Nevertheless, the Austrian pension system, which is based on earnings, leads to significant differences in benefit levels between women and men (Mairhuber et al., 2015).

The gender pay gap in Austria is calculated based on full-time employment, yet many women in Austria work part-time (Ernst, 2023). As a matter of fact, 49.6% of women work part-time, compared to the EU average of 29.5% and just 11.6% for men (Statistics Austria, 2021). Part of this can be attributed to women spending more of their time on unpaid work, which does not contribute towards pensionable service (Häckl et al., 2020).Some of the other reasons for the high percentage of women population working part-time is lack of nurseries and childcare facilities, especially in rural areas, traditional view of female roles in Austria. Even though both men and women can take parental leave in Austria, men are still largely discriminated in this regard, therefore women mostly take parental leave, which is similar to other countries (Mesanovic, 2021).

Table 4: Gender pay gap in Austria between 2011 and 2021 in %

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EU-27	16.2	16.4	16.0	15.7	15.5	15.1	14.6	14.4	13.7	12.9	12.7
Austria	23.5	22.9	22.3	22.2	21.8	20.8	20.7	20.4	19.9	18.9	18.8

Source: Eurostat (2023).

According to the latest data from Statistics Austria (2023), a significant improvement in the gender wage discrepancy has been observed from 2011 to 2021, as it has shrunk from 23.5% to 18.8%. This trend is clearly illustrated in Table 4, which documents an annual decrease. However, in a broader context within the European Union, Austria still has one of the highest gender wage gaps, exceeding the EU average of 12.7%. in 2021

The pension gap is also indirectly affected by this issue (Samek Lodovici et al., 2016). With shorter careers and lower salaries, women are more likely to receive smaller pensions. The pension gap is a reflection of the disparity between women's and men's retirement incomes (EIGE, 2015). It provides insight into the gender-based pension income disadvantages and brings to light the long-term ramifications of women's economic and social disadvantage relative to men. These disparities are the product of historical labour market conditions and income patterns, and they persist into old age due to regulatory structures (Mairuhber & Mayrhuber, 2020).

The gender pension gap can be a result of several factors, which can be broadly categorized into two groups. The first group contains factors linked to an individual's work history, while the second group is connected to the pension system itself (Mayrhuber & Mairhuber, 2020). Pension pay gaps are largely a result of gender pay gaps. Gender pay gaps are narrower for singles, however they remain at 17% in EU-27.

In general, it can be said that in Austria, the pension system is tailored to male employment histories, not taking into account that women experience precarious working conditions more often than men and are morefinancially and economically dependent than men during their working lives (Angel & Kolland, 2011). These circumstances ontinue to shape the reality of many women and have a particularly strong impact on the financial situation in old age (Schlager, 2009).

These disparities are also mirrored in pension amounts: the average pension for women is 38.3% less than for men. This leads to a significantly higher risk of poverty among female pensioners than male ones, particularly among single elderly women (Statistics Austria, 2021). When comparing the average gross pension with the at-risk-of-poverty threshold, it is evident that the risk of poverty is particularly pronounced for women (Statistics Austria, 2020).

The average pension for women in Austria is EUR 1,029, well below the at-risk-of-poverty threshold of EUR 1,371, whereas the average pension for men in Austria is EUR 1,675 (Statistics Austria, 2023). Women in Austria would have needed to receive on average EUR 252 more to avoid being considered at risk of poverty, while men are not as endangered. From December 2020 to December 2021, the average pension in Austria increased for both men and women. However, the difference in pension amounts became larger, from EUR 628 to EUR 646 in favor of men, the average pension increasing from EUR 1,620 per month to EUR 1,675 for men and EUR 992 to EUR 1,029 for women (Statistics Austria, 2023).

Table 5: Amount of old-age pensions in the statutory pension insurance scheme by gender (gross pension benefits paid out 14 times a year, excluding intergovernmental partial benefits) in Austria in 2021

Old-age pensions	Value	Women	Men	Pension gap in %
All old-age pensions in euro	Arithmetic mean	1,264	2,164	41.6
All old-age pensions in euro	Median	1,113	2,141	48.0
Newly awarded pensions in euros (after December 2021)	Arithmetic mean	1,521	2,531	39.9
Newly awarded pensions in euros (after December 2021)	Median	1,367	2,517	45.7

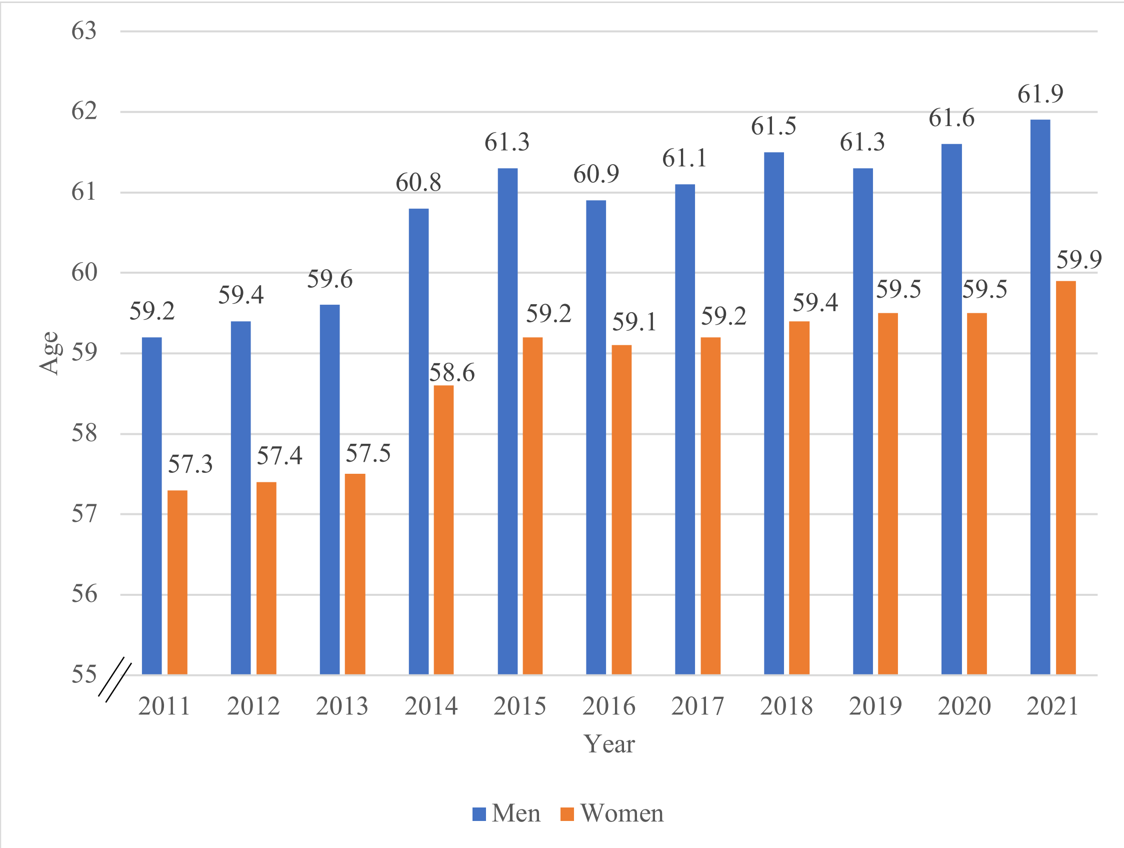
Source: Statistics Austria (2021).

Data from the Federation of Social Insurances (2022) substantiates this, as shown in Table 5. In 2021, the average pension for women was EUR 1,264, while men received an average pension of EUR 2,164. As per the 2021 Statistics on Income and Living

Conditions survey, 26% of single female pensioners were at risk of poverty, as opposed to 15% of single male pensioners.

If the factors causing the economic disadvantage of women in old age and their extent are known, the impact can be mitigated. A 2017 study of contributors to statutory pension funds revealed that women have 12 fewer years of active employment contributions than men, which results in a 21.3 percentage point lower replacement rate (Mairuhber & Mayrhuber, 2020).

Figure 2: Average entry age into pension in the statutory pension insurance scheme for men and women in Austria from, 2011 to 2021



Source: Statistics Austria (2022).

Since the amounts of contributions depend on income and women in Austria contribute less on average than men per month on average, which leads to a lower pension entitlement. How clear these income differences still are can be seen, for example, when comparing the gross annual income of employed women and men. Another important reason for the low pension payments of women is the lower number of contribution months of women. For example, only 41% of all women have acquired more than 40 insurance years by the time they retire, while this proportion is almost 90% for men (Statistics Austria, 2022).

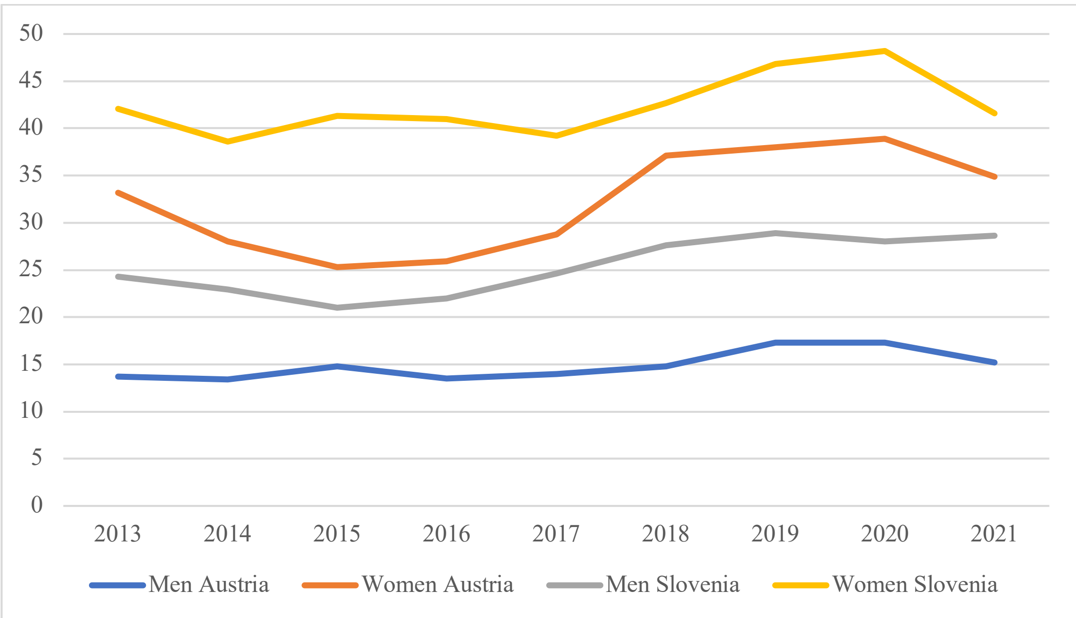
Pension poverty, to a larger degree, impacts women due to various factors. Given their earlier retirement age and higher life expectancy, women represent 55% of all pension recipients in Austria (BMGF, 2017). As of 2017, 29% of Austrian women over 65 were at risk of poverty, according to Statistics Austria. Reasons for women's lower pension income compared to men include generally lower salaries and gaps in contributions due to child-rearing and unpaid housework. Worldwide, women spend between three and six hours daily on unpaid care activities, while men spend between half an hour and two hours (Ferrant et al., 2014).

In Austria, old age poverty is particularly a concern for women. This can largely be attributed to the uneven distribution of unpaid care work in families with children (Hofmann, 2021), and the significant impact of parenthood on women's employment. Men's careers are affected much less, leading to both gender inequality and significant differences when compared to women without children (Berghammer & Riederer, 2018).

3.1.1.2 Slovenia

The risk-of-poverty rates in both Slovenia and Austria show significantly higher risk-of-poverty rates for women than for men. Similarly to the OECD average, the risk-of-poverty rates are higher for women than for men, as reflected in Figure 3.

Figure 3: At-risk-of-poverty rate of persons above 65 years by sex in Austria and Slovenia for men and women between 2013 and 2021



Source: Eurostat (2023).

The risk-of poverty of the total population in OECD is at 11.8, whereas both Austria and Slovenia averages stay below that number at 8.7 for Slovenia and slightly higher at 9.8

for Austria. As Figure 3 shows, the risk-of-poverty rates for persons aged 65+ differ between Slovenia and Austria. The risk-of-poverty is lower for men than it is for women in both countries. However, even though the risk-of-poverty is lower for both sexes in Austria than it is in Slovenia, men are still at lower risk-of-poverty in Slovenia than women are in Austria. Women in Slovenia are at the highest risk-of-poverty among all groups in Figure 1.

Slovenia has one of the highest poverty risk rates for older women in the European Union. As shown in Table 6, in 2017, the poverty risk rate for men aged 65+ was 10.4%, while the EU-27 average was 12.5% and for women it was twice as high, at 20.9%, while the EU-27 average was 17%. For men aged 75+, it was 10.5%, while the EU-27 average was 13% and for women in this age group it was 26.5%, while the EU-27 average was 19.2% (ZZZS, 2019; Eurostat, 2019).

Table 6: Risk-of-poverty rate in Slovenia and EU-27 in %

Risk-of-poverty rate in 2017, %			
		EU-27	Slovenia
Age 65+	Couples	15.0	16.4
	Men	12.5	10.4
	Women	17.0	20.9
Age 75+	Couples	16.7	20.4
	Men	13.0	10.5
	Women	19.2	26.5

Source: Eurostat (2019).

This can be explained on the one hand by the fact that women spend a considerable part of their time on unpaid work, such as housework, care and childcare. On the other hand, fewer contribution years result from the earlier retirement age of women, at 60 years compared to 65 years for men. However, this difference will be gradually leveled out by 2033 by aligning the retirement age for women with that of men. In reality, both genders are slowly but steadily increasing their average retirement age. Nevertheless, in 2018, women still retired on average 2.7 years earlier than men; 63.2 for women versus 60.5 years for men (Häckl et. al., 2020).

Having a job is important because it means financial independence (Möller-Slawinski & Calmbach, 2016). Despite the perceived notion that both gender can be equally suitable for managerial positions, the proportion of women in managerial positions in Slovenia is low which is reflected in the amount of salaries they receive. The gender wage gap is lower than the gender wage gap in such cases in Austria, however, it is still present with one of the main reasons being that men tend to be hired for managerial positions more often than women (Humer & Panić, 2015; Möller-Slawinski & Calmbach, 2016). Although Slovenia is among the top EU-27 countries in terms of share of women in leadership positions, such as legislators, senior officials, managers, their share still remains less than half of all positions in this occupational group (EIGE, 2015; SURS, 2018).

