European Commission

EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Financing social protection

Slovenia

Nada Stropnik
Valentina Prevolnik Rupel
Boris Majcen

Social Europe

EUROPEAN COMMISSION
Directorate-General for Employment, Social Affairs and Inclusion
Directorate C — Social Affairs
Unit C.2 — Modernisation of social protection systems
Contact: Giulia Pagliani
E-mail: Giulia.PAGLIANI@ec.europa.eu

European Commission
B-1049 Brussels

European Social Policy Network (ESPN)

ESPN Thematic Report on Financing social protection

Slovenia

2019

Nada Stropnik, Valentina Prevolnik Rupel and Boris Majcen

Directorate-General for Employment, Social Affairs and Inclusion

2019

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see:
http:ec.europa.eusocialmain.jsp?catId=1135&langId=en

Quoting this report: Stropnik N., Prevolnik Rupel V. and Majcen B. (2019). ESPN Thematic Report on Financing social protection – Slovenia, European Social Policy Network (ESPN), Brussels: European Commission.

Contents

Summary

Gross expenditure on social protection in Slovenia was around 22% of GDP in the years 2005-2006 and around 21% in 2007-2008. Higher shares in the years 2008-2015 (between 24% and 25%) were due both to higher numerators (social protection spending) and lower denominators (GDP). The share fell to 23.3% in 2016. Social security contributions as a share of social protection financing fell from 69.0% in 2008 to around 66% in 2010 and 2015, while the share of general government contributions increased from 29.1% in 2008 to 33.2% in 2010 and 32.4% in 2015 (Spasova and Ward, 2019: Annex ESSPROS[1] tables). The share of expenditure on means-tested benefits fell after the implementation in 2012 of new legislation regulating these benefits, and fiscal consolidation measures that made family benefits more targeted.

Total healthcare spending in Slovenia is highly susceptible to fluctuations in social insurance contributions. This threatens the financial sustainability of the system during economic downturns. The slowdown in the revenue growth of the Health Insurance Institute of Slovenia (HIIS) during the economic crisis was more pronounced than that in total government revenues. Although the financial sustainability of the healthcare system, as well as the level and volume of healthcare services, were maintained during that period, this was only possible through measures that were not sustainable in the long run, such as reducing prices, delaying payments, and shifting costs onto complementary (voluntary) health insurance (VHI). Nonetheless there was evidence of prolonged waiting times, and a number of providers suffered losses. Overdependence on social security contributions may cause further challenges in the future due to population ageing, especially since the per capita contributions of the retired are lower than those of people in employment. Recent legislative proposals were only partially successful in increasing the tax funding component as well as increasing the efficiency and cost-effectiveness of the system in general.

The Slovenian statutory pension and disability insurance system (first pillar) is a pay-as-you-go (PAYG) one. It is uniform and mandatory for all employed people and others generating income from employment or other gainful activity. Inactive people may join the system on a voluntary basis. The system is financed through social security contributions and direct transfers from central government. The total contribution rate for pension and disability insurance is 24.35% of gross salary without a ceiling (employee contribution 15.50%, employer 8.85%). In 2016, the main source of financing was social security contributions, which accounted for 72.4% of the receipts of the Pension and Disability Insurance Institute of Slovenia (IPDI), followed by transfers from central government (26.0%), and other receipts (1.6%). The share of social security contributions remained quite stable over the period observed (2005-2016), with downward phases compensated for by higher transfers from central government, reflecting the legal obligation on the government to cover the difference between the IPDI receipts and spending.

Family allowances and general non-contributory minima are financed from taxes only. Unemployment benefits and maternity/paternity/parental salary compensation are financed from contributions by insured persons and employers.

There is an ongoing national debate regarding possible future sources of financing for the pension and disability insurance system, but no change is foreseen in the existing financing principle, with social security contributions remaining the most important source of IPDI receipts in the future.

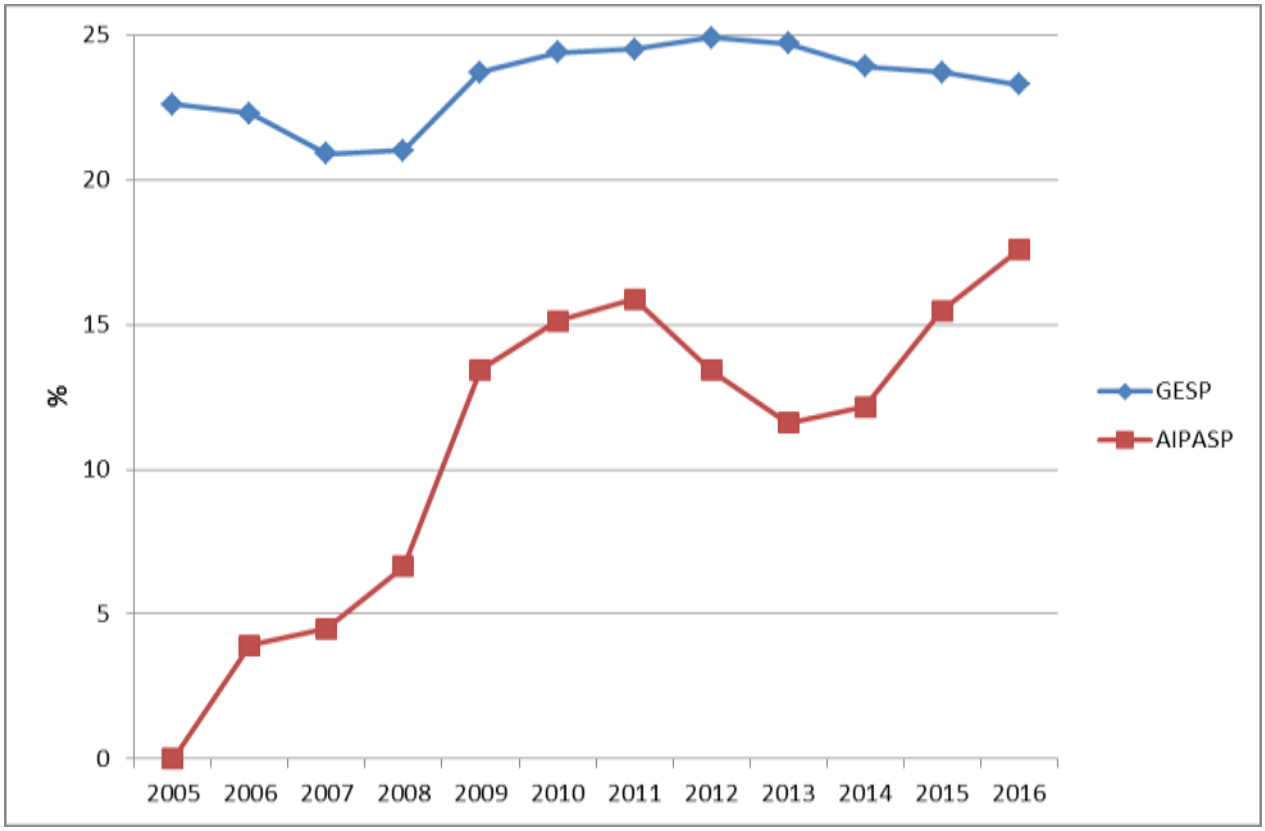
[1] European System of integrated Social PROtection Statistics.

1 Current levels and past changes in financing social protection

1.1 Aggregate developments in financing levels

According to ESSPROS data, the share of gross social protection expenditure in GDP was around 22% in the years 2005-2006 and around 21% in 2007-2008 (Figure 1). During the economic crisis it rose to between 24% and 25% and fell (to 23.3%) only in 2016. This development was, on the one hand, affected by the change in the real value of GDP, which was increasing until 2008. The 2008 level was not reached again until 2016[2] (SI-Stat Database, 2019). On the other hand, expenditure at constant 2005 prices increased by almost 7 percentage points in 2009 and remained at higher levels compared with the years 2005-2008. This means that higher shares of gross social protection spending in GDP in the years 2008-2015 were due both to higher numerators (expenditure on social protection) and lower denominators (GDP).

Figure 1: Share of gross social protection spending (GESP) in GDP and annual increase in price-adjusted social protection spending (AIPASP), Slovenia 2005-2016, %



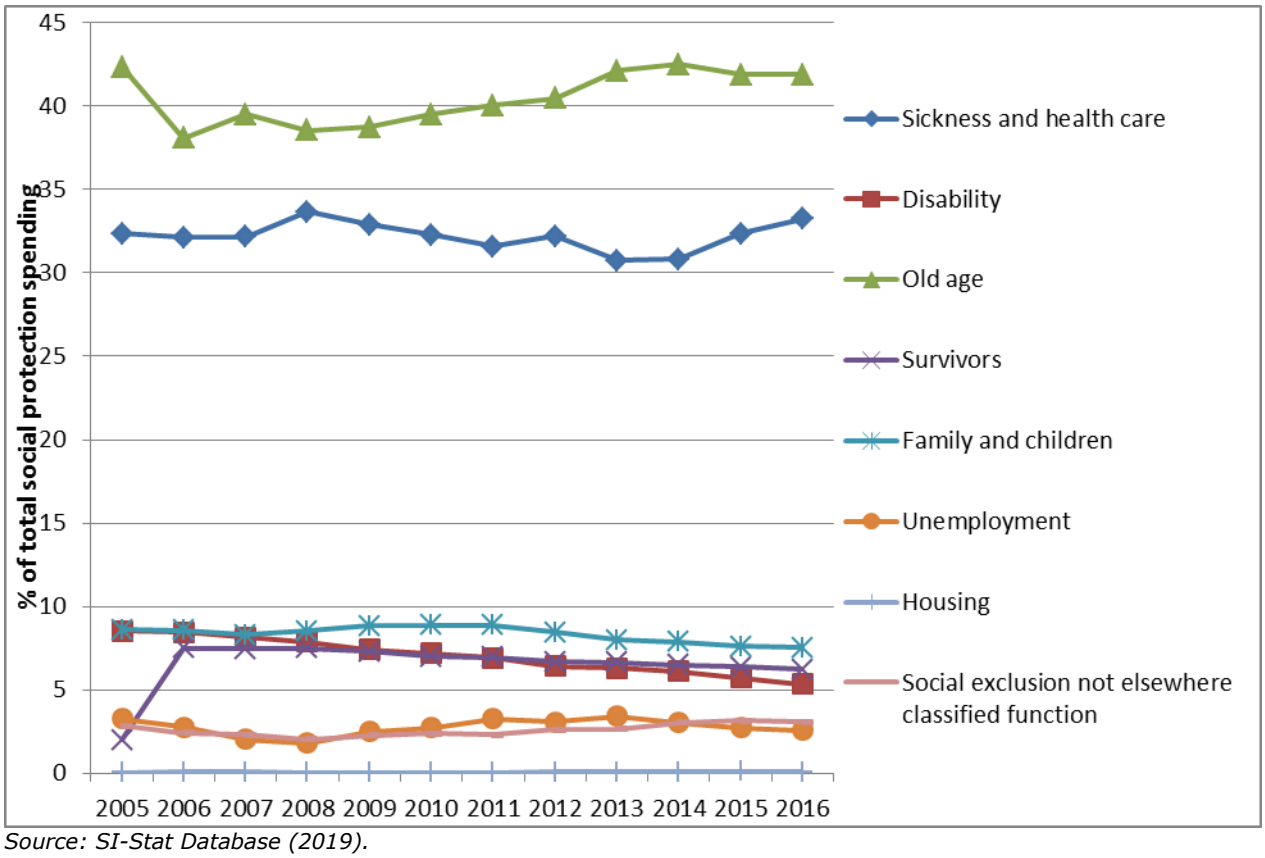
Source: Spasova and Ward (2019), Annex ESSPROS tables.

