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FLASH REPORT

Country:	Slovakia
Title:	Slovak Parliament approves capping retirement age at 64
Date:	01 May 2019
Expert:	Zuzana Magurová
<u>Context</u>	
Issue at stake:	Law 99/2019 implementing Directive 79/7
Grounds of discrimination:	Sex, Age
Field of application:	Employment, Social advantages, Social protection
Source:	National legislation
Applicable law:	Constitution of the Slovak Republic, Act No. 460/1992 Coll. as amended by Act No. 99/2019 Coll., Act No. 461/2003 Coll. Act on Social Insurance, as amended

Content

The constitutional amendment was passed by Parliament on 28 March 2019 and will enter in force on 01 July 2019. The minimum retirement age in Slovakia will be capped at the age of 64. Women will be able to retire earlier if they have raised a child. Women who raised one child, would be able to retire at the age of 63.5, while those with two children at the age of 63 and those with three or more children at the age of 62.5. The amendment was supported by 91 MPs, with 37 against and 15 abstaining from the vote.

The Slovak social security system was newly defined by the Act on Social Insurance,¹ effective as of 01 January 2004. The pensionable age was gradually increased and was equalized for women and men at 62 years of age, although the Act contained some exceptions to the general provision and provided for a gradual equalization of the diversified pensionable ages for women depending on the number of children raised. As of 01 January 2017, the method for determining the pensionable age has changed. The pensionable age of Slovak nationals born after 31 December 1954 gradually increased every year by a stipulated number of days depending on the increase of the average life expectancy. The pensionable age in 2018 was 62 years and 139 days.

At the end of 2017, trade unions in Slovakia demanded that a maximum ceiling on the increase in the retirement age be imposed. They started to collect signatures for a petition demanding a cap on the retirement age.

The constitutional amendment was submitted by the then ruling party Smer-SD after negotiating the capping of the retirement age with trade unions in May 2018. Smer-SD originally wanted to cap the minimum retirement age at 65 years but after talks with its centre-right junior coalition partner, the Slovak National Party, agreed to a cap of 64 years. A third coalition partner, the centrist Most-Hid party, does not back the measure but some

¹ Act No. 461/2003 Coll. Act on Social Insurance, as amended.

members of the opposition said they were open to negotiations. Smer-SD did not have enough support in Parliament to have this legislation passed. As the new law was of constitutional nature, they needed to find at least 90 deputies in the 150-members of parliament to support it. This was the reason why the adoption of the amendment was postponed several times.

Smer-SD MPs presented a first draft in May 2018 that proposed to add to the Constitution that "The age threshold required to claim an old-age pension must not exceed 64 years. In order to support the family and maternity, **everyone** who raised a child has the right to a reasonable reduction of the maximum pensionable age threshold", with the details to be laid down by the law.

According to the Explanatory Report, "lowering the pensionable age for **persons** who have raised children expresses the state's support for child-upbringing, which is considered a fundamental precondition for positive demographic development and for the sustainability of the pension system itself. In accordance with Art. 7 para. 1 (a) (b) Council Directive of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security (79/7 / EEC), this reduction will be applicable **to parents and other persons entrusted with child custody** by decision of the competent authorities, **irrespective of their sex**. The law will set out details of these rights, including the definition of child upbringing to meet the conditions for lowering the retirement age."

The condition posed by the coalition parties as well as some opposition parties to pass a cap on the retirement age was that women must be entitled to retire earlier, based on their number of children, so Smer-SD MPs made a revision of the draft (in October 2018) and proposed to add to the Constitution that "[t]he age threshold required to claim an old-age pension must not exceed 64 years. A **woman** has the right to a reasonable reduction of the maximum age threshold necessary to qualify for an old-age pension:

- (a) 6 months if she has raised one child,
- (b) 12 months if she has raised two children;
- (c) 18 months if she has raised three or more children."

However the Explanatory Report was not changed, so it does not reflect the new wording of the amendment, which was adopted.

Key points of analysis: Some analysts stated that such proposal is not in line with the principle of equal treatment, and that the cap on retirement age would result in lower pension payments for women (thus widening the gender pension gap) and in an increase in public expenditure.

Internet link source: <https://www.ustavnysud.sk/ustava-slovenskej-republiky>, <https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2019/99/20190701.html>. Fico joins forces with extremists to cap retirement age at 64. <https://spectator.sme.sk/c/22086519/pensions-retirement-age-cap-constitutional-amendment.html>, Kazimir: Retirement Age Caps Against Sustainability of Public Finance <https://newsnow.tasr.sk/policy/kazimir-retirement-age-caps-against-sustainability-of-public-finance/>, Tag: dôchodkový strop Trend V <https://www.etrend.sk/klucove-slova/23603-dochodkovy-strop.html>.