There are also large differences in white-collar, service and sales, education, and health and social care occupations, where women dominate everywhere, including Slovenia and Austria (Eurostat, 2020; SURS, 2019). Despite the predominance of employment of women in the public sector, the situation is reversed when considering leadership positions, with more men than women occupying the top positions (highest pay grade in terms of gross salary). When looking at the private sector gross salaries, where male-dominated occupations prevail, it can be seen that the gap in the number of occupations between men and women continues to widen as the position rises in favour of men (SURS, 2019).

The gender wage discrepancies, which manifest in the variation of average gross hourly remuneration among salaried workers in the private industry, contributes significantly to women receiving lower pension benefits than men (Geisberger & Glaser, 2014). As such, women, especially as they grow older, are more susceptible to poverty in their retirement years. This likelihood heightens with age, likely due to a larger proportion of elder women who have lost their spouses (Eurostat, 2022).

The allocation of roles in both the private and public sectors in Slovenia suggests the persistence of sectoral and occupational segregation. Data from 2017 and 2018 indicate that fields such as education, healthcare, and social work are most affected by the gender wage gap. When dissecting the occupational disparities, the financial and insurance sectors exhibited the largest wage gap in 2017 and 2018. Conversely, clerical positions demonstrated the smallest gender pay gap during these years. Machinery operators, industrial production workers, service occupations, sales roles, and non-industrial occupations reported the most significant disparities. While the public sector's gender wage gap was most pronounced among workers with primary education or less, the private sector's wage gap was greatest among those with tertiary education (SURS, 2021).

The gender pay gap in Slovenia, while narrower than the average for the EU-27, is expanding rapidly. In contrast, the EU-27 has witnessed a slow decline from 2010 to 2018, with 2012 as an exception. The wage disparity in Slovenia in 2010 was a meager 0.9%. Since then, the wage gap has risen annually, reaching 9.3% in 2018. However, in 2019, the trend reversed, and the wage gap decreased to 7.9%, as documented by Eurostat data (2022). Out of the EU-27, Slovenia has witnessed the most significant widening of the wage gap in recent years (Eurostat, 2020).

The gender disparities in Slovenia, which accumulate over an individual's lifespan, become significantly more evident in retirement years. As reported by Eurostat in 2018, Slovenian women's pensions were 17.8% lower than men's. Women were also more likely to experience poverty, with 21.8% of pensioners living in poverty being women (Eurostat, 2020).

Contrary to the EU-27 average, where the risk of poverty is lower for older generations, the opposite holds true in Slovenia. In 2018, the EU-28 risk-of-poverty rate was 17.4% for individuals under 65, and 15.9% for those over 65. However, in Slovenia, the risk of poverty rate was 12.2% for individuals under 65 and 18.3% for those over 65 (Eurostat, 2020). This unusual pattern can be primarily attributed to the high poverty risk faced by women over 65.

The increased poverty risk among older women is also associated with their likelihood to live alone and their typically low pension income. In Slovenia, in 2018, 41.7% of women aged 65 and over lived alone, while only 20.9% of men in the same age range did (Eurostat, 2020).In Slovenia, the average pension is generally relatively low compared to the average wage. In fact, the replacement rate for pensions, which shows the ratio of gross pension to gross income before retirement, was 45% in Slovenia in 2018, below the EU average of 58% (Eurostat, 2020). Interpreting this figure calls for discretion since the majority of pensions in Slovenia aren't taxed, and social security contributions aren't levied on pensions. This circumstance complicates the comparability with other nations. OECD (2020) publishes data on the net replacement rate between pensions and wages, where Slovenia's net replacement rate for men in 2018 was 57.5% below the EU-28 average of 63.5%. In the same year, Slovenia's net replacement rate for women was 60% below the EU-28 average of 63%.

4 ANALYSIS OF SLOVENIAN AND AUSTRIAN LEGAL SYSTEMS AFTER REACHING THE RETIREMENT AGE

To make public pension systems more sustainable and to encourage the older population to work, governments in the EU are actively changing legislation to address the problem (Sowa-Kofta et. al., 2021). However, the measures differ from jurisdiction to jurisdiction. A pension is a regular monthly benefit that provides the recipient with material and social security when they reach a certain age and have completed a period of insurance and pensionable or non-contributory retirement (ZPIZ-2, 2022; APG, 2023).

In recent years, the most prevalent approach in the EU to address the issue of pension system sustainability has been to increase retirement ages. Almost every EU Member State has raised both early and statutory retirement ages. Between 2010 and 2016, the statutory retirement age for men in the EU rose by 0.6 years, while for women, it increased by 1.4 years. In Slovenia, particularly significant increments have been legislated since 2010 (AWG, 2021).

4.1 Slovenian legal system

Under Article 50 of the Slovenian constitution, the pension and invalidity insurance scheme, which is part of social security, is a constitutional right. Compulsory pension, health, invalidity and other social insurance are regulated by the State. Pension and invalidity insurance is compulsory for all insured persons, and enrolment in it entails the payment of contributions on the basis of reciprocity, which means that the right to receive pensions is conditioned by the payments made throughout lifetime and intergenerational solidarity as a way for the state to manage inequalities; individuals of working age contribute to the pension and disability fund to ensure that their pensions are paid when they are no longer able to earn a personal income from work or other activity due to old age or disability. In 2000, a reform introduced a state pension for people who receive no other pension. It is basically a social transfer for socially deprived citizens (ZPIZ-2, 2022).

Ten years ago, Slovenia implemented a pension reform that, among other things, introduced a three-pillar pension system (ZPIZ-2, 2022). The essence of the three-pillar system is that the individual takes over part of saving for old age, because compulsory pension insurance alone no longer provides an adequate pension. Previously, the pension system was based exclusively on a single pillar pay-as-you-go system (now the “first pillar”), which is mandatory for all employers, employees and the self-employed. The pension and invalidity insurance system is managed and implemented by the Slovenian Pension and Disability Insurance Institute (ZPIZ-2).

The first pension pillar is based on an intergenerational solidarity. This means that contributions are paid into ZPIZ by employees, and pensions are paid out to current pensioners. The first pension pillar is managed and administered by the State on the basis of the principle of reciprocity and solidarity.This system is known as the "pay as you go" system. The first pillar payments only provide a minimum social standard for pensioners, so people have to make their own additional pension arrangements during their working life (ZPIZ-2, 2022).

The second and third pillar have been established because of the demographic changes and an ageing population.These trends lead to fewer and fewer employees contributing to the first pillar of pension funding. In recent years, the difference between the statutory obligations for ZPIZ payments and the inflows to the pension fund has had to be covered by additional funds from the state budget. The reduction in pensions from the first pillar is to be provided from the other two pillars, in which individuals shoulder part of the burden by saving for old age (ZPIZ-2, 2022).

The second pillar is not uniform and is divided into compulsory supplementary insurance, collective supplementary pension insurance which also includes supplementary pension insurance for civil servants, which is a closed mutual pension fund managed by Kapitalska družba and voluntary supplementary insurance (ZPIZ-2, 2022).

Compulsory supplementary insurance is paid by employers for those of their employees who perform predominantly heavy and hazardous work which can no longer be performed successfully in a professional capacity after a certain age. Collective supplementary pension insurance is based on a pension plan and must cover at least 51% of the employer's employees. For employers, the premiums are a tax deduction because they directly reduce the tax base for income tax. Companies benefit from a tax deduction and reduce their tax base on profits by enrolling in this form of pension scheme, while employees do not have an increase in their income tax base and do not pay social security contributions or payroll taxes. Since 2007, this is the only tax relief an individual can claim, apart from dependants' income tax relief. However, this tax credit is limited to a maximum amount of 5.844% of gross salary and no more than €2,646 in 2022 (ZPIZ-2, 2022).

However, voluntary supplementary insurance is an individual choice and can benefit from a tax deduction or income tax deferral of up to 5.844% of gross salary, up to a maximum of €220 per month. With this insurance, the premium is paid by the individual and there is no tax advantage for the employer. Voluntary supplementary pension insurance is a fundamental form of old-age savings in Slovenia, which the state promotes with tax breaks. It represents the raising of funds in the personal accounts of insured persons covered by this form of insurance with a view to guaranteeing them the right to an additional pension or other right when they reach a certain age or in other cases provided for by ZPIZ-2 (ZPIZ-2, 2022).

According to ZPIZ-2 (ZPIZ-2, 2022), after completion of 38 years of pensionable service without supplementary pension, the age condition of 65 years for entitlement to an old-age pension shall be reduced:

- for a woman or a man, for the purpose of caring for children, for a maximum of four years (up to the age of 61); and
- for a man for compulsory military service for a maximum of two years (up to the age of 63).

However, due to the mandatory investment policy, the guaranteed rate of return, the conservative investment policy, usually in deposits and bonds, the low level of monthly premiums paid into the second pillar (the average contribution is less than € 50 per month), the second pillar cannot cover the difference in the reduction of the first pillar pensions (ZPIZ-2, 2022).

The third pension fund does not depend on the employment status of the individual and presents various options for individual pension insurance for old age in different investment products (savings in bonds, shares, through mutual funds, investment insurance, etc.). This system has also become more relevant in our country with the reform of the pension system and the aim for employees to save for a supplementary pension during their working life. The idea is that, through a combination of public and private pensions, the individual will save the necessary funds for a more secure old age.

The essence of the triple pillar system is that the individual takes on part of saving for old age, because compulsory pension insurance alone no longer provides an adequate retirement income. The second and third pillars are very different. Savings in the second pillar are controlled by the state and are also eligible for certain tax breaks (ZPIZ-2, 2022).

The second pillar is open to all individuals who are covered by compulsory insurance, whether collectively or individually. Employees can join a collective scheme through their employer, who finances all or part of the pension plan. Under current legislation, at least 51% of employees must be covered by an employer's collective pension plan. Unlike the second pillar, saving in the third pillar is fully autonomous and can be taken up by any individual, regardless of employment status. The third pillar includes savings in bonds, shares, mutual funds, investment insurance or anything that allows us to save money for an additional pension (ZPIZ-2, 2022).

The biggest drawback in this pillar is the discipline of the individual and his/her regular monthly saving for the supplementary pension. What is compulsory is easier to pay for than what is not. In the third pillar, individuals have the possibility to withdraw the funds they have already saved before the planned period and to spend them on something else (there is probably never a shortage of goals and wishes at different stages of life). This cannot be the case with the second pillar savings because, as with compulsory pensions, there are conditions that must be met in order to receive a supplementary pension (ZPIZ-2, 2022).

The main differences between the three pillars of the pension system are the (ZPIZ-2, 2022):

- conditions for taking out pension insurance. The membership of the first pillar is compulsory for all employers, employees and the self-employed. Only the first pillar policyholders can join the second pillar, while Pillar 3 does not require any specific conditions regarding employment status and is based on the individual's free decision and choice;
- the method of funding. The first pillar is based on a contributory or pay-as-you-go system, whereby current employees pay contributions which fund pensions for pensioners;

- the mode of operation. The second and third pillars operate on the funded principle, i.e., the individual's assets are deposited in a special account, where they accrue interest for the duration of the contribution period and, once the insurance period has elapsed, the annuities are paid out from this account;
- the options for how to join. The second pillar can be joined only on the basis of membership of the first pillar, it can be joined both individually and collectively, within a company, and the third pillar can be joined without conditions at individual level;
- the amount of the premium and the method of payment of the premium. A percentage of the gross salary is paid into the first pillar each month, 8.85% by the employer and 15.5% by the employee. There is no limit on the amount of the premium paid into the second pillar, the only legal limit is the amount that allows tax relief, which is a minimum of €25 and a maximum of 5.844% of the insured person's gross salary, but not more than €2,646 in 2023, and can be paid by both the employer and the employee. The third pillar, which is based on individual choice and individual capacity, has no limit on the amount of contributions;
- determining when the pension annuity starts. In the case of compulsory insurance, this is fixed by law and depends on the insured person's legal age and pensionable period. To qualify for an old-age pension, both conditions, which differ according to the insured person's sex, must be met at the same time. The second pillar also requires certain conditions to be met, such as a minimum age, retirement in accordance with the law and at least ten years of membership of the second pillar. There are no statutory limits in the third pillar. The restrictions are mainly of a fiscal nature in the form of capital gains tax, and savings in certain investment products, such as investment insurance, are not subject to capital gains tax after 10 years;
- the tax reliefs that can be claimed on the basis of the nature of the insurance. Contributions to the first pillar are a levy in themselves and are therefore deductible from the tax base. For the second pillar, the State offers tax relief to employers and the individual, as the income tax liability is reduced by the value of the premiums paid in, the employer receives income tax relief, no contributions are paid on the value of the premiums, the premium is not taken into account when calculating the insured person's pensionable earnings, and the premium is not counted as a salary payment;
- the method of implementation. The Slovenian Government or the Pension and Invalidity Insurance Institute is the contractor of the compulsory insurance. The second pillar is provided by pension companies, mutual pension funds and insurance companies, while the third pillar is provided by banks, insurance companies, management companies, brokerage houses and similar financial institutions.

For some individuals, the income they receive from the first pillar is also their only income in old age, which is why it is defined as an income that reduces poverty in some way, especially among the elderly population. On the other hand, the disadvantage of this measure is the avoidance of contributions, as a minimum first-pillar pension is guaranteed regardless of whether the individual has paid contributions or not, and some people deliberately avoid it.

There are several different pensions available in Slovenian pension scheme: old-age pension, early retirement pension, partial pension, disability pension, widow's/widower's pension and survivor's pension, all of which are determined in ZPIZ-2.

4.1.1 Old-age pension

To qualify for an old-age pension, the insured person (men and women) must simultaneously satisfy the age and pensionable service conditions, eitherby reaching the age of 65 if they have completed an insurance period of at least 15 years or reaching the age of 60 years and has completed 40 years of pensionable service without accruing additional pensionable service (ZPIZ-2, 2022).