Figure 2 provides information on the share of social protection sub-categories in total gross expenditure on social protection in the years 2005-2016, including analytic information on the 'other' sub-category of social protection (SI-Stat Database, 2019). It is evident that an increase in the share of gross expenditure on old age was stopped by the 2012 pension reform (Pension and Disability Insurance Act 2012; henceforth ZPIZ-2). The economic crisis and the resulting unemployment influenced the shares of gross expenditure on both healthcare (due to lower total contributions) and unemployment. Fiscal consolidation measures caused a fall in the share of expenditure on families and

[2] The nominal value of the 2008 GDP was exceeded a year earlier, in 2015.

children, because of lower income thresholds for entitlement and lower amounts of transfers, as well as the fact that the transfers were not indexed for inflation. Since the shares in Figure 2 are inter-related – depending both on the size of expenditure on individual functions and the changes/trends in absolute figures – it is necessary to additionally consider developments expressed in real terms and as a share of GDP, which are discussed in subsections 1.2 (health) and 1.3 (pensions).[3]

Figure 2: Gross social protection spending by function, Slovenia 2005-2016, % total



Source: SI-Stat Database (2019).

The share of expenditure on means-tested benefits fell by 1.8 percentage points in the period from 2005 to 2016 (from 9.7% to 7.9%), mostly in the period up to 2007 (ESSPROS statistics). We can explain this by the favourable economic and social situation in the country in the years 2005-2007. The shares of expenditure on means-tested benefits were below 8% after 2011, which may be due to the implementation of: 1) two acts regulating social assistance and family transfers from public sources (Social Assistance Benefits Act, 2010; and Exercise of Rights to Public Funds Act, 2010), which became effective on 1 January 2012; and 2) fiscal consolidation (Public Finance Balance Act, 2012) in June 2012. These measures made family benefits more targeted (income ceilings for entitlement and benefit levels were lowered), which resulted in lower expenditure on means-tested benefits.

The difference between gross and net social protection expenditure was small (only 0.3% of GDP in both 2010 and 2015) (ESSPROS statistics). This means that benefit recipients finance social protection (through social security contributions and taxes) to a small extent. The bulk is financed by non-beneficiaries.

[3] For instance, Figure 2 shows spending on old age falling in 2006 relative to total spending; but it increased in real terms (Table A1) and fell as a share of GDP (Table A3).

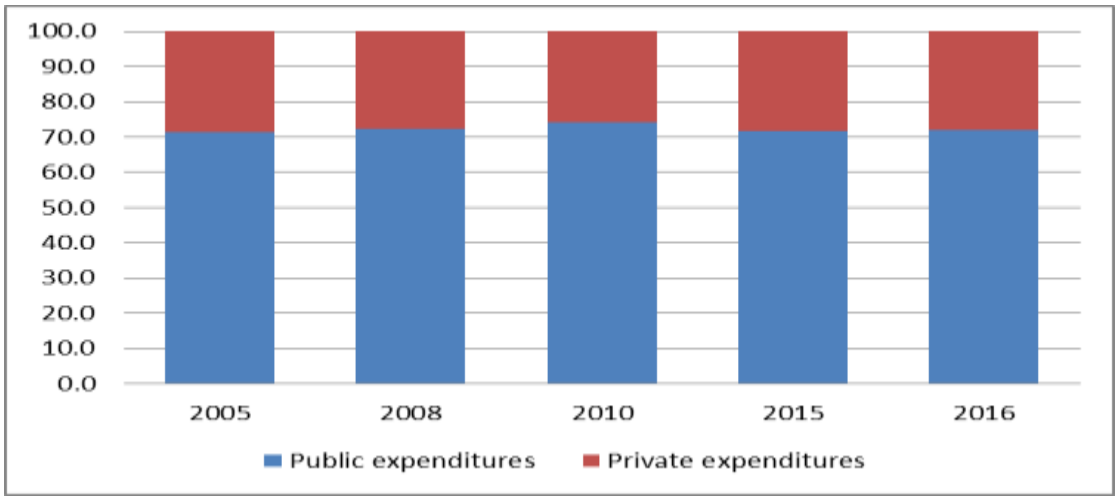
1.2 Health

The healthcare system in Slovenia is the most expensive health system among the newer Member States after the 2004 enlargement (OECD/European Observatory on Health Systems and Policies, 2017). In 2015, Slovenia spent EUR 2,039 per head on healthcare compared with the EU average of EUR 2,797. This equalled 8.5% of GDP, which was below the EU average of 9.9%, but higher than in most newer EU Member States (from Latvia with 5.71% of GDP and EUR 702.30 per capita, to the Czech Republic with 7.15% of GDP and EUR 1,142 per capita). Malta was the only newer EU Member State with higher expenditure on healthcare than Slovenia (Eurostat, 2018). Only 71.1% of health spending was publicly funded in 2015, compared with 78.7% at the EU level. However, only 44% of private health expenditure was paid out of pocket in 2016, as the role of VHI was significant, at 51% of private spending. There are many conflicting issues regarding the role of VHI, as it mostly consists of complementary insurance. The key challenge since the economic crisis has been to diversify the resource base in order to gain more reliable funding and reduce the pro-cyclical nature of healthcare expenditure. Health contributions represent the major share of healthcare receipts. In the years of economic crisis, marked by falling contributions, many measures (EC, 2015) were implemented to keep healthcare financing sustainable. In contrast to contribution receipts, transfer receipts were stable over the years in spite of changes in their composition.

One of the important financial indicators is the percentage of GDP spent on healthcare. In 2005-2016, it ranged between 7.82% and 2007 to 8.99% in 2012 (HIIS, 2006-2013). The high percentages in 2009 to 2012 were mostly due to lower GDP during the economic crisis. As soon as the economic recovery started, healthcare spending as a percentage of GDP started to fall and has been falling ever since, reaching 8.23% in 2016 and 8.07% in 2017 (HIIS, 2017-2018).

A falling percentage of healthcare spending in GDP contradicts government claims that healthcare is a priority area. This is further supported by data on the share of public health spending in total health spending: this peaked at 74% in 2010, reached a low point of 71% in 2014, and has since been rising only slowly, reaching 71.9% in 2016 (Figure 3).

Figure 3: Shares of public and private health spending in total health spending, Slovenia 2005-2016, %



Source: HIIS, 2006-2017 Annual Reports; own calculations.

Private spending was almost equally divided between VHI and out-of-pocket spending, with VHI increasing at a slightly higher rate over the period examined (Table 1). The reason for this was a gradual increase in the share of services covered by VHI in order to ensure the financial sustainability of the compulsory health insurance (CHI) system. This

trend began in 2009 and continued throughout the period of economic crisis, diminishing only from 2014.

Both total health spending and public health spending fell in real terms in the years 2009-2013 (by 6.07% and 7.22%, respectively). From 2014 to 2018, both increased (by 5.97% and 8%, respectively) as employment levels and wages rose (contributions are highly correlated to the wages). Increasing revenues enabled better financing and higher volumes of priority healthcare programmes (e.g. primary care, oncology, biological drugs, and programmes with long waiting lists).

Table 1: Total healthcare spending, Slovenia 2005-2016, % GDP

	2005	2008	2010	2015	2016
CHI	5.49	5.35	5.92	5.63	5.48
Pension insurance financing long-term care (health part)	0.21	0.19	0.22	0.20	0.20
Central government	0.21	0.21	0.37	0.15	0.13
Local government	0.04	0.08	0.08	0.11	0.11
Public spending	**5.95**	**5.84**	**6.59**	**6.08**	**5.92**
VHI	1.09	1.02	1.14	1.23	1.18
Out-of-pocket spending	1.05	1.08	1.09	1.06	1.02
Other	0.23	0.13	0.09	0.11	0.11
Private spending	**2.37**	**2.24**	**2.32**	**2.40**	**2.30**
Total health spending	**8.45**	**8.08**	**8.90**	**8.48**	**8.23**

Source: HIIS, 2006-2017 Annual Reports; own calculations.

A reduction in public spending on health, due to changes in the shares of services covered by CHI and VHI, started in 2009[4]. Increasing proportions of healthcare service costs covered by VHI increased VHI premiums; at the same time it enabled stable healthcare contribution rates, as well as contributing to stable public healthcare financing. Changes in coverage were introduced regularly, according to the financial needs of the Health Insurance Fund. The first changes adopted in 2009 were in the percentage of coverage by CHI for: 1) health resort (spa) treatment (which is not a continuation of hospital treatment) from 40% of the service value to 15%; and 2) medicinal products from the 'intermediate'[5] list (from 25% to 10%). As the financial situation did not improve in 2010, the changes were extended to that year.[6] At the same time, the list of services for which the share covered by the CHI was reduced, was widened. Moreover, the share of coverage by the CHI was further reduced for some services (e.g. to 10% for visual aids). The list of services now included non-emergency transport and dental prosthetics (10% coverage from CHI). Later on, the lowered levels of service coverage from CHI were extended until the end of 2011,[7] and then again until the end of 2012.[8]

[4] Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance (2009).