According to ZPIZ-2 (2022), in certain cases, you can also be entitled to an old-age pension at a lower age. Some of the prescribed requirements for reaching the old-age pension requirement may be reduced because of:

- nurturing children, whom the insured individual has looked after during the first year of the insured person's age, who is a national of the Republic of Slovenia, unless otherwise specified by an international agreement; the age limit is lowered by 6 months for one child, by 16 months for two children, by 26 months for three children, by 36 months for four children, and by 48 months for five or more children. There is no difference between adopted children or those that were born to such person;
- attending to compulsory military service, in which case the age at which they can receive old-age pension is lowered for the equivalent of two thirds of the duration of the time spent in military service; and
- entering compulsory pension and invalidity insurance by entering the workforce before reaching the age of 18, in which case the required age is lowered for the whole duration of such work before the age of 18.

The old-age pension entitlement may also be acquired at a lower age for working in jobs where the period of insurance was counted with an increase (so-called "benefit periods"). Those are jobs where the work is particularly difficult and harmful to health; jobs in which, due to the nature and severity of the work, the insured persons can no longer successfully pursue their occupational activity after certain years of age, or due to which personal circumstances can be linked to a poor state of health. Such jobs are for example chimney sweepers, miners, construction workers, etc. This is the right to the accrued period (Article 138 of ZPIZ-2), which is a fictitious pension qualifying period that will be attributed to an insured person when determining rights, assuming that they have not yet turned 65 at the time of the disability's onset. This can be, for example, exercised by an insured person who has contracted cancer before the age of 15 and lowers both the age limit for the old-age pension and his/her insurance period. The insured person is credited with one-quarter of his actual insurance period (credited period) for the purpose of acquiring and vesting in an existing insurance scheme, and the age limit for entitlement to an old-age pension is reduced by the number of months equal to the credited period.

An old age pension is assessed from the pension base, which is composed of the monthly average of the insured person's pension bases for each year of insurance from which compulsory insurance contributions have been paid. Apart from the above reductions in the required duration, a person can also be entitled to a reduction in the age requirement for entitlement to an old-age pension as a result of the counting of insurance periods with an increase and/or the addition of periods of insurance. If that is the case, such reduction is made in the first instance. Only after this is done, the reductions on other grounds can be made, such as childcare, compulsory military service or entry into compulsory insurance before the age of 18, but not below the minimum age prescribed for each of them. This means that the first of the possible grounds for lowering the age limit can already be used to its full extent, and the other grounds have no further impact (ZPIZ-2, 2022).

The amount of the old-age pension is conditional and is being calculated depending on the level of the pensionable base and the length of pensionable service. The latter is used to determine the percentage for the calculation of the old-age pension. The assessment percentage for 15 years of insurance for women and for men is 29.5 per cent of the pension base. For each additional year of pensionable service, the vesting percentage shall be increased by 1.36 per cent. If the longer pensionable period is less than one year but at least six months, the vesting percentage shall be increased by 0.68 per cent for the same pensionable period (ZPIZ-2, 2022).

In 2023, the calculation of the pension base shall take into account the bases of any consecutive 24 years of insurance from 1970 onwards which are most favourable to the insured person. The minimum pension base is determined from 1 January of each calendar year in the amount of 76.5% of the average monthly earnings in the Republic of Slovenia in the previous calendar year, less the taxes and contributions payable on salaries in the Republic of Slovenia at an average rate and increased by the percentage by which pensions have been adjusted since 1 January of the current calendar year. The amount of the minimum pension base varies in the amount and time limits within which pension adjustment in the current calendar year is carried out. If the old-age pension, with the corresponding adjustments, awarded in the year of award does not reach the amount of the old-age pension for the same period of pensionable service, calculated on the basis of the lowest pensionable amount, the old-age pension shall be calculated on the basis of the lowest pensionable amount. This is 76.5 per cent of the average monthly salary paid in the Republic of Slovenia in the preceding calendar year, less taxes and contributions payable on the salary at the average rate in the Republic of Slovenia and increased by the percentage at which pensions are adjusted as from 1 January of the current calendar year, and must therefore be redetermined each year or even during the year. The last adjustment was adopted on 1 January 2022.

In 2023, the pension base calculation will consider the bases of any consecutive 24 years of insurance from 1970 onwards, which are most advantageous to the insured person. The minimum pension base is determined annually from 1 January, amounting to 76.5% of the average monthly salary in Slovenia in the preceding year, less the taxes and contributions payable on salaries in Slovenia at an average rate, and increased by the percentage at which pensions have been adjusted since 1 January of the current year. The amount of the minimum pension base varies in terms of amount and time limits, within which pension adjustment in the current year is conducted. If the old-age pension, with corresponding adjustments awarded in the year of award, does not reach the amount of the old-age pension for the same period of pensionable service, calculated on the basis of the lowest pensionable amount, the old-age pension will be calculated based on the lowest pensionable amount. The last adjustment was made on 1 January 2022. The minimum pension of EUR 294.78, the guaranteed pension of EUR 653.75, and the minimum amount of the invalidity pension referred to in Article 39(1), (3), and (4) of ZPIZ-2 of EUR 409.70 were adjusted by 4.4%.

The maximum pension base is equal to four times the minimum pension base. An old age pension to be paid to an insured person is assessed on the basis of the minimum or maximum pension base determined in each calendar year, if, in the year in which the right was exercised, the old age pension with the corresponding adjustments, assessed on the basis of the insured person's pension base with regard to the completed pension qualifying period, does not reach or exceeds the amount of the old age pension for the same pension qualifying period assessed on the basis of the minimum or maximum pension base (ZPIZ-2, 2022).

For each additional year of pensionable service, the vesting percentage is increased by 1.36%. If the longer pensionable period is less than one year but at least six months, the vesting percentage is increased by 0.68% for the same pensionable period (ZPIZ-2, 2022).

The highest pension base equals the amount for times higher than the lowest pension base each year. The old-age pension that an insured person is able to obtain is appraised based on the annual determined minimum or maximum pension base. That is if in the year when the right was activated, the old-age pension with relevant modifications, evaluated on the insured person's pension base relative to the completed pension qualifying period, doesn't attain or goes beyond the amount of the old-age pension for the identical pension qualifying period appraised on the minimum or maximum pension base (ZPIZ-2, 2022).

Table 7: Determining the percentage for assessing an old age pension in Slovenia

	Accrual rate (%)			Accrual rate (%)			Accrual rate (%)	
Pension qualifying period	Men	Women	Pension qualifying period	Men	Women	Pension qualifying period	Men	Women
15	26.00	29.00	25.00	38.50	41.50	35.00	51.00	54.00
16	27.25	30.25	26.00	39.75	42.75	36.00	52.25	55.25
17	28.50	31.50	27.00	41.00	44.00	37.00	53.50	56.50
18	29.75	32.75	28.00	42.25	45.25	38.00	54.75	57.75
19	31.00	34.00	29.00	43.50	46.50	39.00	56.00	59.00
20	32.25	35.25	30.00	44.75	47.75	40.00	57.25	60.25
21	33.50	36.50	31.00	46.00	49.00	/	/	/
22	34.75	37.75	32.00	47.25	50.25	/	/	/
23	36.00	39.00	33.00	48.50	51.50	/	/	/
24	37.25	40.25	34.00	49.75	52.75	/	/	/

Source: ZPIZ-2 (2022).

As explained above, the calculation of the old-age pension is derived from the pension base, with a corresponding percentage that is based on the length of pensionable service. For a 15-year pensionable service, the assessed amount for men is 26%, while for women, it's 29%. Subsequently, for each added year of pensionable service, an accrual rate of 1.25% is applied without an upper limit, as depicted in Table 7.

An important new legislative development in the area of compulsory pension and invalidity insurance, came into force on 1 January 2023; the introduction of parity in the age scale for men and women. The amendment to ZPIZ-2, which entered into force on 1 May 2021, shortening the transitional period for gradually harmonising the vesting scales between men and women (originally it should have lasted until 31 December 2024). The vesting percentage varied according to the sex of the insured person during the transitional period ending on 31 December 2022, and was 29.5 per cent for women for 15 years of insurance, and 28.5 per cent of the pension base for men in 2022. For each additional year of pensionable service, 1.36 per cent was added for women and 1.32 per cent for men in

2022.Following the equalisation of the gender scale as of 1 January 2023, the vesting percentage is the same for women and men at 63.5% for 40 years of pensionable service and 29.5 per cent for 15 years of pensionable service. For each additional year of pensionable service, 1.36 per cent of the pensionable base shall be added for men and women alike (ZPIZ-2, 2022).

4.1.2 Additional income to the old-age pension

The principle of incompatibility between the performance of any work or activity and the concurrent enjoyment of the right to a pension, except those expressly permitted by law, has been built into the system of pension and invalidity insurance in the Republic of Slovenia since its inception. Exceptions to the principle of incompatibility between the enjoyment of an old-age or early retirement pension and the simultaneous pursuit of a job or activity are provided for in the Pension and Disability Insurance Act, and the Act on Amendments and Additions to the Pension and Disability Insurance Act and are described below.

4.1.2.1 Partial pensions

As per ZPIZ-2, insured individuals who have met the criteria for an early retirement or old-age pension can claim a partial pension. This applies if they remain under compulsory insurance corresponding to a proportional share of full working or insured time, but with a minimum commitment of two hours per day or 10 hours per week. Specifically:

- employees in an employment relationship; which means a legal relationship that exists under an employment contract, in accordance with the regulations that govern employment relationships;
- self-employed persons; defined as natural persons who independently carries out an activity on the market within an organised company;
- partners; individuals who are partners or shareholders in companies established according to Slovenian regulations, or founders of institutes and cooperatives while also serving as managers; and
- farmers; individuals engaged in agricultural or agroforestry activities or auxiliary activities on an agricultural holding, as stipulated by the regulations governing agriculture, and who are the principal operators or members of the agricultural holding.

The partial pension is calculated based on the early retirement or old-age pension calculated at the time it becomes effective, with a percentage equivalent to the reduction in full-time work, and it is further increased by 5% until the age of 65 (ZPIZ, 2022).

Upon terminating their work and no longer receiving the partial pension, the insured individuals may request (ZPIZ, 2022):

- disbursement of the adjusted amount of the early retirement or old-age pension determined at the time of the partial pension assessment;
- a percentage increase in the early retirement or old-age pension calculated at the time of granting the partial pension, based on the actual pensionable service completed while receiving the partial pension and the age at the time when the percentage increase takes effect; or
- a reassessment of an early retirement or old-age pension or the calculation of an old-age pension, considering the bases upon which contributions were made, according to the pensionable service completed and the age at the cessation of the partial pension.

The partial pension is intended to help insured persons make the transition from active to pensioner status. The person that receives partial pension has two statuses at the same time; as an insured person and as a pension beneficiary. A person therefore qualifies for a partial pension if they are compulsorily insured as an employee, self-employed person, partner or farmer and simultaneously meets the conditions for entitlement to an early retirement pension or an old-age pension, as well as remains compulsorily insured for a proportion of their full-time work or insurance time, but not less than two hours a day or ten hours a week (ZPIZ-2, 2022).

4.1.2.2 Re-entry into compulsory insurance and simultaneous payment of a proportional share of the pension already granted

Retired people can also re-enter the labour market. By reintegrating into the labour market and earning additional income, pensioners also maintain their social and individual participation and activity. A pensioner can work even after they have already exercised the right to a pension, and certain types of work do not affect the entitlement to the pension itself, nor are they subject to the requirement to join the compulsory pension and invalidity insurance scheme (ZPIZ-2, 2022).

An old-age, early retirement, and survivor's pension beneficiary who resumes work or an activity in Slovenia in an amount corresponding to a proportional part of the full-time working or insurance period - at least two hours per day or 10 hours per week for employees in an employment relationship, and at least one quarter of the full-time working period for the self-employed, partners, and farmers - receives a proportional part of the pension in the following percentages (ZPIZ-2, 2022):

- 75% when working two hours a day or between 10 to 14 hours a week;
- 62.5% when working three hours a day or between 15 to 19 hours a week;
- 50% when working four hours a day or between 20 to 24 hours a week;

- 37.5% when working five hours a day or between 25 to 29 hours a week;
- 25% when working six hours a day or between 30 to 34 hours a week; or
- 12.5% when working seven hours a day or between 35 to 39 hours a week.

The proportional part of the pension is disbursed on the date when the insured person resumes their work.

4.1.2.3 Payment of 40% and 20% of early retirement or old-age pensions respectively

An insured individual who participates in compulsory insurance for full working or insured time and meets the requirements for the right to an old age or early retirement pension as per Article 38a of ZPIZ-2, or who has met the conditions for the right to an old age pension under the regulations applicable until 31 December 2012 as per paragraph one of Article 391 or Article 394 of ZPIZ-2, can concurrently receive 40% of the old-age pension they would have been eligible for on the day it became effective. This pension portion can be disbursed for a maximum of three years of continuous full-time compulsory insurance. After three years, the insured persons receive 20% of the old-age pension.

According to Article 39a of ZPIZ-2, beneficiaries of the 20% early retirement pension will still be eligible for the 20% early retirement pension payment after 1 January 2020, unless they qualify for an old-age pension and claim the 40% old-age pension. However, insured persons who fulfil the conditions for entitlement to an early retirement pension from and including 1 January 2020 and who remain covered by compulsory insurance will no longer be entitled to the payment of 20% of the early retirement pension.

If an individual continues to work while receiving a pension in Slovenia, there is an earnings limit that applies. In 2022, the limit is €6,438.08 per year. If earnings exceed this amount, the 20% of the pension payment they are entitled to receive alongside working may be reduced or suspended. Older adults in Slovenia can also continue to work as self-employed individuals while receiving a pension. In this case, the earnings limit is higher, at €13,500 per year. Older adults who work while receiving a pension in Slovenia may be subject to income tax on their earnings. The tax rate depends on the amount of income earned as specified below in subtitle 2.1.4. (ZPIZ-2, 2022).

4.1.2.4 Work under an author's contract

An alternative option of earning income for pensioner as well as receive pension is a special type of contract, called author’s contract, which is specified under Article 99 of the Slovenian Act Regulating Collective Management of Copyright and Related Rights. A pensioner may perform work under an author's contract if the work has the character of an author's work in accordance with the provisions of the Copyright and Related Rights

Act. Most often, it is an individual work in the field of literature, science and art, as well as lectures. The work of a pensioner is not limited in time, nor is there any limitation on the remuneration for the work done. In this case, the commissioning body is obliged to register the retired person who will be performing the copyright work for health insurance against occupational injury or disease.