[5] Slovenia has three lists of medicines: positive, intermediate and negative. The costs of medicines included in the positive list are 75% or 100% covered from the compulsory health insurance. The costs of medicines in the intermediate lists are 25% covered from compulsory insurance. The costs of medicines included in the negative list are fully paid out-of-pocket (or from voluntary insurance).

[6] Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance (2010a).

[7] Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance (2010b).

[8] Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance (2011).

In 2012, the Public Finance Balance Act introduced a further substantial reduction in services covered by CHI, including some of the most intensive ones, such as organ transplants, intensive therapy and dialysis. Their financing from VHI was increased by 5 percentage points.[9]

According to the 2014 HIIS Annual Report, the financial burden transferred from CHI to VHI was an estimated EUR 48 million per year in the period 2009-2015. The importance of VHI also increased for medicines. In 2004, 79.7% of medicines were financed through CHI, and only 65.6% in 2014. The biggest change occurred in 2012 when the share fell by 3.9 percentage points. Co-payments amounted to 30% of the price of the medicines on the CHI list and to 90% for medicines on the intermediate list (Cylus, 2015).

1.3 Pensions

The Slovenian statutory pension and disability insurance system (first pillar) is based on an inter-generational contract and is therefore a PAYG one. It is uniform and mandatory for all employed people and others generating income from employment or other gainful activity. Inactive people may join the system on a voluntary basis. They are all included in the ZPIZ-2 and are covered by the same insurance provider (the IPDI).

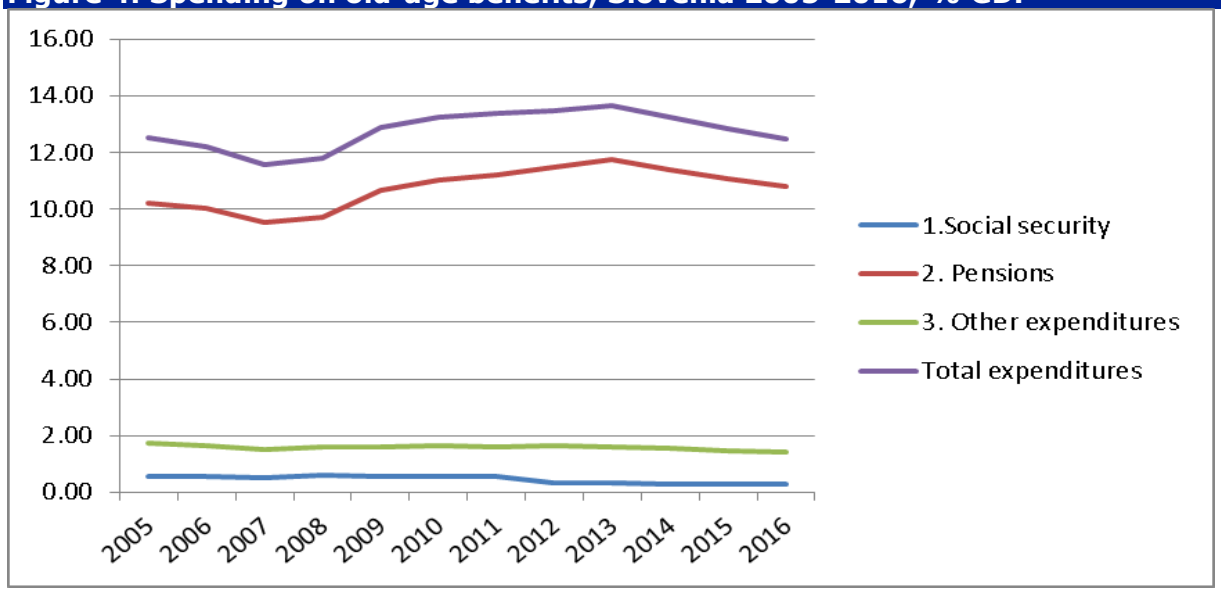
The system is financed through social security contributions and direct transfers from the central government budget. The total contribution rate is 24.35% of gross salary without a ceiling (employee 15.50%, employer 8.85%). The employer rate was reduced to 8.85% from 15.5% in 1996, resulting in a large shortfall in IPDI revenues; this was covered by transfers from central government, which were set under the ZPIZ-2 in 2012.

Self-employed people are insured against all risks (FARS, 2018) and pay a joint contribution rate of 24.35% of their assessed income. Most non-standard work contracts are covered by social insurance, and the same or similar contribution rates as those for permanent full-time contracts. However, low insurance bases lead to low benefit entitlement. A high proportion of the self-employed pay social security contributions on the minimum base.

In 2016, Slovenia spent 12.48% of GDP on old-age benefits (including pensions, social security benefits for pensioners, as well as wage allowances and other current transfers) which was almost the same as in 2005 (Figure 4 and Appendix Table A1). By far most important sub-category was pensions (10.9% of GDP in 2016, which was below the EU27 average of 11.2%) (EC, 2018). In the years 2005-2016, spending on pensions as a share of GDP began to increase (peaking in 2013 at 11.74%), primarily due to lower GDP during the economic crisis and the expectations of imminent pension reform. It started to fall with the economic recovery, reaching 10.31% in 2017. Spending on social security benefits for pensioners, as well as other spending on old-age benefits, showed a general downward trend over the period observed.

[9] Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance (2013).

Figure 4: Spending on old-age benefits, Slovenia 2005-2016, % GDP



Source: IPDI Annual Reports, 2006-2017; own calculations.

Much more important changes occurred on the expenditure side. Financial consolidation measures, and the pension reforms of both 1999 (ZPIZ-1[10]) and 2012, prevented excessive increases in pension spending. This resulted in a manageable gap between IPDI receipts and spending, but had negative effects on pension levels. Total spending on old-age pensions increased by 42.5% during 2005-2016, compared with a 38.2% increase in the number of pensioners – meaning an increase of only 3.1% in *per capita* spending (Appendix Table A4).

Financial consolidation measures in the mid-2010s had an important negative impact on pension expenditures, as well as on current pensions, the minimum income provision for older people and future pensions. These measures included: an indexation freeze and a temporary reduction in the annual supplement; a reduced paternity/parental leave earnings compensation rate and maximum amount of maternity/paternity/parental leave earnings compensation; a substantial cut in the compulsory supplementary insurance pension premium; and a reduced number of paid premiums in voluntary supplementary schemes.

The ZPIZ-1 introduced very important parametric changes in the first pillar: accrual rates were reduced and the gender divide considerably narrowed. Additionally, bonuses were introduced for retirement after full pensionable age and penalties for retirement prior to it. Full pensionable age was set at 63 for men and 61 for women. Pensions were assessed on the basis of the best 18-year average of net wages, rather than the best 10 years. The reform tightened eligibility criteria, particularly for women, and considerably reduced benefit levels (Stropnik et al., 2003). Due to very long transition periods, the reform put downward pressure on pension spending until 2013.

The ZPIZ-2 stopped the decrease in accrual rates, which was an important step towards stabilising replacement rates and preventing a further reduction in entry-level pensions. However, the effects were partly neutralised by a negligible nominal increase in pensions in 2013 as well as further freezes on pension indexation in 2014 and 2015. Entry-level pensions continued to fall till 2019 due to an increasing number of best consecutive years (from 18 to 24 years) for the calculation of the pension assessment base. The ZPIZ-2 ended the indexation of pensions to salaries, replacing it with 60% salaries and 40% prices. Full pensionable age has been gradually equalised at 65 years for men and women (this was reached for women in 2016). Since 2013, the minimum age

[10] Pension and Disability Insurance Act (2006) adopted in 1999.

requirement has been 60 years for both sexes. With the abolition of so-called 'added periods' (credited years of military service, tertiary education and registered unemployment), a very important pathway to early retirement was eliminated.[11] The primary aim of the ongoing pension reform has been the system's short- and medium-term sustainability as well as the adequacy of future pensions, rather than its long-term sustainability.

[11] For more detailed information, see Majcen (2017).

2 Current mix and past changes in the sources of financing for social protection[12]

The structure of financing sources for social protection changed during the economic crisis. The share of social security contributions fell from 69.0% in 2008 to around 66% in 2010 and 2015, while the share of general government contributions increased from 29.1% in 2008 to around 33% in 2010 and 2015 (ESSPROS statistics). The share of social security contributions paid by employees was highest (34.1% in 2008) just before the economic crisis triggered a large increase in unemployment, while the share of social security contributions paid by the self-employed remained about the same in all observed years. Due to a smaller number of employees during the crisis, the share of social security contributions by employers was also lower in 2010 and 2015 than in 2005 and 2016. The share of contributions by benefit recipients in the total financing of social protection was slightly higher in 2015 and 2016 than before. In accordance with the ZPIZ-2, the gap between receipts and spending was covered through transfers from the central government budget.

Table 2 provides an overview of current sources of financing for social protection and the respective contribution rates.

Table 2: Sources of financing for social protection spending in Slovenia

	Contributions by insured persons %	Contributions by employers %	Taxes (central government budget)
Old age/survivors/invalidity	15.50	8.85	YES
Healthcare and sickness	6.36	6.36	YES
Unemployment	0.14	0.06	YES
Accidents at work and occupational diseases (temporary incapacity)	0.53[13]	0.53	YES
Maternity/paternity/parental leave	0.10	0.10	YES
Family allowances			YES
General non-contributory minimum			YES

Source: MISSOC (2018).

The base for employee and employer contributions is gross salary (for healthcare insurance, the base has been equal to the insurance base for pension and invalidity insurance since February 2014) or salary compensation. For insured persons,[14] the minimum contribution base is 60% of 1/12 of the last known national average annual salary. There is no cap.

The self-employed pay both the employee and employer contribution at the same rates as employees and their employers: the employer contributions at the total rate of 16.10% and the employee contributions at the total rate of 22.1% of their insurance base. Their current insurance base is three-quarters of the profit achieved in the previous year, increased by the social security contributions paid, and corrected for the reduction and increase of the tax base made for the purpose of the personal income taxation. It is divided by 12 to obtain a monthly base.

Farmers are not insured against unemployment. Those farmers who do not attain the 'income census' defined by pension and disability insurance regulations, at 60% of the

[12] Unfortunately, data based on the methodology developed by the European Commission and the Social Protection Committee are not available for Slovenia.

[13] Only paid by the self-employed, and farmers insured for pensions and invalidity.

[14] Including the self-employed and farmers.

average monthly salary, may opt for voluntary pension and disability insurance, and do not pay contributions towards insurance against accidents at work and occupational injuries.