4.1.2.5 Work under a subcontracting agreement

A subcontracting agreement is another type of arrangement that enables pensioners to work while receiving pensions in Slovenia is subcontracting agreement, based on Chapter 11 of the Slovenian Obligations code. A pensioner can also work under a subcontracting agreement at any time, in addition to temporary and occasional work. This is a work subcontract, but it does not have the characteristics of an employment relationship; it is a one-off, non-recurring activity. The client and the pensioner can therefore enter into a subcontract under which the client is obliged, as in the case of an author's contract, to register the pensioner for occupational accident and disease insurance.

4.1.2.6 Other forms of work of pension beneficiaries

Other sectoral legislation regulates temporary and casual work of pensioners (Labour Market Regulation Act), personal supplementary work and short-term work (Act on Prevention of Employment and Illegal Work) and the carrying out of complementary activities on farms (Agriculture Act). The following work arrangements provide opportunities for pensioners to work while receiving pension.

a) Contract for temporary work for pensioners

This is a special contract concluded by a pensioner with one or more employers for the performance of specific work. This contract may also have some of the elements of an employment relationship as defined by the law governing employment relationships. The contract is limited in time to 60 hours per month. There is a minimum gross hourly rate for such work, which was set at €5.05 in 2020. The maximum total gross income for temporary or occasional work carried out in the calendar year 2020 was €7,562.47. Pensions are not frozen for temporary and casual work (ZPIZ-2, 2022).

b) Personal supplementary work

A pensioner may also carry out short-term work, which is considered as unpaid work, in a micro-enterprise or an institution with at least one and no more than 10 employees, or in a self-employed person with no more than 10 employees, where they carry out the said work:

- the spouse, partner or registered same-sex partner of the owner or co-owner of the micro-enterprise or establishment or of the self-employed person;
- the spouse, partner or registered same-sex partner of one of the parents of the owner or co-owner of the micro-enterprise or establishment or of the self-employed person;
- a person to whom the owner or co-owner of the micro-enterprise or establishment or self-employed person is closely related;
- the parents and children of the spouse or partner or registered same-sex partner of the owner or co-owner of the micro-enterprise or establishment or self-employed person.

The work of a person referred to in the preceding paragraph may be carried out for a maximum of 40 hours per month. If pensioners notify the authorities, this does not affect the payment of pensions and disability insurance benefits. In the case of a disabled worker, the contractor's state of health as stated in the decision establishing the disability or the opinion of the disability commission on their residual capacity for work must be taken into account. Pensioner must register their personal supplementary work with the administrative unit (ZPIZ-2, 2022).

c) Supplementary work on a farm

Supplementary work on a farm is an activity linked to agriculture or forestry which is carried out on a farm and which enables the farm to make better use of its productive capacity and of the labour power of the members of the family (family members include all the members of the family who live and work on the farm and are not hired labour) (ZPIZ-2, 2022).

Complementary activities on the farm range from processing agricultural products to tourism. The types of complementary activities on the farm are regulated by the Regulation on complementary activities on the farm. The holder of a complementary activity on a farm may be a person who is the owner, lessee or other user of the farm and who carries out an agricultural activity on his/her own account and is duly qualified to do so. In order to carry out a complementary activity on the farm, the holder must obtain a licence issued on his/her request by the local administrative unit responsible.

There are two cases in which the carrying out of a complementary activity is subject to compulsory pension and invalidity insurance (ZPIZ-2, 2022):

- a person aged 63 or over opts out of compulsory pension and invalidity insurance on the basis of carrying out an agricultural activity, while exercising the right to a pension. After opting out, they declare that they are carrying out a complementary activity on the farm and that this income exceeds the asset threshold for entry into compulsory pension and invalidity insurance. Entry into insurance is not compulsory; or

- a person under 63 years of age opts out of compulsory pension and invalidity insurance on the basis of their agricultural activity, exercising their right to a pension, after 1.1.2007. From January 2013 onwards, such person is liable to apply for a pension, but resumes another occupation or a complementary occupation on a farm and whose income from that occupation, together with income from the basic agricultural and basic forestry occupations, exceeds the income condition for entry into compulsory pension and invalidity insurance. Entry into compulsory pension and invalidity insurance is compulsory, and the person who is liable to apply for compulsory pension and invalidity insurance is obliged to submit proof of income and a certificate from the occupational health service stating that he is medically fit to carry out an agricultural occupation with the application.

4.1.3 Taxation

All income taxpayers who are residents of the Republic of Slovenia are entitled to a general deduction, provided that another resident does not claim a special deduction for a dependent. For 2023, this amounts to EUR 5,000.00 per year or EUR 416.67 per month. Pension recipients who are residents of the Republic of Slovenia are entitled to the so-called pension relief, which amounts to 13.5 per cent of the pension or the income tax base. Income tax needs to be paid when one receives a pension above EUR 1,450, after taking into account the general and pension deduction. Taking into account also the senior citizens' allowance, the income tax will be withheld on pensions exceeding EUR 1,710 (ZPIZ-2, 2022).

4.2 Austrian legal system

Similarly to the Slovenian system, the Austrian pension system is based on the “pay as you go” system. The working society finances those people who are already retired via the First Pillar of the system. For this purpose, a certain contribution is automatically paid to the Pension Insurance Institution by all employed persons. In addition to the employee, the employer also pays a share into this state fund. However, the amount paid in is not kept in this pension fund until the employee retires, but is paid out to the pensioner in the year of payment in accordance with the pay-as-you-go system (APG, 2023).

There are eight different pension types in Austria: old-age pension, early old-age pension in case of a long-term insurance, flexible retirement scheme, heavy labour pension, pension for occupational disability, invalidity and incapacity to work, widow’s pension, orphan’s pension; and partial pension (APG, 2023).

In Austria, pensions are generally calculated in accordance with the General Pension Act depending on the group of insured persons, the General Social Insurance Act (for salaried employees), the Commercial Social Security Act (for tradesmen), the (for tradesmen and women), the Rural Social Security Act (for farmers) farmers) stipulate the basis for contributions (APG, 2023).

4.2.1 Old-age pension

Individuals who have attained the legal retirement age and have fulfilled the minimum insurance period qualify for an old-age pension. The established retirement age at present is 60 for females and 65 for males. However, for females, this will be progressively increased to 65 from January 1, 2024, to January 1, 2033. Entitlement to a pension exists if at least 180 insurance months (15 years) have been acquired. Of these 180 insurance months, at least 84 (7 years) must be based on employment, according to the General Pensions Act (the “APG”).

Long-term insurance pension (Hackler scheme) means men can claim a long-term insurance pension after completion of 62 years of age and acquisition of 540 contribution months (45 years). The contribution months are calculated from, for example, years of work and military and civilian service, but not unemployment (APG, 2023).

For women born between 1 January 1962 and 31 December 1965, the starting age for a long-term insurance pension is the same as for an old-age pension. This means that the above-mentioned cohorts are entitled to an old-age pension without deductions when they reach the age shown in Table 5. According to APG (2023), the eligibility requirements of 540 contribution months are calculated based on:

- Periods of compulsory insurance based on employment;
- periods of child rearing (maximum 60 months), which do not coincide with contribution months of compulsory insurance on the basis of employment;
- periods of weekly allowance (not covering child-raising periods);
- periods of military service, training and civilian service.

For men born after 1955, the standard age of retirement is set at 65 years. Electing to claim the pension before reaching this standard pension age will result in a 4.2% reduction in the pension value for each year (maximum 15%) preceding the standard retirement age (APG, 2023).

When determining pension insurance, up to four years (48 months per child, extending to 60 months in cases of multiple births) are acknowledged as periods spent in child rearing for both genders. This provision aids in diminishing gender disparities in individuals' insurance records, thereby augmenting their eventual pension entitlement. The contribution base used for child-rearing time was fixed at EUR 1,986.04 in 2021 and is annually adjusted upwards. This provision is uniformly applied to biological, step, adopted, and foster children for pension insurance purposes (BMGF, 2021).

The following regulation applies to women:

Table 8: Standard retirement age for women in Austria

Year of Birth	Standard Retirement Age
1 January 1964 until 30 June 1964	60.5 years
1 July 1964 until 31 December 1964	61.0 years
1 January 1965 until 30 June 1965	61.5 years
1 July 1965 until 31 December 1965	62.0 years
1 January 1966 until 30 June 1966	62.5 years
1 July 1966 until 31 December 1966	63.0 years
1 January 1967 until 30 June 1967	63.5 years
1 July 1967 until 31 December 1967	64.0 years
1 January 1968 until 30 June 1968	64.5 years
After 1968	60.0 years for women until 2024 65.0 years for women from 2033 onwards

Source: Austrian Government (2023).

Each child, including multiple births like twins or triplets, is considered individually, thereby reducing the number of months fully for each child. Insurance periods encompass both contributory periods and non-contributory periods such as time spent in child-rearing. The parent primarily responsible for the upbringing of the child is credited with this period. In the event that child-rearing periods overlap due to the birth of another child, the period for the first child concludes with the start of the period for the second child. If a person is employed during child-rearing, this period is considered as a basic insurance period, and the contribution base for the child-rearing period is added to the employment-related contribution when the pension is eventually calculated (BMGF, 2023).

All individuals enrolled in pension schemes have a maximum contribution base limit of 5,850 euros per month and a universally applicable low income threshold of 500.91 euros per month. For those facing financial hardship, support programs like those provided by the Austrian Pension Insurance Corporation and the Pension Fund of the Chamber of Labor are in place (Sozial Ministerium Austria, 2023).

The benchmark calculation period will be annually extended up to a maximum of 480 months (40 years). From 2028, the benchmark will be determined based on the 480 highest total monthly contribution bases. If fewer than 480 contribution months are available, the benchmark is calculated based on the available months of contribution (APG, 2023).

If an individual continues to be employed after reaching the statutory retirement age or engages in employment above the low-income threshold while receiving a pension, additional pension contributions will be deducted from their wages. The final pension amount is dependent on the income subject to contributions, the number of insurance months accumulated, and the age at which the pension starts (APG, 2023).

Choosing to retire after the standard retirement age will enhance the pension benefits by 4.2 percent annually.This additional period, also called “the bonus phase” can last a maximum of 3 years. In addition, during the the bonus phase, the employee's and employer's share of the pension pension insurance contribution are reduced by half. However, in the subsequent calculation, however, the full contribution bases continue to be used. Retirement before the standard retirement age leads to deductions that vary depending on the type of pension and age at retirement (APG, 2023).

As of 1.1.2014, all persons born on or after 1.1.1955 were fully converted to the pension account system. Those individuals who earned at least one month of coverage by 31.12.2004, received an account-first credit. The account initial credit was the "starting capital" in the pension account and was calculated from insurance periods and contribution bases acquired in the Austrian pension insurance system up to 31.12.2013 (APG, 2023).

For persons who only acquired insurance periods from 2005 onwards, the pension entitlements were already stored in the pension account in the form of annual partial credits stored. Since 2014, the pension account has been credited for each additional year in which insurance periods are acquired, a partial credit is recorded in the pension account. The partial credits are calculated by multiplying the annual contribution bases by the Account percentage of 1.78. Together with the initial account credit the partial credits make up the total credit. The total credit divided by 14 equals the gross monthly retirement pension at the standard retirement age. The pension account balance increases with each additional contribution payment. The later the retirement date, the higher the pension. The current balance of the pension account is calculated from the eligible best income years between the first entry into the pension insurance and the retirement date and can be checked online at any time. All accumulated credits are adjusted annually for general inflation and wage trends (APG, 2023).

4.2.2 Heavy labour pension

With the heavy labor pension, it is possible to claim an old-age pension under the General Pension Act before reaching the standard retirement age. The prerequisite for this is that the person must have performed heavy labor for a certain period of time under particularly stressful mental or physical conditions. For both men and women, the insurance event occurs at the earliest when they reach the age of 60. The minimum insurance period is 540 months (45 years), with at least months of heavy labor (10 years) completed during the last 120 months (20 years) before requesting the heavy labour pension. Women will not be eligible for the heavy labor pension until 2024. Prior to that, they will have the option, upon reaching the age of 60, of either old-age pension or an early old-age pension upon reaching the age of 60 (APG, 2023).

4.2.3 Corridor pension

With the corridor pension, the old-age pension can be claimed with appropriate deductions even before reaching the standard retirement age, if the eligibility requirements are met. The corridor pension applies equally to men and women and can be claimed at the earliest after reaching the age of 62. However, women will not be eligible for this type of pension until 2028, as the standard retirement age for women will be 62 from that date. Before then, women will have the option of taking an old-age pension or an early retirement pension before reaching the age of 62. The standard retirement age will be raised gradually (APG, 2023).

4.2.4 Partial pension

According to the Austrian Unemployment Insurance Act, partial retirement means an agreement in which the employees agree with their employer to reduce their working hours, which is not meant as a pension, but a form of partial retirement, with the aim of making it easier for older employees to work until the standard retirement age. Persons who want to apply for a partial pension must have been employed for 780 weeks (15 years) in the last 25 years before filing the application and must fulfil the eligibility requirements for the partial pension. The partial pension is designed to be gender-neutral. At the time when the regulations on the partial pension came into force in January 2016, only men could apply for a partial pension due to the applicable transitional provisions in pension law. With the alignment of the standard retirement age for women to that for men, it will also be possible for women to transfer to partial retirement in the future (APG, 2023).

This model allows people who meet the eligibility requirements for the corridor pension, i.e., have 480 months of insurance (40 years) and have reached the age of 62, to continue to participate in the pension scheme until they reach the standard retirement age while continuing to participate in working life until they reach the standard retirement age and, at the same time, to take more time off. The standard retirement age is 65 for men and currently 60 for women. The partial pension applies equally to men and women. Since the statutory retirement age for women is currently still lower, they will not be eligible for partial retirement until 2027. The partial pension provides for a weekly reduction in working hours of 40 - 60%. is envisaged. It is not possible to take a block of time off (APG, 2023).

The Labor Market Service pays 50 percent wage compensation for the work time that is eliminated, as a result of which the salary is reduced by only half as much as the working hours. So if someone receives partial pension and, for example, works at 50%, they receive 75% salary. However, social security contributions continue to be paid at 100% of the previous salary. Employers are reimbursed 100% of the costs by the Public Employment Service, which creates an incentive to continue employing older workers (Austrian Government, 2023). The savings in the corridor pension resulting from partial retirement and the additional social security contributions due to longer employment outweigh the expenses. Partial retirement and partial pension can be taken up for a maximum of 5 years as a subsidized period of reduced working hours with wage compensation (APG, 2023).