Before 2013, there were eight income brackets for the self-employed and farmers that defined their insurance base (ZPIZ-1, 2006, Article 209). The maximum insurance base was 2.4 times the average gross salary in Slovenia in the previous year. In 2013, it became 2.4 times the average gross salary in the penultimate month; and from 2014 on it was increased to 3.5 times the average salary in the previous year (Stropnik, Majcen and Prevolnik Rupel, 2017, p. 12).

Up to February 2014, the minimum contribution base (for everyone) was equal to the gross minimum wage (ZPIZ-1, 2006, Article 208). After that, it was gradually raised to 60% of the average salary in the latest year for which this information is available.[15] For the self-employed and farmers, the percentage rose by 2 percentage points per year: from 52% in 2014 to 60% in 2018. For employees, it was 52% in 2014-2017 and has been rising by 2 percentage points per year to reach 60% in 2021 (ZPIZ-2, 2012, Articles 144 and 410). Employers make up employee contributions for those earning less than the threshold amount (ZPIZ-1, 2006, Article 222; ZPIZ-2, 2012, Article 152).

As regards spending on old age/survivors/invalidity benefits, the following are financed from the central government budget:

- pensions for some categories of the self-employed not covered under other insurance legislation;
- retirement under more favourable conditions for police, army personnel and war veterans;
- special pensions assigned to exceptional cultural and other distinctive persons;
- the deficit of the IPDI;
- employer and employee contributions for disabled workers;
- employer contributions for old-age/survivors/invalidity benefits for farmers exempt from compulsory insurance.

Local communities pay healthcare contributions for Slovenian citizens not insured under any other heading of compulsory insurance (MISSOC, 2018).

In the 'healthcare and sickness' category, the central government budget finances:

- healthcare contributions on behalf of recipients of non-contributory social assistance and invalidity assistance, as well as war veterans and military personnel performing civil service;
- healthcare of certain groups including military personnel, refugees and prisoners;
- public healthcare institutions and public health programmes;
- collection of blood, organs and tissues for transplantation;
- emergency healthcare for uninsured persons; and
- the difference to full value of medical services for insured persons who are entitled to cash social assistance and for their family members (MISSOC, 2018).

For people working under civil contracts, pension and disability insurance is mandatory. Since January 2013 employer contributions have been paid at the rate of 8.85%, and from January 2014 this insurance (at the rate of 15.5%) has also been paid by workers if they are not insured under another legal basis (e.g. employment) or exempted by law

[15] For health insurance only, the percentage was increased to 60% in February 2014 (Stropnik, Majcen and Prevolnik Rupel, 2017, pp. 12-13).

(e.g. pensioners). These contribution rates are the same as those for persons with employment contracts. If work under civil contracts is the secondary activity of people covered by social protection insurance through their primary status (people in employment and pensioners), pension and disability insurance contributions are not paid under civil contracts. Workers on civil contracts cannot voluntarily join the parental protection insurance or unemployment insurance arrangements (Stropnik, Majcen and Prevolnik Rupel, 2017).

Since February 2015, social security contributions have been paid on student work (Act Amending the Public Finance Balance Act, 2014). Employee and employer contributions in respect of old-age and disability insurance are paid at the same rates as in the case of employment contracts (15.5% by the student and 8.85% by the employer). The employer contribution in respect of health insurance is paid at the rate of 6.36% (0.2 percentage points lower than in the case of employment contracts). The employer contribution is also paid in respect of insurance against accidents at work and occupational injuries (at the same rate as in the case of employment contracts). However, there is no insurance in respect of parental protection and unemployment (Stropnik, Majcen and Prevolnik Rupel, 2017).

For people performing daily work through vouchers, insurance in respect of pensions and disability, healthcare, accidents at work and occupational diseases became mandatory from 1 January 2015 if they were not insured otherwise (e.g. as employed or self-employed, or as the inactive partner of an insured person) (Prevention of Undeclared Work and Employment Act, 2014). They have to be insured against disability or death as a consequence of accidents at work or occupational disease.

Contributions based on the minimum wage are paid from the central government budget on behalf of persons who work part time due to parenthood (Parental Protection and Family Benefits Act, 2014, Article 12), in respect of any shortfall compared with full-time work. This provision was introduced before 2005.

2.1 Health

Almost 100% of the population of Slovenia (insured persons and their family members) are covered by CHI. CHI covers the majority of health risks. In certain cases, it covers the full costs of medical services and prescribed drugs, while in other cases the exact share of the costs covered by CHI is determined by the HIIS and approved by the government, and is subject to periodic change. The Healthcare and Health Insurance Act (2006) specifies the lower limits of these shares. The balance is paid out-of-pocket, or is (in most cases) covered by VHI.[16]

The trend in total spending on health reflected changes in health contributions during 2005-2016. The social security contributions paid directly by employees, the self-employed and others represent the bulk of healthcare contributions (Table 3), which implies a dependence of healthcare receipts on economic cycles.

[16] With the exception of disabled soldiers and civilian war invalids, some other groups of disabled people, and recipients of social security benefits.

Table 3: Public healthcare receipts by source, Slovenia 2005-2017, % total

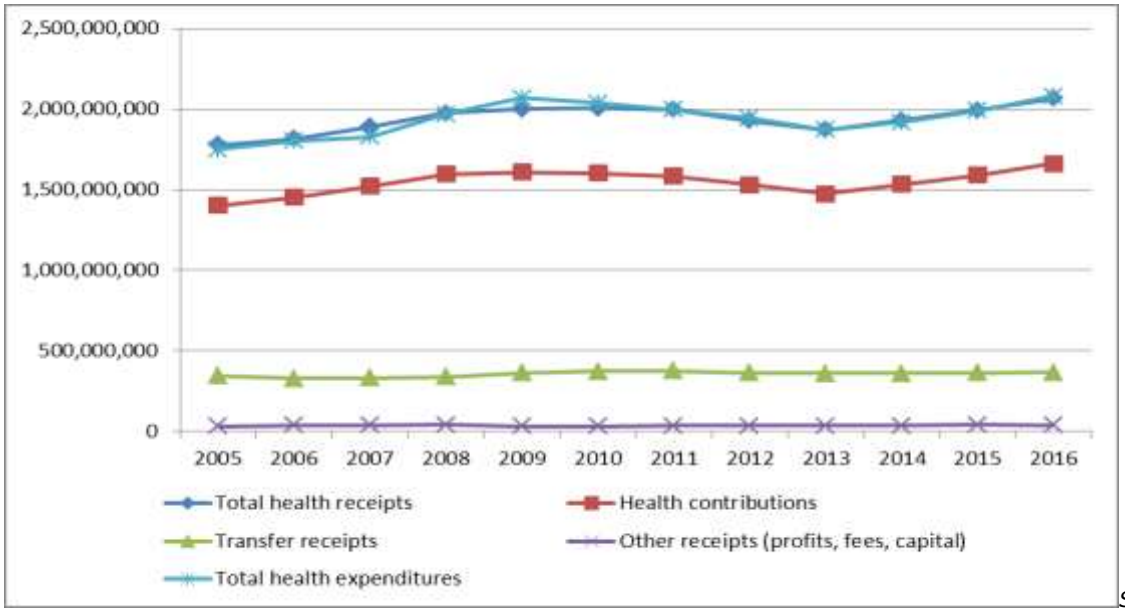
	2005	2008	2010	2015	2016
Directly paid social contributions	**78.84**	**80.86**	**79.83**	**79.77**	**80.45**
– of which employees	44.01	44.05	43.43	43.11	43.05
– of which employers	49.07	49.37	48.74	47.89	47.96
– of which self-employed	5.25	5.18	5.84	6.09	6.04
– of which others	1.67	1.40	1.99	2.90	2.95
Transfers	**19.34**	**17.12**	**18.56**	**18.17**	**17.75**
– of which central government	5.32	5.86	10.67	9.62	9.58
– of which local community budgets	5.32	4.42	3.66	4.47	4.58
– of which IPDI	85.99	86.65	82.89	83.56	83.62
– of which other social funds (unemployed, maternity)	3.38	3.07	2.79	2.35	2.22
Other receipts (profits, fees, capital)	**1.82**	**2.02**	**1.61**	**2.06**	**1.80**

Source: HIIS, 2006-2017 Annual Reports; own calculations.

Table 3 reveals a slight overall fall in transfers, and a slight increase in directly paid contributions, over the period examined. However, all major categories of receipts (Figure 5) were fairly stable. A closer look shows a considerable increase in central government transfers between 2008 and 2010 (Table 3) (HIIS, 2010). This can be attributed to the increasing share of healthcare services covered by VHI, which threatened access to healthcare for those without it, including the socially deprived: this caused central government to take over payment for services for those affected (Act Amending the Healthcare and Health Insurance Act, 2008), as well as on behalf of all prisoners and detainees. Central government transfers kept on increasing until 2012, and then started to slowly fall again until 2016. In 2017, however, they increased again due to a large subsidy to the hospital sector. Generally, the largest transfer to the HIIS was the one from the IPDI, which was also more or less stable over the period examined.

In overall terms, the share of directly paid social contributions in healthcare receipts was stable. While employer and employee contributions still represented by far the biggest share, those paid by the self-employed constantly increased. The reason was the introduction of new contribution bases and rates for some categories of insured persons in 2014 (Act Amending the Healthcare and Health Insurance Act, 2013). For instance, there was an additional contribution paid by some categories of the self-employed (0.53% for injuries and 6.36% for healthcare), calculated by reference to the previous October's gross average wage. The data also suggest an increase in other social contributions after 2015. This might be a consequence of the growing incidence of precarious working.

Figure 5: Public receipts and spending on health, Slovenia 2005-2016, EUR 2005 prices



Source: HIIS, 2006-2017 Annual Reports; own calculations.

Healthcare is financed by contributions to the National Health Insurance Institute by employers, employees and other groups. Employers contribute 6.56% of gross wages, and employees 6.36%; employers additionally pay 0.53% for insurance against professional diseases and injuries at work. Since 2002, the collective contribution rate has remained unchanged. The contribution rate for pensioners is much lower and amounts to 5.96% of gross pensions (Social Security Contributions Act, 1996). It is evident from the breakdown of revenue sources for CHI in Table 4 that employee and employer contributions were (and still are) the largest source of revenue.

Table 4: CHI revenue by source, Slovenia 2005-2016, % total

	2005	2008	2010	2015	2016
Employer/employee contributions	73.4	75.5	73.6	72.6	73.2
Contributions by retired people	16.6	14.8	15.4	15.2	14.8
Contributions by the self-employed	4.1	4.2	4.7	4.9	4.9
Other contributions	4.0	3.4	4.8	5.3	5.3
Other sources	1.8	2.0	1.6	2.1	1.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: HIIS, 2006-2017 Annual Reports; own calculations.

The mix of public financing sources was stable over the period examined. It is worth noting that there were no major changes or reforms in the Slovenian healthcare system after 2005. All major changes in the structure of revenue sources were mostly a consequence of the economic crisis. Minor changes in healthcare contributions (see Section 1) could not significantly affect the trends and structures presented.

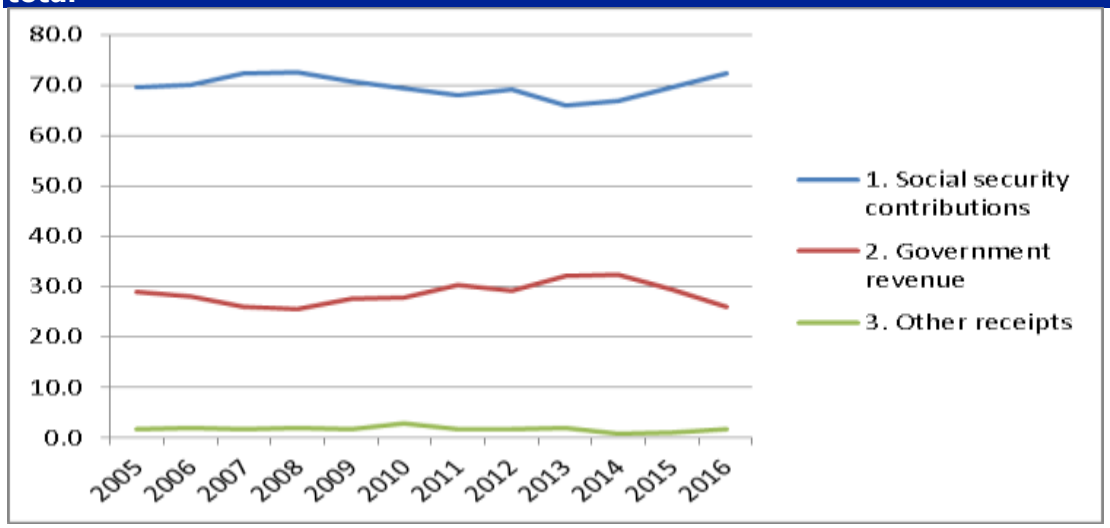
As the HIIS needs to ensure a balanced budget, due to its inability to borrow, it always needs to be prepared and have sufficient reserves. Sometimes it is even overcautious, as in 2014 when expenditure reductions (austerity measures) were more substantial than the actual fall in revenue due to the economic crisis. This simultaneously resulted in a surplus on the HIIS balance sheet and losses on hospital balance sheets also due to price decreases (MoH, 2015). Between 2005 and 2016, there was some money in HIIS reserves in all years, other than 2012 and 2013. In 2014, the HIIS began to build up its reserves again, and by the end of 2016 they amounted to EUR 6.96 million (HIIS, 2017). Surpluses contributed significantly to the accumulation of reserves, which are an

important source for countercyclical spending on health during economic downturns. At least 25% of any yearly surplus is dedicated to the reserve fund.

2.2 Pensions

In 2016, the main source of financing for pensions was social security contributions (Appendix Table A2); these accounted for 72.4% of total IPDI receipts, followed by central government transfers (26.0%) and other receipts (1.6%). The share of social security contributions remained quite stable over the period examined, ranging between 72.6% in 2008 and 66.1% in 2013. The legal obligation to cover the difference between IPDI receipts and spending through central government transfers is evident from the almost mirror line in Figure 6.[17]

Figure 6: Financing of old-age benefits by main source, Slovenia 2005-2016, % total

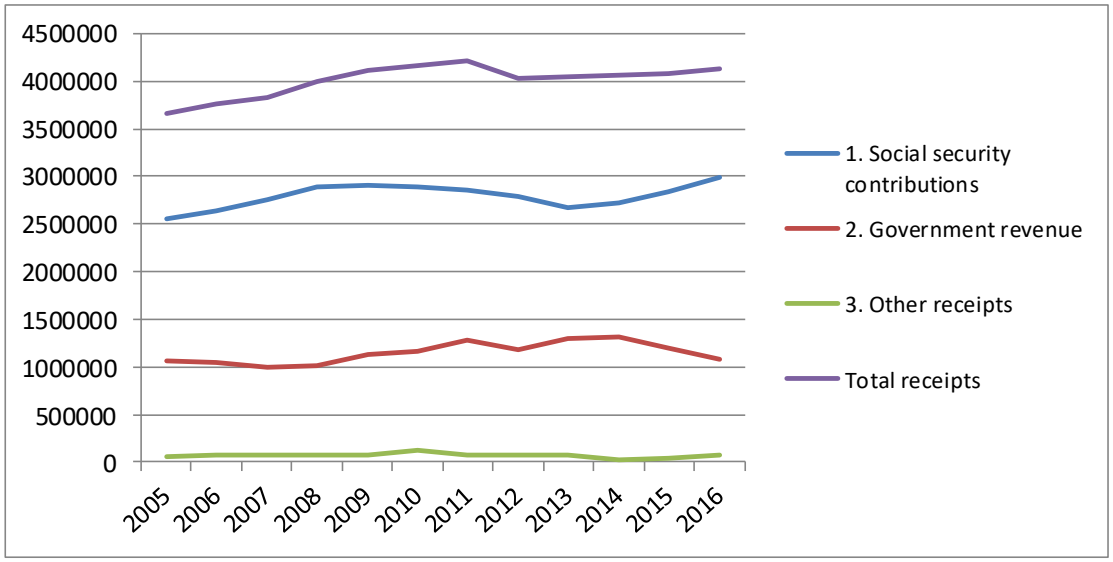


Source: IPDI Annual Reports, 2006-2017; own calculations.

IPDI receipts rose steadily from 2005 on, except for 2012 when certain social rights were eliminated from the pension system and the annual supplement (*letni dodatek*) was cut (Figure 7 and Appendix Table A3). As concerns the social rights, the so-called state pension (a non-contributory social assistance benefit) was replaced by means-tested cash social assistance, while pension support (*varstveni dodatek*) for pensioners (regulated by ZPIZ-1) was replaced by income support (still named *varstveni dodatek*, but regulated by the 2010 Social Assistance Benefits Act). Since entitlement to cash social assistance is conditional on family income and a property test, the change excluded many former beneficiaries. However, the fall in their number exceeded expectations, partly because cash social assistance has to be paid back to the central government budget from the beneficiary's legacy.

[17] Employer contributions were 23.5% in 2015, and employee contributions 40.6% – a reverse of the EU pattern (41.8% and 19.5%, respectively).

Figure 7: Public receipts for financing old-age benefits, Slovenia 2005-2016, EUR (thousands) 2005 prices



Source: IPDI Annual Reports, 2006-2017; own calculations.

Almost stable total receipts after 2012 may be attributed to the consequences of ZPIZ-2 and financial consolidation measures (indexation freeze and temporary reduction of the annual supplement). With economic recovery and positive GDP growth from 2014 on, the financial consolidation measures were gradually abolished and the amount of social contributions increased, which was reflected in a lower need for transfers from the central government budget. The total contribution rate for pension and disability insurance remained unchanged during the period, but there were some changes in the minimum insurance base, and the payment of social contributions was extended to some other forms of employment.

By applying the 'every work counts' concept since February 2015 (Act Amending the Public Finance Balance Act, 2014), the government increased the social security (future pensions) of persons performing some non-standard forms of work through: 1) an increased insurance base for the self-employed; 2) a higher hourly rate for student work; and 3) compulsory payment of social security contributions under non-standard work contracts (civil contracts and student work).

2.3 Other benefits

The sources of financing did not change for other benefits in the period examined. Contribution rates are shown in Table 2.

Unemployment benefits are financed from unemployment insurance contributions and the central government budget. Contributions are collected by central government, which covers the difference between contributions and actual spending. Unemployment benefits are mainly financed from the central government budget. In 2016, only 16.6% of total unemployment benefits were financed from insured person and employer contributions (ESS, 2017, p. 49).

For certain groups of insured persons (e.g. prisoners not working full-time, rescue teams and participants in some other organised actions, if not insured on another basis), contributions for insurance against accidents at work and occupational diseases (temporary incapacity) are paid from the central government budget.

Maternity/paternity/parental salary compensation is financed by contributions paid for parental protection, which are collected by central government. However, the contributions cover only a small proportion of total expenditure for this purpose; the rest (as much as 92%) is paid from the central government budget (MISSOC, 2018).

Family benefits (family allowances in ESSPROS) and cash social assistance benefits (general non-contributory minima in ESSPROS) are financed from the central government budget.

3 Strengths and weaknesses of the existing mix of financing options and potential future sources of financing – national debate on the topic

The existing mix of financing sources for social protection is the result of the historical development of relevant policies. Employers in Slovenia have complained about the effect of high contribution rates on national economic competitiveness. On the other hand, it is very hard to lower the level of existing rights to various social protection benefits. Slovenia has also had relatively (very) unfavourable demographic trends, resulting in the need for central government transfers to the IPDI. Pension reforms have only partially alleviated the situation.

3.1 Health

The Slovenian healthcare system is susceptible to fluctuations in social insurance contributions. Healthcare services are largely financed by current healthcare contributions; that is, on a PAYG basis. Social insurance contributions declined during the economic crisis because of extremely low wage growth and increased numbers of unemployed people (who pay lower contributions than employees, due to a lower contribution base). The slowdown in HIIS revenue growth was therefore more pronounced than in total government revenues. Between 2005 and 2013, total government revenues, as a share of GDP, increased by 1.8 percentage points, while HIIS revenues increased by only 0.3 percentage points (Cylus, 2015). Healthcare contributions (the main source of HIIS revenue) are strongly linked to employment and the economic cycle, to an even higher degree than pensions (where the government is legally obliged to cover the gap between IPDI receipts and spending). According to current legislation, the HIIS must be financed without any borrowing from central government and without any increases in insurance contribution rates. Hence, the HIIS needs to ensure its financial sustainability through various measures within the health care system. During the economic crisis, the volume of services was maintained by reducing their prices (EC, 2015), delaying payments (HIIS, 2012) and shifting costs onto VHI. However, evidence exists of prolonged waiting times and losses suffered by a number of providers, some of which required public loans to maintain services.