4.2.5 Additional income to the old-age pension

One can earn an unlimited amount of additional income in addition to your old-age pension. The additional income does not reduce the pension amount. However, it may lead to an increase in the pension. If the employment exceeds the marginal earnings threshold of 500.91 euros per month (value 2023) and this results in compulsory pension insurance, the pensioner has received a special higher insurance amount since 1.1.2005. This amount is payable for the first time as of the calendar year following the calendar year of the commencement of employment (APG, 2023).

In the case of receiving early old-age pension, no more than EUR 500.91 per month (14 times per year), can be received in additional income, otherwise this income results in compulsory insurance under the pension insurance scheme. If the early old-age pension is discontinued due to employment, this leads to an increase in the regular old-age pension. The pension amount is generally recalculated when the regular retirement age is reached. In this case, the old-age pension is increased for each month in which the early old-age pension was discontinued due to employment (APG, 2023).

As of 1.7.2019, there were 82,043 people in Austria who were employed and also received some kind of pension, of whom 58.7% or 48,200 were employed. Two-thirds of these 48,200 employees receiving pensions were women (Yeoh & Biller, 2020).

4.2.6 Taxation

Pensions obtained from statutory social security systems, such as those from the Workers', Employees', Farmers', or Commercial Economy Pension Insurance Institution (Association of Austrian Social Insurance Institutions), as well as those from the state or provinces, are classified as employment income and are thus subject to income tax. The institution granting the pension withholds wage tax from the ongoing pension, calculated based on the income tax rate (Unternehmensservice Portal, 2023).

If a retiree receives multiple statutory social security pensions, retirement benefits, pensions from a previous employment agreement with a province, or pensions from domestic pension funds, these are collectively taxed. The institution responsible for disbursing the largest taxable income is held accountable for the combined taxation. On the other hand, if a retiree receives a company pension in addition to their statutory pension, collective taxation does not apply. Instead, an employee tax assessment must be conducted at the close of the fiscal year (APG, 2023).

If an individual receives a pension along with employment income (like a widow's or widower's pension, or secondary employment to a pension), they must collectively pay tax on these with their salary. In the annual tax computation, all current wages and salaries plus the pension (excluding holiday and Christmas bonuses) must be consolidated, with at least the social security contributions subtracted. If the total yearly income does not exceed 12,756 euros (2023 value; the 2022 value was 12,000 euros), no additional tax payments are required. If this amount is surpassed, an additional tax claim typically arises, the quantum of which depends on the total yearly income and the wage tax already paid (APG, 2023).

5 INCENTIVES TO INCLUDE OLDER POPULATION IN THE WORKFORCE

Active ageing refers to the maximisation of opportunities for health, engagement, and safety to enhance life quality as people get older (WHO, 2015). Therefore, being active implies both the capacity to be physically active or participate in the workforce, as well as the ongoing involvement in social, economic, cultural, spiritual, and civil affairs (Boudiny, 2013). The preservation of work ability, and therefore active ageing over the lifespan, is a crucial prerequisite for retaining older workers in the workforce (Karazman, 2007). According to Ilmarinen (2009), work ability concerns both physical health and wellbeing as well as other personal resources like skills, competences, and motivation. Further, work-related aspects such as work content, work organization, and management are important. These factors are pivotal in enabling older workers with potential health issues to meet work demands and continue working (Geissler, 2011). Therefore, there is a justified economic and ethical argument for the formulation of policies and discovery of solutions that foster active ageing, manifesting in increased participation and reduced care-related issues.

A number of studies have found that people continue working beyond the normal retirement age for both financial and non-financial reasons (van Erp et al., 2014). The data show that in most cases the motive is financial: either to increase the entitlement to a higher pension by working more years, or to supplement household income, or even both. However, data show that the financial motive generally becomes less important with age. For those still working after 65, non-financial motives are more important than for younger age groups, although they are generally still slightly less important than financial motives, and their relative importance varies between countries (Komp et al., 2010). Among the population aged 60-64, just over two thirds of those receiving a pension and continuing to work in the EU report doing so for financial reasons, mostly to supplement their pension with earnings from employment. The split between financial and non-financial reasons varies across the EU, largely reflecting the income level and generosity of pension systems (van Erp et at., 2014).

The pattern of cross-country differences in the reasons why pension recipients continue to work is generally repeated for those aged 65-69, with a slight increase in the number of those reporting non-financial reasons in high-income countries, possibly reflecting the higher pensions they typically receive after reaching the official retirement age. In many lower-income countries, the share of people continuing to work for non-financial reasons remains very low and they continue to work mainly to supplement household income (Özdemir at al., 2016).

Women receiving a pension seem to be more likely than men to continue working for financial reasons, especially in countries where most men report working for non-financial reasons, i.e., in higher income countries. In eleven Member States, the proportion of women in the 60-64 age group reporting this is significantly higher than for men, while the reverse is currently true in only three countries in the European Union, namely the Netherlands, Cyprus and the Czech Republic (Enda & Gale, 2020). This may reflect the fact that women's pensions tend to be much lower than men's, which in turn reflects the gender pay gap, which is still relatively large in most EU Member States.

Significant advancements have been achieved in enhancing the participation rates of older individuals (aged 55-74) in the European Union (EU) over the past ten years, with the figures rising from 31.6% in 2010 to 39.1% in 2018. These improvements can be attributed to pension reforms and structural shifts in the labor market, including increased female economic activity, higher educational attainment, and better health conditions. However, noteworthy variations persist across countries and genders, as stated by the Social Protection Committee (2020). The rise was even more pronounced for the 55-64 age group, reaching 61.9% in 2018, with Austria experiencing an increase of over 9 percentage points within the 55-74 age group. Nevertheless, Slovenia and other member states remained 7 percentage points below the EU average participation rate in 2018. Enhancing the employment rates of older individuals could significantly reduce public pension expenditures in certain countries, such as Slovenia and Austria, by more than 0.5% of GDP, as highlighted by the AWG (2021).

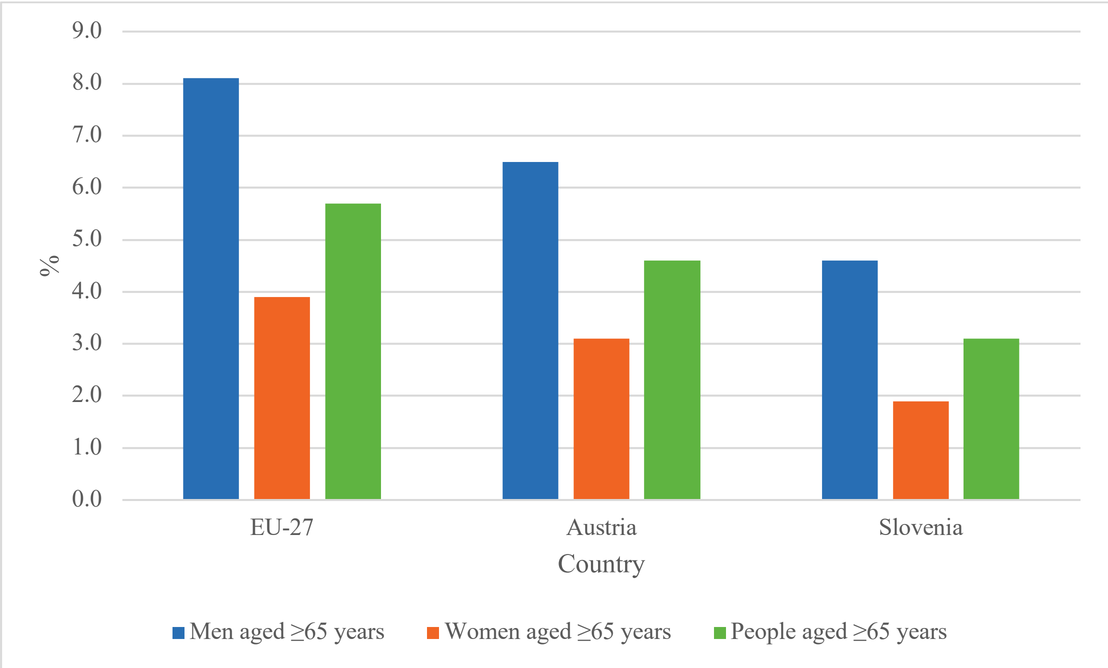
A significant discovery is also that older workers do not always choose to withdraw from the work force at their own discretion. Employers often offer incentives for early retirement, and empirical studies indicate that both workers and employers play a role in this decision, as noted by Riedel and Hofer (2013). Older workers, being more expensive, are sometimes replaced by younger, more cost-effective employees, especially during economic recessions, as pointed out by Fischer and Sousa-Poza (2006).

Research analyzing Austrian data has explored whether individuals who retire come directly from the labor market or from unemployment. Strong evidence suggests that a considerable number of older people experience unemployment before transitioning to pension benefits, with around 24% of men and 19% of women retiring from unemployment in 2013, as observed by Wöss et al. (2016). This aligns with findings from studies utilizing Austrian social security data, which highlight the "transition phase" experienced by older workers who are too old to work but not yet eligible for retirement, resulting in unemployment prior to retirement, as discussed by Ichino et al. (2017). This transition phase and its determinants are crucial topics of discussion. Additionally, studies have explored whether the exit of older workers leads to increased labor market entry for younger individuals. According to aggregate data from all EU countries, there is no statistically significant correlation between the exit rate of elderly workers (or subsidized part-time work for older workers) and youth unemployment rates in 2009, as stated by Eichhorst (2013).

Based on a study utilizing SHARE data, including Austria, it is revealed that many older workers retire not due to favorable early retirement arrangements but because they perceive limited job options available to them, as indicated by Radl (2013). Furthermore, the opportunity to continue working after retirement is scarce, as discussed by Schober and Winter-Ebmer (2011).

Research indicates that the structure of social security systems, including factors like qualification requirements or the extent of benefits, significantly affects the engagement of older workers in the labor market. This influence extends beyond just the realm of pension insurance and the terms and availability of early or regulated retirement. The decisive element impacting older workers' participation in the workforce pertains to the provision and terms of benefits in situations of sickness, disability, or joblessness (Budimir, 2011).

Figure 4: Employment rate of people aged ≥65 years, by sex, 2019



Source: Eurostat (2020).

As seen in Figure 4, employment rate of people aged 65+ are below the EU-27 averages for men and women in both Slovenia and Austria. It is also apparent, that the numbers for Slovenia are falling far behind from both the EU-27 averages and the Austrian averages for both sexes.

Studies, both scientific and non-scientific, have explored whether stereotypes affect the employability of older workers. Stereotypes encompass notions of older workers being too expensive, possessing outdated qualifications, being less inclined to pursue training, lacking innovation, displaying resistance to adapt to company rules, and having higher sick leave rates. An Austrian Employment Service report highlights the role of stereotypes in leaving older workers without job opportunities, as revealed by Arbeiterkammer (2023). It should be noted that the Pension and Disability Insurance Institute of Slovenia does not maintain statistics on the work patterns of pensioners that do not affect pension payments or those who have retired and re-entered the labor market through employment contracts or self-employment. However, their monthly statistical report from August 2022 indicates that 16,052 insured individuals are receiving a portion of their pension while remaining in full-time employment, having fulfilled the retirement conditions. Additionally, 4,216 insured individuals who have fulfilled the retirement conditions are working less than full-time (between two and seven hours a day) and receiving a partial pension, with only 460 working at least four hours a day, while the remaining 3,756 work at least two hours a day, according to ZPIZ (2023).

5.1 Government initiatives

5.1.1 Austria

It is enabled by law that people can keep receving old-age pension while continuing to work, or after deciding to return back to work. If a person is retired and receives an old-age pension, which means they have retired at the age of 60 (women) and at the age of 65 (men), one may earn as much additional income as he or she wants. However, in most cases income tax will need to be paid in the following year. If a person retired early, meaning before the standard retirement age of 60 for women and 65 for men, one may earn up to € 500.91 gross per month (2023). If one earns more than the earnings limit, the entire pension for the month will be forfeited (Arbeiterkammer, 2023).

5.1.2 Slovenia

The legislation in force is preventing older workers to continue working full time while receiving pensions. If they have a traditional employment contract or a registered business, they can work between two and eight hours a day, or between 10 and 40 hours a week, as there is no limit on the number of hours worked per month in the case of an author's contract, personal supplementary work, complementary activities on a farm, as a partner or manager. In the case of temporary or occasional work, pensioners may work 60 hours per month and 90 hours three months per year, up to a maximum of 720 hours per year. Short-term work can be carried out for a maximum of 40 hours per month (ZPIZ, 2023).

There are no earnings limits for an author’s contract, as a farm worker, as a partner, as a proxy or as a manager. Pensioners may earn a minimum of EUR 6.17 gross per hour, and a maximum of EUR 9,237.96 gross annual salary as of 2022, when performing temporary or occasional work. In the case of personal supplementary work, the income in the first half of the calendar year may not exceed three times the average net wage in Slovenia in the previous calendar year; in 2021, this was EUR 3,810.09. There is no remuneration for short-term work, but the employer may reimburse the costs of transport and meals during the work (ZPIZ, 2023).

5.1.2.1 Social enterprises

In Slovenia, there is a possibility of establishing a special type of company that is called a social enterprise, defined in the Vocational Rehabilitation and Employment of Persons with Disabilities Act (ZZRZI, 2023). Social enterprises provide jobs for people with disabilities. They represent a kind of social economy, as they are the most important employment option for people with disabilities, and offer companies incentives to employ people with disabilities, as well as entitlements to various exemptions and reliefs.

A limited liability company or limited partnership may operate as a company for persons with disabilities if it employs and trains at least 40% of the company's employees with disabilities throughout the financial year (ZZRZI, 2023).

Under the ZZRZI, social enterprises are eligible for a tax base reduction of 50% of the employee's salary or a tax base reduction of 70 % of the employee's salary, depending on the number of persons with disabilities the company is employing. There is a possibility of an even higher tax reduction if the enterprise employs disabled persons under the Vocational Rehabilitation and Employment of Persons with Disabilities Act (2023) above the prescribed quota and their disability is not the result of a work-related injury or occupational disease at that employer. If a company employs a person with a 100 % physical impairment, the reduction of the tax base amounts to 70 % of the wage paid to the employee. For the employment of a deaf person, the reduction in the tax base amounts to 70 % of the wage paid to the person employed (ZZRZI, 2023).