As HIIS receipts are prone to economic cycles, counter-cyclical measures and the building of reserves have been a common HIIS practice.

Healthcare contributions will obviously remain the most important source of HIIS receipts in the future. On the one hand, they certainly have negative implications for labour costs, labour demand and competitiveness. On the other hand, however, they may increase work incentives, as they generate entitlement to a benefit, motivating employees to pay contributions. As contributions are related to employment contracts, they are generally less prone to evasion than taxes. Due to the regressive nature of VHI (absolute amounts of premiums are equal for all income levels), a further shift of healthcare financing to VHI may force lower-income groups to leave VHI, resulting in even higher inequalities in healthcare. Although the government pays premiums for people up to a certain income level, premiums can still present a high burden for those just above the at-risk-of-poverty level.

The administrative costs to the HIIS of collecting contributions are very low, at 1.60% of all HIIS spending. High administrative costs in VHI, at 10.6%, have been advanced as one of the main reasons for abolishing VHI.

According to current baseline forecasts, ageing is expected to lead to larger increases in health and long-term care expenditure, relative to GDP, than the EU-28 average (EC, 2018). As described in Section 2, older population groups contribute less to the HIIS than the employed. Without an increasing tax funding component or significant gains in employment and/or wage growth to counterbalance the growing older population, social security contributions revenue may be expected to fall. There have been a number of

legislative proposals since 2011 aimed at transferring certain categories of spending from the HIIS to central government, in order to mitigate fluctuations in receipts (MoH, 2011; MoH, 2017). Some spending was indeed transferred, such as funeral costs and a special 'death benefit' (Act Amending the Social Assistance Benefits Act, 2013), whereas some other spending categories (such as on research and education) are still financed by the HIIS.

3.2 Pensions

Social benefits disbursed by the IPDI are largely financed by current social contributions; that is, on a PAYG basis. Despite an ongoing national debate regarding possible future sources of financing, no fundamental change in this system is envisaged. On the one hand, the level of contributions certainly has negative implications for labour costs, labour demand and competitiveness. On the other hand, however, they may increase work incentives as they generate entitlement to a benefit, motivating employees to pay social security contributions. Additionally, social partners have a greater role in social protection systems funded through contributions; and as contributions are related to employment contracts, they are generally less subject to evasion than taxes (European Commission and Social Protection Committee, 2015, pp. 25-28). In Slovenia, a relatively low level of trust in the pension system can be observed, based on a lack of adequate information and people's perception that pension levels are not adequate. This may result in people declaring a lower income for contribution purposes, or avoiding the payment of contributions altogether.

At the same time, the dominant role of social security contributions has its weaknesses. As they are strongly linked to employment, contributions are more sensitive to the economic cycle than other non-labour-related taxes. This situation creates a cyclical mismatch between spending on old-age benefits and IPDI receipts. In order to avoid fluctuations in income, the government is legally obliged to cover the gap between IPDI receipts and spending. Additionally, Slovenia was successful in restraining excessive increases in pension spending during the economic crisis, by implementing severe financial consolidation measures. Together with the impact of both pension reforms (ZPIZ-1 in 1999 and ZPIZ-2 in 2012), this resulted in a manageable gap between IPDI receipts and spending (covered by increased transfers from central government), but at the expense of pensioners. With demographic change affecting the size of the labour force, the share of contributions in IPDI receipts will fall in the future, causing a steady increase in transfers from central government that are likely to become unsustainable quite quickly.

Another weakness of social security contributions is their linkage to labour contracts, but Slovenia offers inactive people the option of voluntary inclusion in the system. Social contributions also create additional administrative costs and are vulnerable to structural changes in the labour market. By applying the 'every work counts' principle from 2015 on, Slovenia has made payment of social security contributions compulsory for all non-standard forms of employment.

In terms of potential future sources of pension financing, and the long-term sustainability and adequacy of pensions, it should be noted that the creation of the Demographic Reserve Fund (DRF)[18] has been hindered by some important challenges – such as whether the DRF should be an independent autonomous fund, or only a dividend recipient; and from which sources the fund could increase its existing portfolio. Consequently it is unlikely the DRF will be established in the very near future and be able to cover a substantial part of the increasing deficit projected for the IPDI. Restraining future spending appears to be a more realistic and promising route. A parametric reform

[18] Resulting from a redesign of the state-owned pension management company (*kapitalska družba*), intended to be completed by 2015. The principal role of the DRF is to act as an additional (and important) source of financing for the pension system and to cover its projected increasing long-run deficit.

is more likely, but not through an increase in social security contributions since these have a negative impact on labour costs.

The government has taken seriously into account the EC recommendation regarding the importance of a stronger involvement of social partners in the preparation of a new pension reform. This is evident from the White Paper presented in April 2016 (MLFSAEO, 2016a), the broad public debate that was launched, and the appointment of a taskforce aimed at achieving agreement among the social partners. The White Paper presents potential solutions that would ensure the fiscal sustainability of the pension system and adequate pension levels.

In December 2016, the government adopted the document 'Older workers and the labour market in Slovenia' (MLFSAEO, 2016b) and the related action plan. The document includes an analysis of the position of older people in the labour market and a list of possible measures that could contribute to a higher employment rate among older people, as well as a longer working life. This document represents an important and necessary addition to the White Paper on pensions. Both documents complement each other: without changing the position of older people in the labour market, the prospects for pension reform will be undermined.

Based on an intensive debate between the Slovenian government and the social partners on the White Paper, the starting points for the renovation of the pension and disability insurance system in Slovenia were prepared and unanimously approved by the Parliament on 7 July 2017 (MLFSAEO, 2017). The agreed key aims of the further development of the pension system are: a) gradual achievement of decent pension levels, at a minimum replacement rate of 70%; b) financial sustainability; c) system transparency; and d) raising the confidence of all generations in the pension system. These aims can be achieved by implementing the following set of measures/principles: full implementation of the 'every work counts' principle; increasing the actual retirement age and prolonging working life; equal treatment of men and women; indexation of pensions, taking into account growth in salaries and prices, to ensure decent pensions and a sustainable pension fund; professional rehabilitation becoming a fundamental right under disability insurance, whereby health insurance and occupational safety and health are adapted in parallel; and supplementary pension insurance being determined primarily in terms of upgrading income at retirement, but not at the expense of the first pillar. Agreement on these measures represents a key starting point for renovation of the system.

Achieving a minimum replacement rate of 70% cannot be achieved through the first-pillar scheme alone. The role of the second pillar therefore has to be increased (Majcen, 2018). But the introduction of a mandatory supplementary pension scheme, proposed in the White Paper, has not received the social partners' support. The main remaining challenge is therefore how to effectively and substantially increase the number of people insured in the supplementary scheme, with an emphasis on younger generations and other vulnerable groups. The necessary measures should be prepared and adopted in the very near future.

3.3 Other benefits

The current (mix of) financing for other benefits is appropriate. The central government budget is probably the only acceptable source of financing for family benefits and social assistance. In the case of maternity/paternity/parental leave benefits, the principle adopted is that families should not suffer a (considerable) fall in their income after the birth of a child. Consequently, the salary compensation rate has been 100% of the previous 12-month period. It has never been intended to finance these benefits by contributions only.

References

Act Amending the Healthcare and Health Insurance Act [Zakon o spremembah in dopolnitvah Zakona o zdravstvenem varstvu in zdravstvenem zavarovanju (ZZVZZ-M)], *Official Gazette of the Republic of Slovenia*, No 91/2013, 5 November 2013. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2013-01-3306?sop=2013-01-3306 (accessed 19 January 2019).

Act Amending the Healthcare and Health Insurance Act [Zakon o spremembah in dopolnitvah Zakona o zdravstvenem varstvu in zdravstvenem zavarovanju (ZZVZZ-K)], *Official Gazette of the Republic of Slovenia*, No 76/2008, 25 July 2008. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2008-01-3348?sop=2008-01-3348 (accessed 19 January 2019).

Act Amending the Public Finance Balance Act [Zakon o dopolnitvi Zakona za uravnoteženje javnih financ (ZUJF-C)], *Official Gazette of the Republic of Slovenia*, No 95/2014. Available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO7048 (accessed 20 January 2019).

Act Amending the Social Assistance Benefits Act [Zakon o spremembah in dopolnitvah Zakona o socialno varstvenih prejemkih (ZSVarPre-C)], *Official Gazette of the Republic of Slovenia*, No 99/2013, 3 December 2013. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2013-01-3549?sop=2013-01-3549 (accessed 21 January 2019).

Cylus, J., *Pregled izdatkov v zdravstvu [Expenditure in Healthcare Review Report],* European Observatory on Healthcare Systems and Policy, 7 October 2015. Available at: http://www.mz.gov.si/fileadmin/mz.gov.si/pageuploads/Analiza/04022016_porocila_SL/Report_Expenditure_review_Slovenia_FINAL_FORMATTED_SI_4.pdf (accessed 20 January 2019).

Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance [Sklep o spremembah sklepa o določitvi odstotkov vrednosti zdravstvenih storitev, ki se zagotavljajo v obveznem zdravstvenem zavarovanju], *Official Gazette of the Republic of Slovenia*, No 01/2013, 4 January 2013. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2013-01-0006?sop=2013-01-0006 (accessed 21 January 2019).

Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance [Sklep o spremembah sklepa o določitvi odstotkov vrednosti zdravstvenih storitev, ki se zagotavljajo v obveznem zdravstvenem zavarovanju], *Official Gazette of the Republic of Slovenia*, No 98/2011, 2 December 2011. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2011-01-4213/sklep-o-spremembi-sklepa-o-dolocitvi-odstotkov-vrednosti-zdravstvenih-storitev-ki-se-zagotavljajo-v-obveznem-zdravstvenem-zavarovanju (accessed 20 January 2019).

Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance [Sklep o spremembah sklepa o določitvi odstotkov vrednosti zdravstvenih storitev, ki se zagotavljajo v obveznem zdravstvenem zavarovanju], *Official Gazette of the Republic of Slovenia*, No 20/2010, 12 March 2010a. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2010-01-0879?sop=2010-01-0879 (accessed 20 January 2019).

Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance [Sklep o spremembah sklepa o določitvi odstotkov vrednosti zdravstvenih storitev, ki se zagotavljajo v obveznem zdravstvenem zavarovanju], *Official Gazette of the Republic of Slovenia*, No 101/2010, 13 December 2010b. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2010-01-5219/sklep-o-spremembi-sklepa-o-spremembah-sklepa-o-

dolocitvi-odstotkov-vrednosti-zdravstvenih-storitev-ki-se-zagotavljajo-v-obveznem-zdravstvenem-zavarovanju (accessed 20 January 2019).

Decision Amending the Decision on Determining the Percentage of the Payment of Health Services Provided in the Compulsory Health Insurance [Sklep o spremembah sklepa o določitvi odstotkov vrednosti zdravstvenih storitev, ki se zagotavljajo v obveznem zdravstvenem zavarovanju], *Official Gazette of the Republic of Slovenia*, No 51/2009, 3 July 2009. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2009-01-2575?sop=2009-01-2575 (accessed 20 January 2019).

EC, *The 2018 Ageing Report: Economic & Budgetary Projections for the 28 EU Member States (2016-2070)*, European Economy Institutional Paper 079, May 2018, European Commission, Brussels, 2018. Available at: https://ec.europa.eu/info/sites/info/files/economy-finance/ip079_en.pdf (accessed 21 January 2019).

EC, *Country Report Slovenia 2015*, European Commission, Brussels, 2015. Available at: https://ec.europa.eu/info/publications/2015-european-semester-country-reports-slovenia_en (accessed 21 January 2019).

ESS, *Letno poročilo 2016 – Poslovno poročilo za leto 2016 [2016 Annual Report – 2016 Annual Business Report]*, Employment Service of Slovenia, Ljubljana, 2017. Available at: https://www.ess.gov.si/_files/10034/Letno_porocilo_2016_z_revizorskim_mnenjem.pdf (accessed 29 January 2019).

European Commission and Social Protection Committee, *Social protection systems in the EU: financing arrangements and the effectiveness and efficiency of resource allocation*, Social Protection Committee and European Commission Services, European Union, Luxembourg, 2015. Available at: https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7743 (accessed 29 January 2019).

Eurostat, *European Union Statistics on Purchasing Power Adjusted GDP per capita: Real expenditure per capita*, Eurostat, Luxembourg, 2018. Available at: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_10_10&plugin=1 (accessed 21 January 2019).

Exercise of Rights to Public Funds Act [Zakon o uveljavljanju pravic iz javnih sredstev], *Official Gazette of the Republic of Slovenia*, No 62/2010. Available at: http://www.uradni-list.si/1/content?id=99290 (accessed 29 January 2019).

FARS, 'Prispevki za socialno varnost – Brošura o prispevkih za socialno varnost' ['Social security contributions: Brochure on the social security contributions payments'], Ministry of Finance, Financial Administration of the Republic of Slovenia, Ljubljana, March 2018. Available at: http://www.fu.gov.si/davki_in_druge_dajatve/podrocja/prispevki_za_socialno_varnost/ (accessed 20 January 2019).

FARS, 'Prispevki za socialno varnost – Brošura o prispevkih za socialno varnost' ['Social security contributions: Brochure on the social security contributions payments'], Ministry of Finance, Financial Administration of the Republic of Slovenia, Ljubljana, March 2016. Available at: http://www.fu.gov.si/davki_in_druge_dajatve/podrocja/prispevki_za_socialno_varnost/ (accessed 20 January 2019).

Healthcare and Health Insurance Act, [Zakon o zdravstvenem varstvu in zdravstvenem zavarovanju (ZZVZZ)], *Official Gazette of the Republic of Slovenia*, No 72/2006, 64/2017. Available at: http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO213 (accessed 21 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2017* [*Health Insurance Institute of Slovenia: 2017 Annual Report*], Health Insurance

Institute of Slovenia, Ljubljana, 2018. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/0ef1d12ac176b7a1c125825700349f7b/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS_12.4.2018.pdf (18 February 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2016* [*Health Insurance Institute of Slovenia: 2016 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2017. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/7868d258ee297a14c12580d5003e95b3/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202016_24.3.2017.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2015* [*Health Insurance Institute of Slovenia: 2015 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2016. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/817e8f5609c531d2c1257f7600499948/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202015_sprejeto%20na%20seji%20Skup%C5%A1%C4%8Dine_30.3.2016.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2014* [*Health Insurance Institute of Slovenia: 2014 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2015. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/9b52139ed62405f7c1257dfd00573af8/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202014_april%202015.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2013* [*Health Insurance Institute of Slovenia: 2013 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2014. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/39fb1122938d85f0c1257c9300462956/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%202013_april%202014.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2012* [*Health Insurance Institute of Slovenia: 2012 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2013. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/b65eb118eac3df54c1257b1d003281de/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202012_po%20sprejemu%20na%20seji%20Skup%C5%A1%C4%8Dini%20ZZZS_3.4.2013.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2011* [*Health Insurance Institute of Slovenia: 2011 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2012. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/b65eb118eac3df54c1257b1d003281de/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202012_po%20sprejemu%20na%20seji%20Skup%C5%A1%C4%8Dini%20ZZZS_3.4.2013.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2010* [*Health Insurance Institute of Slovenia: 2010 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2011. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/e89e07f4d96561dec1257856003fd7a8/$FILE/Poslovno%20poro%C4%8Dilo%20za%20leto%202010_18.4.2011.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2009* [*Health Insurance Institute of Slovenia: 2009 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2010. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/1b99c27fc5698ad2c12576ef0024a184/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202009_12.04.2010.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2008* [*Health Insurance Institute of Slovenia: 2008 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2009. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/c11ef7847b2e7379c125759f0043a56e/$FILE/poslovno%20poro%C4%8Dilo%20ZZZS_23.03.2010.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2007* [*Health Insurance Institute of Slovenia: 2007 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2008. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/c11ef7847b2e7379c125759f0043a56e/$FILE/poslovno%20poro%C4%8Dilo%20ZZZS_23.03.2010.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2006* [*Health Insurance Institute of Slovenia: 2006 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2007. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/a74ca8857b42ef9bc12572b90030b9de/$FILE/Poslovno%20poro%C4%8Dilo%20ZZZS%20za%20leto%202006_11.04.2007.pdf (accessed 16 January 2019).

HIIS, *Poslovno poročilo Zavoda za zdravstveno zavarovanje Slovenije za leto 2005* [*Health Insurance Institute of Slovenia: 2005 Annual Report*], Health Insurance Institute of Slovenia, Ljubljana, 2006. Available at: http://www.zzzs.si/ZZZS/info/egradiva.nsf/0/a1042239c318a6ecc1257177004c91e1/$FILE/poslovno%20poro%C4%8Dilo%202005_april%202006.pdf (accessed 16 January 2019).

IPDI, *Letna poročila 2006-2017 (2006-2017 Annual Reports)*, Zavod za pokojninsko in invalidsko zavarovanje Slovenije. Available at: https://www.zpiz.si/cms/content/letnaporocila (accessed 15 January 2019).

Majcen, B., 'Slovenia has made another important step towards a new pension reform', *ESPN Flash Report* 2018/15, European Social Policy Network, European Commission, Brussels, March 2018. Available at: http://ec.europa.eu/social/BlobServlet?docId=19207&langId=en (accessed 7 February 2019).

Majcen, B., 'ESPN Thematic Reporton Contribution to the 2018 Pension Adequacy Report – Slovenia', European Social Policy Network, European Commission, Brussels, 2017.

MISSOC – Mutual Information System on Social Protection (update as of 1 July 2018). Available at: https://www.missoc.org (accessed 28 January 2019).

MLFSAEO, *Usklajena izhodišča za prenovo sistema pokojninskega in invalidskega zavarovanja v Republiki Sloveniji [Harmonised starting points for a renovation of the system of pension and disability insurance in the Republic of Slovenia]*, Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ljubljana, 2017. Available at: http://www.mddsz.gov.si/si/medijsko_sredisce/novica/article/1966/8197 (accessed 30 January 2019).

MLFSAEO, *Bela knjiga o pokojninah [White Paper on pensions]*, Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ljubljana, April 2016a. Available at: http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti__pdf/dpd/2Bela_knjiga_o_pokojninah.pdf (accessed 30 January 2019).

MLFSAEO, *Starejši in trg dela v Sloveniji [Older workers and the labour market in Slovenia]*, Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ljubljana, 2016b. Available at: http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti__pdf/word/dpd/07_09_2016_Starejsi_in_trg_dela_v_Sloveniji.docx (accessed 30 January 2019).

MoH, Draft Healthcare and Health Insurance Act [Predlog zakona o zdravstvenem varstvu in zdravstvenem zavarovanju (ZZVZZ-1)], Ministry of Health, Ljubljana, 2017. Available at: http://www.mz.gov.si/fileadmin/mz.gov.si/pageuploads/zakonodaja/ZZVZZ-1.pdf (accessed 21 January 2019).

MoH, Poročilo o poslovanju javnih zdravstvenih zavodov in JAZMP v letu 2014 [Public healthcare institutions and Agency for Medicinal Products and Medical Devices of the Republic of Slovenia Business report], Ministry of Health, Ljubljana, 2015. Available at: http://www.mz.gov.si/fileadmin/mz.gov.si/pageuploads/analize_poslovanja/Porocilo_o_poslovanju_JZZ_v_letu_2014_-_javno.pdf (accessed 21 January 2019).

MoH, *Nadgradnja zdravstvenega sistema do leta 2020 [Upgrading Healthcare System by 2020]*, Ministry of Health, Ljubljana, 2011. Available at: http://www.vlada.si/fileadmin/dokumenti/si/projekti/2011/zdravstvena/NADGRADNJA_ZDRAVSTVENEGA_SISTEMA_DO_LETA_2020_pdf_160211.pdf (accessed 21 January 2019).

OECD/European Observatory on Health Systems and Policies*, Slovenia: Country Health Profile 2017, State of Health in the EU,* OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels, 2017. Available at: http://www.oecd.org/slovenia/slovenia-country-health-profile-2017-9789264283558-en.htm (accessed 15 January 2019).

Parental Protection and Family Benefit Act [Zakon o starševskem varstvu in družinskih prejemkih (ZSDP-1)], *Official Gazette of the Republic of Slovenia*, No 26/2014, with amendments. Available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6688 (accessed 29 January 2019).