A similar regulation could be introduced for companies to employ pensioners. The social enterprises could serve as an example of what could be done to encourage companies to employ pensioners, if the companies got similar tax base reductions and other reliefs.

5.1.2.2 Other comparable reliefs

Article 257 of ZPIZ-2 specifies that employers can request a 50% reimbursement of employer contributions for the first employment year, and a 30% reimbursement for the second year for individuals who are insured through company employment under Article 14 of ZPIZ-2, and who have not reached 26 years of age, as well as for mothers looking after a child under three years of age, when they secure full-time employment for the first time and maintain continuous employment with the same employer for at least two years. This same approach could be adapted for the employment of the older demographic (ZPIZ-2, 2023).

5.2 The role of the private sector

To understand how population ageing affects the welfare systems, private dimension should be taken into account as well (Istenič et al., 2019). There not many different iniciatives to include older population into workforce in Austria and Slovenia, which is most likely the result of the strict laws that do not allow for much opportunity for the employers to be creative in this regard, especially in Slovenia. However, there are some initiatives that show promise in both countries, such as “Vollpension” and “WisR”in Austria and “Senior dela” in Slovenia. There is an obvious tendency for recruiting the older workers online as will be seen in all the cases described below. The question remains, however, if this is currently the best option for recruitment of older workers, as they might not be as skilled in using the social media and the internet as younger generations are.

5.2.1 Austria

There have been some emerging initiatives from the private business sphere in Austria to deal with the aging population poverty issue and the inclusion of older workers in the workforce. These businesses are trying to help retired workers to join the workforce as well as be included in the society.

5.2.1.1 Vollpension

"Vollpension" is a German word that has two meanings, the first means a hotel stay which includes breakfast and dinner, and the second means retirement payment. This describes the business perfectly – the pensioners that make you feel like you are in a hotel, or at your grandma's house. Vollpension is a social impact business that started as a pop-up in the year 2012 by two co-founders. First, the business evolved from being being present at pop-up events to touring Austria in a van as a food truck business (Vollpension, 2023).

By establishing Vollpension, the co-founders created a space where seniors can actively get involved in the society, not being alone but instead being actively included in a community and conducting meaningful activities (Vollpension, 2023).

Vollpension operates at six different locations. The way the business operates varies from location to location, including (Vollpension, 2023):

- Two "Generationcafes", where employees, mainly pensioners, bake and sell homemade cakes and other pastry, breakfasts, homemade coffee, tea, lemonade, icetea etc.;
- A baking academy, where individuals or companies can sign up for baking lessons;
- Food trucks to rent for company events or similar;
- An online shop where different products and vouchers can be purchased to support the pensioners who work at Vollpension.

Older people that are hired at "Vollpension" have several responsibilities and job opportunities, that vary from baking and cooking to waitressing in one of the Vollpension coffee houses. Additionally, the employees bake and make coffee which they can sell at one of the "to-go" locations in Vienna, or one of the food trucks at various events. Additionally, they are organising baking classes for different audiences. Among others, businesses can hire the private baking classes for company events or book the food trucks for company parties. Apart from that, the employees at Vollpension regularly create social media posts, organise online baking classes and write blog posts with advice for younger people (Vollpension, 2023).

The work enables them to earn additional income while receiving the pension and therefore helps them avoid old-age poverty. The work is focused on finding self-empowerment and promoting a dialogue between generations. More than 50% of Vollpension employees are older than 60 years old. The increase in salary alongside the pension means the pensioners employed at Vollpension increase their monthly income for 40% on average (Vollpension, 2023).

The job openings for Vollpension are listed on their webpage, where it is possible to apply for all the positions that are available at the time, from “baking grandma/grandpa”, “waitressing grandma/grandpa” to “influencer grandma/grandpa” and other administrative and HR positions (Vollpension, 2023).

The philosophy behind creation of Vollpension was, that around 640,000 seniors are living alone in Austria (Statistics Austria, 2020), most of which live in an urban area. Loneliness and isolation affect the seniors that live alone the most. In addition, this can lead to being exculded out of social networks which negatively affects social loneliness and financial poverty. Vollpension enables active participation in society instead of loneliness in retirement and old age, as well as promotes and enables self-empowerment through meaningful activities instead of poverty in old age. It further sparks dialogue between the generations as part of tackling the gap between old and young, especially in urban areas where people can be significantly more anonymised than in rural areas (Vollpension, 2023).

The impact of businesses such as Vollpension does not only directly have an impact on the older population that lacks sufficient funds and other support, but also has a wider social impact by including the pensioners into the society, connecting different generations and transfer of knowledge between different generations.

5.2.1.2 WisR

The platform "WisR" was established as a start-up in 2017 to connect companies with pensioners who still want to work. The philosophy behind it was, that a 60-year-old person today has the biological age of a 40-year-old person from 100 years ago. This webpage provided a platform, similar to Senior Dela in Slovenia, which is described in the following chapter. It enabled companies to post job listings online. This would enable pensioners to find available job options online, all in the same place, which would make it easier for the pensioners to find work and compare different job listings in the same place. Their mission was to enable the transfer of knowledge between the generations as an essential success factor in successful and sustainable corporate management (Perlaki, 2021).

The aim was to connect experienced talents with suitable companies. The founders wanted the platform to act as a LinkedIn for older generations. The platform was supposed to be free of charge for job seekers. The business model is financed from the other side: companies pay for advertisements. The profile on "WisR" was to remain as simple as possible. No CV in tabular form had to be filled out, but simple questions had to be answered, such as “What can I do well and why?” (Steinschaden, 2021)

The company is no longer in operation. One of the reasons for that might be that older workers in Austria are already seeking employment on their own, as this is not being made more difficult by law, in comparison to Slovenia, where there are more obstacles. However, another issue might be the fact that older population is not so skilled with the use of computers and online platforms. Older generations are not as familiar with social media and online recruiting, but this is changing rapidly as the generations that had to use software are now entering retirement. Another possible obstacle for this business to really take off could be that it was established right before the COVID-19 pandemic, making it harder for the business to grow. The COVID-19 pandemic was also a reason for older generations to familiarize themselves with computers more and get more adapted to doing different tasks, such as searching for work, online. Such platform could therefore be further introduced in Austria, such as described below in the case of a Slovenian company “Senior Dela.”

5.2.2 Slovenia

5.2.2.1 Senior Dela

Today, many companies are facing challenges in recruiting suitable staff for temporary work, mentoring roles, coaches, consultants, casual workers for simpler tasks and administration, mainly due to the lowest unemployment rate on the market in the last five years. On the other hand, due to the ageing of the population, we have a large number of working pensioners who are looking for extra income due to low pensions. Companies do not have access to them, and pensioners are not aware of the labour law options and restrictions for temporary work that would not hinder their right to a pension.

Senior Dela is an on-line e-recruitment system for pensioners that digitally brings together senior job providers and job seekers in one place. The solution is simple and easy to use, and all the necessary administration for employing a pensioner in a legally permissible way is automatically taken care of. There are related solutions on the market that only partially address the employment of the older population, such as the different working conditions through special contracts, as described earlier. The main advantages of Senior Dela are automation, speed, transparency and ease of search. The registration of seniors in the database and the advertisements of companies and individuals create a hub of providers and job-seekers of senior jobs. In addition to links and opportunities, Senior

Dela members also get help in concluding contracts between providers and job-seekers (Senior Dela, 2023).

Perhaps one of the reasons this platform is successfully working in Slovenia is also the fact that the Slovenian government has been working to improve the familiarization of older people with computers and the internet. In 2022, residents of the Republic of Slovenia aged 55 and over were able to take part in subsidised non-formal education to improve their digital competences. Participation in this training was free of charge and was subject to the following conditions: permanent residence in the Republic of Slovenia and age 55 or over. Once the eligible persons have completed the non-formal training, they were entitled to receive a digital voucher to help with a purchase of computer hardware (Senior Dela, 2023).

Additionally to the webpage Senior Dela, there are some companies in Slovenia, such as a grocery store chain Tuš trgovine and a fast-food chain McDonalds are searching for pensioners to employ via their web pages (Tuš trgovine, 2023) (McDonalds, 2023). They offer a contract for maximum 60h per month, as more than that is prohibited by law.

6 DISCUSSION

This chapter is aims to bring together the findings from the review of literature and answers the research questions, that were posed in the beginnning of the research. The old-age dependency ratio (ratio of those aged 65 and over to those aged 20-64) is projected to change substantially in the EU, from 33.0% in 2022 to 59.7% in 2100 (AWG, 2021; Eurostat, 2023). The situation is similar in Austria and Slovenia, where the old-age dependency ratio is 29.4% and 33.1%, respectively, in 2023. The old-age dependency ratio is projected to change to 58.5% in both countries by 2100 (Eurostat, 2023), indicating that the old-age dependency ratio percentage will grow slightly faster in Austria than in Slovenia, but both countries' old-age dependency ratio percentages will stay below the EU average until 2100. The changing age structure of the population will have an important impact on individuals, governments, businesses, and civil society (Eurostat, 2020).

To answer the first research question, »What is the magnitude of old-age poverty present in Slovenia and Austria as compared to other age groups?«, the data collected in different databases and reports was reviewed. In OECD (2019), people aged 65+ were on average at higher risk-of-poverty at 13.5%, than the total population at 11.8%. This was especially true for the people aged 75+ at 16.5%. Older population was also at higher risk of poverty (12.3%), than the whole population in Slovenia (8.7%). This was, similarly to the OECD average, even more apparent for the people aged 75+, who were at 15% risk. In Austria, the situation was different. Older people, aged 65+ were at a lower risk-of-poverty (8.7%) than the total population (9.8%). This was also true for those aged 75+ (9.0%).

Pensions are one of the indicators of differences in the economic situation and equal opportunities between women and men. For the vast majority of older people, pensions are the only and most important source of income. This puts them at a higher risk of poverty in old age. Women are the primary caregivers in families, first caring for children and the household, then for older family members and often for their partner in old age (ZZZS, 2019; Grant et al., 2005).

In answering of the second research question, "How significant are gender disparities in relation to elderly poverty in Slovenia and Austria?", it became clear that the disparities are considerable. Older women in both nations have a longer life expectancy, are more likely to live alone, and receive smaller pensions or annuities (SURS, 2023b; Statistics Austria, 2023). Consequently, older women are at a higher risk of poverty and social exclusion in both Slovenia and Austria, as well as all EU member countries (Eurostat, 2023). In Austria, there's strong empirical evidence demonstrating long-standing, distinct gender roles, impacting the gender wage gap, and thus the gender pension gap. Long-term simulations suggest that enhancing gender equality in Austria could increase GDP by 13 percentage points by 2060. Moreover, promoting more gender equality in Austrian society could enhance the well-being of the Austrian people (Ziemann, 2015).

Single women are at a higher risk-of-poverty than any other group, with single older women being especially at risk. As the population continues to age, the number and proportion of older women (and thus single older women) will also increase (Eurostat, 2021). Even if equalising the careers of men and women would lead to comparable pensions, the gender pension gap in the EU would still persist, due to the fact that women take career breaks more often and are more prone to work part-time to take care for children. While the pension gap is smaller for those who have retired in recent years, it has remained high in Slovenia and Austria (SURS, 2023; Statistics Austria; 2023).

Overall, while the gender ratio in the old age population of Austria and Slovenia are slightly skewed towards women, the gender pay imbalance varies by age group and are influenced by a variety of factors related to longevity and social and economic factors. In Austria, pension gap was 41.6% in 2021 (Statistics Austria, 2021). 26% of women pensioners were at risk-of-poverty at 26%, compared to 15% male pensioners. In Slovenia, the risk-of-poverty for men aged 65+ was 10.4%, while it was much higher for women aged 65+ at 20.9%.

The third research question was »What are the differences between Austrian and Slovenian legislation with regard to extended employment after reaching retirement age?« To answer that, both Slovenian and Austrian legal systems as regards pensions were closely examined. Both countries' pension systems are structured in a similar way. They are both based on the pay-as-you-go principles, and consist of three pillars. Since the start of the 21st century, both nations have significantly limited the availability of early retirement options (APG, 2023; ZPIZ, 2023). With fewer younger people in the workforce, there are concerns about the sustainability of the pay-as-you-go pension system and the ability to provide adequate pensions to older adults (Keuschnigg & Keuschnigg, 2004). This is not country-specific for Austria and Slovenia. Most EU countries have introduced the pay-as-you go system, and they are all facing this issue (OECD, 2022).

The pension system reform in Slovenia, which took place in 2012, gradually equalized genders by increasing the retirement age to 65 and incentivizing individuals to extend their working years beyond the basic retirement age. As of 2021, the mean age of retirement in Austria stood at 59.9 years for women and 61.9 years for men, both ages being lower than the legal retirement age of 60 for women and 65 for men (ZPIZ, 2023; Statistics Austria, 2022). Both Slovenia and Austria have future plans to raise the retirement age specifically for women, with the objective of aligning the retirement age between the sexes (ZPIZ-2, 2022; APG, 2023).

Efforts have been made by both the Austrian and Slovenian administrations to rectify pension disparities by raising pension contributions for those with lower earnings, a group that encompasses a substantial number of women. They have also implemented strategies aimed at fostering gender equity in the employment sector, including the provision of childcare and parental leave assistance (APG 2023; ZPIZ, 2023). Nonetheless, there are still substantial issues to be addressed in relation to the root causes that lead to gender-based pension gaps in Austria and Slovenia. Recent Austrian legislative changes may not be as advantageous for women, particularly those with discontinuous employment histories. The initiation of the corridor pension, which doesn't consider the lower statutory pension age for women compared to men, implies women will be ineligible for this pension type until 2028, when the age for their statutory retirement is expected to increase (Austrian Government, 2023).

The aging population is also putting a pressure on the pension systems in both countries. The governments in both countries are taking steps to address these issues, such as reforming the pension system and investing in healthcare and social care services for older population (Government Austria, 2023; Slovenska tiskovna agencija, 2022).

There are significant differences between Austrian and Slovenian legislation with regard to extended employment after reaching retirement age. Whereas Austrian legislation is allowing people to receive old-age pension and continue working or return to full-time work while continuing to receive pension (APG, 2023), Slovenian legislation prevents that. It is, however, possible to work while receiving pension in Slovenia by way of receiving partial pension, working under an author's contract, working while receiving 20% or 40% early retirement pension, working under a subcontracting agreeement or other forms of precarious work, listed in ZPIZ-2 (ZPIZ, 2023).

The last two research questions, »What are examples of good practices of including older population into working population in Slovenia and Austria?« and »Can these best practices be implemented in the other country from a regulatory standpoint?« can be answered together.

After exploring the examples of good practices of including older population into working population in Slovenia and Austria, it is apparent that there are not yet many initiatives out there. To the best of my knowledge, there are two major initiatives in the private sector – one in each country – currently in place.

Vollpension is a social business based in Austria, that employs senior citizens and achieves social effects by tackling old-age poverty through additional income and embedding older population in the social structure and a support system, making contact with younger and older generations (Vollpension, 2023). The aim of the company is uniting young people with the older generations. By employing pensioners for cooking, baking or waitressing in the coffee house on a marginal or part-time basis for them to earn money on top of their pensions. Vollpension is effectively contributing towards enhancing active societal involvement, thereby combating isolation in the elderly. It's fostering self-determination through purposeful activities as opposed to age-related poverty and encouraging intergenerational communication to bridge the widening divide between the young and old (Vollpension, 2023). Vollpension, or a similar business, could have been implemented in Slovenia based on the current legislation to some extent. This would need to be done with some amendments, as the legislation prevents the full-time empoyment of people that are receiving pension. This means that inclusion of older workers in such a business would be necessary under precarious working conditions.

There are a few government initiatives in place in Slovenia that would stimulate older people to stay in the workforce or return to work after retirement (ZPIZ, 2023). There are also no initiatives for companies to hire or retain older workers. However, there are initiatives in place for the disabled persons who want to work. Similarly, initiatives for older population could be implemented as well, which would make it easier for older workers to find a job, but even more importantly would create a stimulating environment for companies to hire such workers (ZZRZI, 2023).

Senior Dela, on the other hand, is a Slovenian platform that is targeting older workers and the companies that wish to employ them and offers the companies and the potential workers a platform to connect and find a job or a new employee (Senior Dela, 2023). This plaform could easily have been implemented in Austria. There is no legislation that would prevent that – on the contrary, the legislation in Austria makes it easy for the pensioners to work full time. Such a platform that is connecting older people with potential employers would be beneficial for preventing old-age poverty and minimizing old-age pay gap. There are no barriers from the legislation point why the business should not start operating cross-border with Austrian pensioners and businesses. However, the platform lacks one crucial improvement, which is the option to navigate the webpage in English and perhaps German instead only in Slovenian language. This kind of platforms will become more and more useful as more and more old people become digitally literate.

Proposals for stakeholders

A comprehensive policy framework to foster greater gender equality in Austria should be founded on three cornerstones: i) redesign the tax and benefit system to be more supportive of employment, ii) expand the infrastructure for care services, and iii) advocate for more adaptable practices in workplaces. Consolidating family policies across various regions and government levels would result in efficiency improvements for all these aspects.

It is essential that pension policies and labor markets foster equal career progression and pay to ensure that women and men have the same opportunities for accruing pension and retirement benefits. Given the enduring challenges women encounter in labor markets, it is critical to implement effective policy measures in this direction. This will be key to addressing gender-related disparities in the labor market and to boosting gainful employment opportunities for women globally.

Slovenia is doing better as regards gender equality in pensions, but women still face difficulties that men do not. It would be beneficial if Slovenia would employ the same pension system as Austria with regard to working while receiving pension, which is completely feasible based on Slovenian legislation. While this could make the public finance system more unsustainable, it would also lead to collecting more taxes.

Overall, the aging population trend in both Slovenia and Austria is a complex issue that requires careful consideration and planning to address the challenges and opportunities associated with an aging population.

Both countries have room for improvement when enabling pensioners to work, or better yet, when encouraging pensioners to continue working or return to work while already receiving pensions. I believe that the Slovenian private sector would react similarly to Austrian and initiatives such as the Austrian »Vollpension« would emerge. This would be beneficial for several reasons: battling old-age poverty, battling pension gender pay-gap by enabling women to earn higher income, less social exclusion of older people. This would also lead to older people having more income at hand, which, alongside minimizing old-age poverty could also lead to higher spending. Additionally, more tax would be collected. Therefore, the more pensioners are able to work, the more it benefits the whole society in both Austria and Slovenia.

7 CONCLUSION

The population in developed countries is aging, which is also the case in Slovenia and Austria. This means more and more people are entering pension, while the working population is getting smaller. Consequently, the old-age dependency ratio is increasing.

Pensioners are at a higher risk-of-poverty than younger population. The risk-of-poverty is even higher for people who live alone, and even more so for women. The risk-of-poverty further increases with the number of children one has. Public pension systems reduce the risk-of-poverty in old-age significantly, however, the issue persists.

Gender pay gaps in labour markets remain pervasive around the world, as well as in Slovenia and Austria. Gender pay gaps further result in gender pension gaps, making the old-age poverty a more probable for women.

The Austrian and Slovenian legal systems both offer pensions on a pay-as-you go basis, with a major difference between the jurisdictions being the option to continue to work full-time while receiving pensions in Austria. In Slovenia, pensioners can work under some conditions, but are restricted to work full-time while receiving pensions. There are some initiatives in place that are making it easier for pensioners to find work in both countries.

REFERENCES

12. Angel, S., & Kolland, F. (2011). *Armut und soziale Benachteiligung im Alter*. Wilhelm Braumüller Universitätsverlag.
13. APG (Allgemeine Pensionsgesetz). (2023). BGBl. I Nr. 142/2004.
14. Austrian Government. (2023). *Pension.* https://www.oesterreich.gv.at/themen/arbeit_und_pension/pension.html.
15. AWG (Working Group on Ageing Populations and Sustainability). (2021). *The 2021 Ageing Report: Economic and Budgetary Projections for the EU Member States (2019-2070*). https://economy-finance.ec.europa.eu/system/files/2021-10/ip148_en.pdf.
16. Barr, N. & Diamond, P. (2008). *Reforming Pensions: Principles and Policy Choices*. https://www.researchgate.net/publication/331224555_Die_Angemessenheit_der_Altersrentensysteme.
17. Bolina, A. F. & Araújo M. D. C. & Haas V. J. & Tavares D. M. D. S. (2021). *Association between living arrangement and quality of life for older adults in the community*. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7798390/.
18. Boll, C. & Lagemann, A. (2019). The Gender Pay Gap in EU Countries — New Evidence Based on EU-SES 2014 Data. Intereconomics 54, 101–105. https://doi.org/10.1007/s10272-019-0802-7.

19. Boudiny, K. (2013). *'Active ageing': from empty rhetoric to effective policy tool.* doi: 10.1017/S0144686X1200030X. https://pubmed.ncbi.nlm.nih.gov/23913994/.
20. Berger, U. (2022). *Männer sterben früher, Frauen leiden mehr.* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9199454/.
21. Berghammer, C. & Riederer, B. (2018). *The Part-Time Revolution: Changes in the Parenthood Effect on Women's Employment in Austria*. https://www.econstor.eu/bitstream/10419/184851/1/WP2018_04.pdf.
22. Bettio, F. & Tinios, P. & Betti, G. (2013). *The Gender Gap in Pensions in the EU.* https://www.social-protection.org/gimi/RessourcePDF.action;jsessionid=1mnUzhCtcYcuqJi9G-DD5OSsaXpsWcSOlgxQXFVmcE5Uo_edCUhL!533421577?id=39477.
23. Budimir, K. (2010). *Das Pensionsantritts- und Erwerbsaustrittsgeschehen im Gefolge der Pensionsreformen 2000 und 2003*. https://www.gesis.org/cews/portfolio/digitale-angebote/literatur?filtertype_0=ssoar&filter_0=Wirtschaftssoziologie&filter_relational_operator_0=equals&filtertype=ssoar&filter_relational_operator=equals&filter=Einkommenspolitik%2C+Lohnpolitik%2C+Tarifpolitik%2C+Vermögenspolitik.
24. de la Maisonneuve C. & Martins, J. O. (2015). *The future of health and long-term care spending*. https://www.oecd.org/economy/growth/The-future-of-health-and-long-term-care-spending-OECD-Journal-Economic-Studies-2014.pdf.
25. Economic Policy Committee. (2020). *Joint Paper on Pensions*. https://economic-policy-committee.europa.eu/system/files/2020-01/Joint-Paper-on-Pensions-2019.pdf.
26. Eichhorst, W., Hinte, H., Rinne, U. (2013). *Youth Unemployment in Europe: What to Do about It?* https://www.iza.org/en/publications/pp/65/youth-unemployment-in-europe-what-to-do-about-it.
27. Enda, G. & Gale, G. W. (2020). *How does gender equality affect women in retirement*? https://www.brookings.edu/essay/how-does-gender-equality-affect-women-in-retirement/.
28. Ernst, M. (2023). *International Women's Day: Part-Time and Salary - a Reality Check.* https://executiveacademy.at/en/news/detail/international-womens-day-part-time-and-salary-a-reality-check#:~:text=In%20Austria%2C%2049.6%25%20of%20women,women%20is%20a%20whopping%2072.8%25.
29. Eurostat. (2019). *Ageing Europe: looking at the lives of older people in the EU.* https://ec.europa.eu/eurostat/documents/3217494/11478057/KS-02-20-655-EN-N.pdf.
30. Eurostat. (2020). *Statitics on Population Developments*. [Database]. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing_Europe_-_statistics_on_population_developments.
31. Eurostat. (2022). *Ageing Europe - statistics on pensions, income and expenditure.* [Database]. https://ec.europa.eu/eurostat/statistics-

explained/index.php?title=Ageing_Europe_-
_statistics_on_pensions,_income_and_expenditure&oldid=581875.

32. European Pillar of Social Rights. (2017). *Building a fairer and more inclusive European Union.* https://ec.europa.eu/social/main.jsp?catId=1226&langId=en.
33. EIGE (European Institute for Gender Equality). (2015). *Gender gap in pensions in the European Union*. https://eurogender.eige.europa.eu/system/files/EIGE_Booklet_Gender_Gap_Pensions_1.pdf.
34. BMGF (Federal Ministry Republic of Austria, Ministry of Social Affairs, Health, Care and Consumer Protection). (2017). *Credits for Time Spent Bringing up Children and Pension Splitting.* https://www.sozialministerium.at/en/Topics/Social-Affairs/Social-Insurance/Pension-Insurance/Credits-for-Time-Spent-Bringing-Up-Children-and-Pension-Splitting.html.
35. Ferrant, G., Pesando, L. M. & Nowacka, K. (2014). *Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes*. https://www.oecd.org/dev/development-gender/Unpaid_care_work.pdf.
36. Fischer, J.A.V. & Sousa-Poza, A. (2006). *The Institutional Determinants of Early Retirement in Europe*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=895081.
37. Geisberger, T. & Glaser, T. (2014). Geschlechtsspezifische Verdienstunterschiede. Analysen zum „Gender Pay Gap" auf Basis der Verdienststrukturerhebung 2010. https://www.statistik.at/fileadmin/pages/362/Einkommen_3_2014_075968.pdf.
38. Geissler, H. (2011). Voraussetzungen zur langfristigen Erhaltung der Arbeitsfähigkeit und alternsgerechte Arbeit. http://www.bf-geissler.com/publikationen.aspx.
39. Grant, L., Yeandle, S. & Buckner, L. (2005). *Working below potential: women and part-time work.* https://www.researchgate.net/profile/Sue-Yeandle/publication/242449068_Working_below_Potential_Women_and_Part-Time_Work/links/0a85e52e6e3541f6f7000000/Working-below-Potential-Women-and-Part-Time-Work.pdf.
40. Hagemejer, K. (2018). *Die Angemessenheit der Altersrentensysteme.* https://www.researchgate.net/publication/331224555_Die_Angemessenheit_der_Altersrentensysteme.
41. Häckl, S., Kocher, M. G., Sonntag, A. & Spitzer, F. (2020). *Pensionsreformansätze aus verhaltensökonomischer Sicht*. https://irihs.ihs.ac.at/id/eprint/5441/1/ihs-report-2020-haeckl-kocher-sonntag-spitzer-pensionsreformansaetze-aus-verhaltensoekonomischer-sicht.pdf.
42. Hoff, A. (2008). *Tackling Poverty and Social Exclusion of Older People – Lessons from Europe.* http://www.ageing.ox.ac.uk/files/Working%20Paper%20308.pdf.
43. Hofmann, K. (2021). *Pensionsplitting in Österreich - ein instrument der Gleichstellung?* https://epub.jku.at/obvulihs/content/titleinfo/6203633.
44. Holzmann, R., Robalino, D. A. & Takayama, N. (2009). *Closing the coverage gap, the role of special pensions and other retirement income transfers*.

https://documents1.worldbank.org/curated/en/762151468164638888/pdf/493180PUB0REPL10Box338947B01PUBLIC1.pdf#page=59.
45. Humer, Ž., Panić, S. (2015). *The Policy on Gender Equality in Slovenia*. https://www.europarl.europa.eu/RegData/etudes/STUD/2015/510010/IPOL_STU(2015)510010_EN.pdf.
46. Ilmarinen, J. (2009). Work Ability: A Comprehensive Concept for Occupational Health, Research and Prevention. https://pubmed.ncbi.nlm.nih.gov/19277432/.
47. Ichino, A., Schwerdt, G., Winter-Ebmer, R., Zweimüller, J. (2017). *Too old to work, too young to retire?* https://www.sciencedirect.com/science/article/abs/pii/S2212828X15300098.
48. Istenič, T. (2018). The national transfer accounts analysis of economic dependency over the life cycle: doctoral dissertation. Univerza v Ljubljani, Ekonomska fakulteta.
49. Istenič, T., Vargha, L. & Sambt. J.. (2019). *Is there a connection between welfare regimes and inter-age reallocation systems?* https://www.sciencedirect.com/science/article/pii/S2212828X19300891?casa_token=51su6ko_k9wAAAAA:8QMxKu8vbqvmf5e2a_sdsa4BKHsV8iAWh5Y7zlTgJeDTm22SoiRDa7tc54Eeg6ho8bAP8q2y8A.
50. Karazman, R. (2007). Employment and labour market policies for an aging workforce and initiatives at the workplace – National overview report: Austria. https://www.eurofound.europa.eu/publications/report/2007/labour-market-law-and-regulation/employment-and-labour-market-policies-for-an-ageing-workforce-and-initiatives-at-the-workplace-7.
51. Keuschnigg, C. & Keuschnigg, M. (2004). *Aging, Labor Markets, and Pension Reform in Austria*. https://www.iioa.org/conferences/intermediate-2004/pdf/460.pdf.
52. Kidd, S. & Whitehouse, E. (2009). The Role of Social Pensions and Other Retirement Income Transfers. Chapter 3: Pension and Old-Age Poverty. https://documents1.worldbank.org/curated/en/762151468164638888/pdf/493180PUB0REPL10Box338947B01PUBLIC1.pdf#page=59.
53. Kleven, H., Landais, C., Posch, J., Steinhauer & A. Zweimuller. (2019). *Child penalties across countries: Evidence and Explanations*. https://www.aeaweb.org/articles?id=10.1257/pandp.20191078.
54. Komp, K., van Tilburg, T. & Broese van Groenou, M. (2010). *Paid work between age 60 and 70 years in Europe*. https://doi.org/10.3384/ijal.1652-8670.105145.
55. Kunert, G. (2019). *Gesellschaft 2030 – Altersarmut muss nicht sein*. https://doi.org/10.1007/978-3-658-26560-1_13ISBN: 978-3-658-26560-1.
56. Lelkes, O., Medgyesi, M., Tóth, I. G., Ward, T. (2009). *Income Distribution and the Risk of Poverty*. https://www.researchgate.net/profile/Marton-Medgyesi/publication/284674251_Income_Distribution_and_the_Risk_of_Poverty/links/5877e15208ae8fce492ffabd/Income-Distribution-and-the-Risk-of-Poverty.pdf.
57. Mayrhuber, C. & Mairhuber, I. (2020). *The gender pension gap in Austria and Europe*. https://www.oegfe.at/wp-content/uploads/2020/06/PB_142020_GGP.pdf.

58. Mairhuber, I., Waginger, U. & Prammer, E. (2015). *Understanding employment participation of older workers: creating a knowledge base for future labour market challenges.* https://www.researchgate.net/publication/285523205_Understanding_employment_participation_of_older_workers_UEP.
59. Mesanovic, S. (2021). *Diskriminierung am Arbeitsmarkt aufgrund von Elternschaft*. https://epub.jku.at/obvulihs/content/titleinfo/6240926.
60. Meyer B. D. & Sullivan, J. X. (2007). *Consumption and Income Poverty for those 65 and Over.* https://www.researchgate.net/publication/5091319_Consumption_and_Income_Poverty_for_those_65_and_Over.
61. Möller-Slawinski, H. & Calmbach, M. (2016). *Gender Equality in Slovenia*. https://www.globalwps.org/data/SVN/files/Gender%20Equality%20in%20Slovenia.pdf.
62. Obligacijski zakonik. (2023). Uradni list RS, št. 97/07.
63. OECD. (2017). *"Demographic trends"*. https://doi.org/10.1787/health_glance-2017-73-en.
64. OECD. (2021). How's Life? Well-Being: Current Well-being (horizontal inequality) - by age. https://stats.oecd.org/Index.aspx?DataSetCode=BLI#
65. OECD. (2022). *OECD Reviews of Pension Systems: Slovenia.* https://www.oecd.org/slovenia/oecd-reviews-of-pension-systems-slovenia-f629a09a-en.htm.
66. O'Neill, A. (2023). Austria: Fertility rate from 2011 to 2021. https://www.statista.com/statistics/385761/fertility-rate-in-austria/#:~:text=The%20total%20fertility%20rate%20in,by%20a%20declining%20fertility%20rate.
67. Özdemir, E., Ward, T., Fuchs, M., Ilinca, S., Lelkes, O., Rodrigues, R., Zolyomi, E. (2015). *Employment of older workers*. https://www.researchgate.net/profile/Ricardo-Rodrigues-25/publication/314300417_Employment_of_older_Workers_European_Commission_Research_Note_no_52015/links/5be5c9e9a6fdcc3a8dca049d/Employment-of-older-Workers-European-Commission-Research-Note-no-5-2015.pdf.
68. Pearson, M. & Whitehouse, E. (2009). *Social Pensions in High-Income Countries*. https://documents1.worldbank.org/curated/es/762151468164638888/pdf/493180PUB0REPL10Box338947B01PUBLIC1.pdf#page=117.
69. Perlaki, D. (2021). *Aus für Wiener Startup WisR: "Reihe an Challenges seit der Covid-Krise".* https://brutkasten.com/artikel/gavel-musialek-braeuer.
70. Polachek, S. W. & Xiang., J. (2014). *The Gender Pay Gap Across Countries: A Human Capital Approach*. https://docs.iza.org/dp8603.pdf.
71. Radl, J. (2013). Labour Market Exit and Social Stratification in Western Europe: The Effects of Social Class and Gender on the Timing of Retirement. https://doi.org/10.1093/esr/jcs045.

72. Richter, L. (2019). Lebenslagen unter Altersarmut. Über die Lebenssituation von als arm und alt adressierten Menschen. https://doi.org/10.1007/978-3-658-27622-5.
73. Riedel, M. & Helmut Hofer, H. (2013). *Determinants of the Transition from Work into Retirement*. https://www.labornrn.at/wp/2013/wp1310.pdf.
74. Rudawska, I. (2010). *Active Ageing and its Impact on Labour Market*. https://www.economics-sociology.eu/?88,en_active-ageing-and-its-impact-on-labour-market.
75. Samek Lodovici, M. Drufuca, S., Patrizio, M., Pesce, F. (2016). *The gender pension gap: differences between mothers and women without children*. https://www.europarl.europa.eu/RegData/etudes/STUD/2016/571363/IPOL_STU(2016)571363_EN.pdf.
76. Schober T & Winter-Ebmer R. (2011). *Gender Wage Inequality and Economic Growth: Is There Really a Puzzle?* https://pubmed.ncbi.nlm.nih.gov/21857765/.
77. Schlager, C. (2009). *Soziale Ungleichheit und Armut*. https://research.wu.ac.at/en/publications/soziale-ungleichheit-und-armut-altern-und-pflegebed%C3%BCrftigkeit-3.
78. Senior dela. (2023). Senior Dela – Kjer izkušnje in modrost štejejo. https://seniordela.si.
79. Slovenska tiskovna agencija (STA). (2022). *Ob prelomu leta: Za leto 2023 načrtovana pokojninska reforma in dopolnjen sistem dolgotrajne oskrbe.* https://www.sta.si/3118401/ob-prelomu-leta-za-leto-2023-nacrtovana-pokojninska-reforma-in-dopolnjen-sistem-dolgotrajne-oskrbe.
80. Social Protection Committee. (2020). *2020 Annual Report of the Social Protection Committee.* https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9820&furtherNews=yes.
81. Sozial Ministerium Austria. (2023). *Pensiondaten, Berichte und Studien.* [Database]. https://www.sozialministerium.at/Themen/Soziales/Sozialversicherung/Pensionsdaten,-Berichte-und-Studien/Berichte-und-Studien.html.
82. Sowa-Kofta, A., Marcinowska, I., Ruzik-Sierdzinksa, A. & Raimonda Mackeviciute. R. (2021). *Ageing policies - access to services in different Member States.* https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662940/IPOL_STU(2021)662940_EN.pdf.
83. Statistics Austria. (2020). *Austria, figures, data, facts*. [Database]. https://www.statistik.at/fileadmin/user_upload/OZDF-EN-2022-23.pdf.
84. Statistics Austria. (2021). *Gender Statistik Pensionen.* [Database]. https://www.statistik.at/fileadmin/pages/363/Infotext_GenderStatistik_Pensionen.pdf.
85. Statistics Austria (2022). *Statistiken: Bevölkerung und Soziales: Gender-statistiken: Pensionen.* [Database]. https://www.statistik.at/statistiken/bevoelkerung-und-soziales/gender-statistiken/pensionen.

86. Statistics Austria. (2023). *Statistics: Population and Society: Income and Living Conditions: Poverty.* [Database]. https://www.statistik.at/en/statistics/population-and-society/income-and-living-conditions/poverty.
87. Steinschaden, J. (2021). *Goodbye, Wisr: Wiener HR-Startup für ältere Menschen muss zusperren*. https://www.trendingtopics.eu/goodbye-wisr-wiener-hr-startup-fuer-aeltere-menschen-muss-zusperren/.
88. SURS. (2019). *Poverty and social exclusion indicators*. **[Database].** https://pxweb.stat.si/SiStatData/pxweb/en/Data/-/H153S.px/.
89. SURS. (2023a). *Fewer persons in employment than in previous month*. [Database]. https://www.stat.si/StatWeb/en/News/Index/10992.
90. SURS. (2023b). *Life expectancy at birth*. https://www.stat.si/Pages/en/goals/goal-3.-ensure-healthy-lives-and-promote-well-being-for-all-at-all-ages/3.1-life-expectancy-at-birth.
91. SURS. (2023c). *Socialna zascita.* [Database]. https://pxweb.stat.si/sistat/sl/Podrocja/Index/45/socialna-zascita.
92. Unternehmensservice Portal. (2023). *Steuern & Finanzen*. https://www.usp.gv.at/steuern-finanzen/steuern-und-abgaben-allgemeines.html.
93. van Erp, F., Vermeer, N. & van Vuuren, D. (2014). *Non-financial Determinants of Retirement: A Literature Review*. https://doi.org/10.1007/s10645-014-9229-5.
94. Vollpension. (2023). *Old Age Poverty in Austria.* https://www.vollpension.wien/.
95. Yeoh, D. & Biller, E. (2020). *Wenn die Pension nicht ausreicht*. https://www.derstandard.at/story/2000115056423/wenn-die-pension-nicht-ausreicht.
96. Zakon o pokojninskem in invalidskem zavarovanju (ZPIZ-2). (2022). Uradni list RS, št. 48/22. http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6280#.
97. Zakon o zaposlitveni rehabilitaciji in zaposlovanju invalidov (ZZZRZI). (2021). Uradni list RS, št. 18/21.
98. Zavod za pokojninsko in invalidsko zavarovanje slovenije (ZPIZ). (2023). https://www.zpiz.si/cms/content2019/1statistini-podatki.
99. Ziemann, V. (2015). *Towards more gender equality in Austria*. https://doi.org/10.1787/5jrp2s4pfbnp-en.
100. Zimmer, Z. (2008). *Poverty, wealth inequality and health among older adults*. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2171035/.
101. ZZZS. (2019). *Pokojninska vrzel med spoloma.* https://www.zsss.si/pokojninska-vrzel-med-spoloma-611/.
102. Walkenhorst, P. & Sila, U. (2015). *The consequences of an ageing population in Slovenia*. https://dx.doi.org/10.1787/5jrxml4b6828-en.
103. World Health Organization (WHO). (2015). *World Report on Ageing and Health*. https://apps.who.int/iris/bitstream/handle/10665/186463/9789240694811_eng.pdf?sequence=1%20pop.
104. Wöss, J., Reiff, C. & Gruber, A. (2016). *Unemployment and Pensions Protection in Europe: the Changing Role of Social Partners.*

http://141.94.22.255/ose_static/files/publication/OSEPaperSeries/Woss_et_al_2016_OseResearchPaper24_Prowelfare_AUT.

APPENDIX

Appendix 1: Povzetek (Summary in Slovene language)

Namen tega magistrskega dela je raziskati, kako ublažiti gospodarske posledice staranja prebivalstva v Sloveniji in Avstriji, s poudarkom na zmanjševanju revščine starejših in neenakosti med spoloma. Cilji moje raziskave so zlasti: 1) ugotoviti, kako državi obravnavata revščino starejših in neenakost spolov v starosti, ter analizirati stanje na področju revščine starejših in neenakosti spolov v obeh državah, 2) analizirati pravni sistem obeh držav v zvezi s spodbujanjem aktivnosti na trgu dela po doseženi upokojitveni starosti ter 3) predstaviti že obstoječe dobre prakse. Zgoraj navedeni cilji mi bodo pomagali odgovoriti na spodaj navedena raziskovalna vprašanja.

Raziskovalno vprašanje 1: Kakšen je obseg revščine v starosti, prisotne v Sloveniji in Avstriji, v primerjavi z drugimi starostnimi skupinami?

Raziskovalno vprašanje 2: Kakšna je velikost razlik med spoloma glede revščine v starosti v Sloveniji in Avstriji?

Raziskovalno vprašanje 3: Kakšne so razlike med avstrijsko in slovensko zakonodajo glede podaljšanega zaposlovanja po dopolnitvi upokojitvene starosti?

Raziskovalno vprašanje 4: Kateri so primeri dobrih praks vključevanja starejših v delovno aktivnost v Sloveniji in Avstriji?

Raziskovalno vprašanje 5: Ali se te dobre prakse lahko izvajajo v drugi državi z vidika zakonodaje?

Magistrsko delo je sestavljeno iz teoretičnega dela in analize že uveljavljenih dobrih praks in spodbud, ki vplivajo na problematiko revščine starejših in neenakosti spolov v starosti v Sloveniji in Avstriji. Prvi del (poglavja od 2 do 4) je sestavljen iz poglobljene analize sekundarnih virov, tj. relevantnih znanstvenih člankov, raziskav in poročil nacionalnih, regionalnih in drugih mednarodnih institucij. Poleg tega so analizirani statistični podatki Eurostata, SURS-a, Statističnega urada Avstrije in OECD. Drugo poglavje je namenjeno razumevanju trendov staranja prebivalstva v Sloveniji in Avstriji ter ozadju problematike revščine starejših z analizo obsega revščine starejših v obeh državah ter razlik in razlogov za problematiko in razlike v obeh državah.

Raziskane so tudi možnosti in rešitve za ublažitev problema revščine starejših. Temu sledi analiza neenakosti glede pokojnin med spoloma v starosti v tretjem poglavju. V četrtem poglavju sta analizirana slovenski in avstrijski zakonodajni okvir glede pokojnin in kako obe jurisdikciji pristopata k vprašanju upokojencev, ki želijo ob prejemanju pokojnine še naprej delati. Poleg tega so v vsaki od držav raziskane možnosti za izboljšave. Peto poglavje je namenjeno pregledu trenutnih dobrih praks in pobud, ki se že izvajajo v obeh državah, ter analizi možnosti za izvajanje avstrijskih rešitev v slovenskem okolju in obratno, ob upoštevanju morebitnih ovir v pravnem okviru.