Pension and Disability Insurance Act (ZPIZ-1) [Zakon o pokojninskem in invalidskem zavarovanju (ZPIZ-1)], *Official Gazette of the Republic of Slovenia*, No 109/2006 (official consolidated text), with amendments. Available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO1431 (accessed 21 January 2019).

Pension and Disability Insurance Act [Zakon o pokojninskem in invalidskem zavarovanju (ZPIZ-2)], *Official Gazette of the Republic of Slovenia*, No 96/2012. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/110802 (accessed 20 January 2019).

Prevention of Undeclared Work and Employment Act [Zakon o preprečevanju dela in zaposlovanja na črno (ZPDZC-1)], *Official Gazette of the Republic of Slovenia*, No 32/2014. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2014-01-1320?sop=2014-01-1320 (accessed 29 January 2019).

Public Finance Balance Act [Zakon za uravnoteženje javnih financ (ZUJF)], *Official Gazette of the Republic of Slovenia,* No 40/2012, 30 May 2012. Available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6388 (accessed 20 January 2019).

SI-Stat Database, Statistical Office of the Republic of Slovenia, Ljubljana, 2019. Available at: https://pxweb.stat.si/pxweb/dialog/statfile1.asp (accessed 28 January 2019).

Social Assistance Benefits Act [Zakon o socialno varstvenih prejemkih (ZSVarPre)], *Official Gazette of the Republic of Slovenia*, No 61/2010. Available at: http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5609 (accessed 29 January 2019).

Social Security Contributions Act [Zakon o prispevkih za socialno varnost (ZPSV)], *Official Gazette of the Republic of Slovenia*, Nos 05/1996 and 26/2014. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/1996-01-0277?sop=1996-01-0277 (accessed 21 January 2019).

Spasova S. and Ward T. (2019). Social protection expenditure and its financing in Europe, A study of national policies 2019, European Social Policy Network (ESPN), Brussels: European Commission.

Stropnik, N., Majcen, B., and Prevolnik Rupel, V., *ESPN Thematic Report on Access to social protection of people working as self-employed or on non-standard contracts (Slovenia)*, European Social Policy Network, European Commission, Brussels, 2017. Available at: http://ec.europa.eu/social/keyDocuments.jsp?pager.offset=20&&langId=en&mode=advancedSubmit&year=0&country=0&type=0&advSearchKey=ESPNsensw (accessed 29 January 2019).

Stropnik, N., Stanovnik, T., Rebolj, M., and Prevolnik-Rupel, V., *Study on the Social Protection Systems in the 13 Applicant Countries, Slovenia Country study*, EC – DG Employment and Social Affairs, Brussels, 2003.

Appendix

Table A1: Public receipts and spending for old-age benefits, Slovenia 2005-2016, EUR (thousands, constant 2005 prices)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES – TOTAL	**3,661,**	**3,758,8**	**3,823,4**	**3,991,0**	**4,112,9**	**4,171,6**	**4,214,0**	**4,032,4**	**4,041,1**	**4,056,4**	**4,082,0**	**4,128,0**
1. Social security contributions	**2,547,**	**2,635,3**	**2,760,3**	**2,896,1**	**2,906,5**	**2,895,1**	**2,862,7**	**2,783,7**	**2,669,5**	**2,716,5**	**2,844,9**	**2,987,9**
- employees	1,494,	1,546,33	1,623,96	1,703,60	1,696,03	1,683,53	1,655,05	1,531,03	1,468,89	1,571,19	1,658,28	1,734,07
- employers	880,54	912,314	955,637	1,001,22	996,570	988,611	972,774	1,000,30	955,434	932,224	960,086	1,014,39
- self-employed	125,06	127,699	130,782	135,620	143,934	143,173	143,375	154,054	145,948	139,389	145,224	153,640
- other	46,759	49,022	49,966	55,681	69,972	79,866	91,524	98,401	99,295	73,767	81,352	85,893
2. Transfers	**1,084,**	**1,090,6**	**1,032,6**	**1,064,8**	**1,181,9**	**1,247,6**	**1,323,2**	**1,220,0**	**1,336,1**	**1,310,0**	**1,213,5**	**1,117,3**
- central government budget	1,057,	1,051,63	994,982	1,020,36	1,137,65	1,159,70	1,279,41	1,177,21	1,294,10	1,308,81	1,196,66	1,074,93
- KAD	26,610	38,178	36,805	43,655	43,308	86,821	42,643	41,562	40,827	0	15,561	40,992
- other	1,018	826	873	869	956	1,161	1,158	1,276	1,195	1,265	1,279	1,379
3. Other revenues (capital, EU)	**30,01**	**32,881**	**30,448**	**30,002**	**24,560**	**28,805**	**28,078**	**28,559**	**35,439**	**29,783**	**23,555**	**22,709**
SPENDING – TOTAL	**3,661,**	**3,758,8**	**3,823,0**	**3,991,0**	**4,112,9**	**4,171,6**	**4,214,0**	**4,032,4**	**4,041,1**	**4,056,4**	**4,082,0**	**4,128,0**
1. Transfers – Total	**3,619,**	**3,713,1**	**3,779,3**	**3,945,6**	**4,068,7**	**4,127,3**	**4,171,5**	**3,994,9**	**4,008,5**	**4,023,8**	**4,052,6**	**4,096,1**
1a. Social security	**169,4**	**173,822**	**166,074**	**202,016**	**183,289**	**178,251**	**174,386**	**95,384**	**92,904**	**91,352**	**92,629**	**93,173**
- pension support - home	43,979	44,172	37,693	44,486	46,866	47,175	46,601	151	22	9	0	0
- pension support - abroad	3,935	3,779	3,438	3,643	3,476	3,460	3,229	2,546	2,306	2,111	1,951	1,823
- attendance supplement	61,324	63,152	63,585	64,445	66,564	67,263	66,326	62,809	62,197	62,546	64,750	66,661
- state pension	30,098	31,696	31,380	31,177	30,761	29,342	27,493	9	1	0	0	0
- other	30,088	31,023	29,978	58,266	35,622	31,011	30,738	29,870	28,378	26,686	25,928	24,688
1b. Pensions	**2,978,**	**3,081,0**	**3,156,3**	**3,279,2**	**3,410,9**	**3,475,9**	**3,529,4**	**3,447,9**	**3,473,5**	**3,494,4**	**3,525,7**	**3,568,4**
- old age	1,899,	1,988,38	2,063,03	2,175,16	2,288,73	2,362,63	2,431,44	2,433,80	2,485,63	2,518,23	2,652,70	2,707,59
- disability	443,73	446,535	445,881	448,460	449,527	439,049	425,346	404,561	389,794	382,148	400,795	394,734
- survivor	359,77	368,000	372,928	382,373	391,221	389,092	382,637	368,618	358,070	354,245	360,312	356,918
- abroad - other Republics of	99,241	93,116	99,077	101,340	106,876	111,628	115,181	117,575	117,875	118,301	0	0
- abroad - other countries	11,771	13,402	14,706	15,810	16,483	17,372	20,884	21,004	21,212	21,611	0	0
- holiday bonus	120,36	121,828	116,794	114,102	117,974	118,675	119,498	73,824	72,805	71,085	88,038	86,918
- other	44,365	49,825	43,894	41,979	40,136	37,488	34,489	28,610	28,132	28,865	23,945	22,259
1c. Wage allowances	**163,8**	**167,179**	**162,136**	**162,917**	**162,470**	**156,027**	**147,067**	**140,121**	**131,507**	**128,408**	**124,210**	**120,440**
1d. SSC for healthcare	**304,3**	**288,274**	**294,115**	**336,409**	**311,295**	**316,497**	**319,828**	**308,287**	**308,641**	**308,042**	**308,761**	**312,026**
1e. Other current transfers	**3,048**	**2,760**	**678**	**699**	**697**	**687**	**771**	**3,166**	**2,013**	**1,519**	**1,239**	**2,118**
2. Current spending	**37,01**	**40,464**	**38,358**	**39,310**	**39,700**	**38,965**	**37,984**	**34,693**	**30,165**	**29,287**	**28,098**	**29,106**
3. Investments	**4,588**	**5,297**	**5,360**	**6,084**	**4,586**	**5,314**	**4,491**	**2,754**	**2,385**	**3,341**	**1,283**	**2,723**
Surplus/deficit	**535**	**0**	**423**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: IPDI Annual Reports, 2006-2017; own calculations.

Table A2: Financing of old-age benefits by main source, Slovenia 2005-2016, % total

Share in revenues or spending (%)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES – TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
1. Social security contributions	**69.56**	**70.11**	**72.20**	**72.57**	**70.67**	**69.40**	**67.93**	**69.04**	**66.06**	**66.97**	**69.69**	**72.38**
- employees	40.82	41.14	42.47	42.69	41.24	40.36	39.27	37.97	36.35	38.73	40.62	42.01
- employers	24.05	24.27	24.99	25.09	24.23	23.70	23.08	24.81	23.64	22.98	23.52	24.57
- self-employed	3.42	3.40	3.42	3.40	3.50	3.43	3.40	3.82	3.61	3.44	3.56	3.72
- other	1.28	1.30	1.31	1.40	1.70	1.91	2.17	2.44	2.46	1.82	1.99	2.08
2. Transfers	**29.62**	**29.01**	**27.01**	**26.68**	**28.74**	**29.91**	**31.40**	**30.26**	**33.06**	**32.30**	**29.73**	**27.07**
- central government budget	28.87	27.98	26.02	25.57	27.66	27.80	30.36	29.19	32.02	32.27	29.32	26.04
- KAD	0.73	1.02	0.96	1.09	1.05	2.08	1.01	1.03	1.01	0.00	0.38	0.99
- other	0.03	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.03
3. Other revenues (capital, EU)	**0.82**	**0.87**	**0.80**	**0.75**	**0.60**	**0.69**	**0.67**	**0.71**	**0.88**	**0.73**	**0.58**	**0.55**
SPENDING – TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
1. Transfers – Total	**98.86**	**98.78**	**98.86**	**98.86**	**98.92**	**98.94**	**98.99**	**99.07**	**99.19**	**99.20**	**99.28**	**99.23**
1a. Social security	**4.63**	**4.62**	**4.34**	**5.06**	**4.46**	**4.27**	**4.14**	**2.37**	**2.30**	**2.25**	**2.27**	**2.26**
- pension support - home	1.20	1.18	0.99	1.11	1.14	1.13	1.11	0.00	0.00	0.00	0.00	0.00
- pension support - abroad	0.11	0.10	0.09	0.09	0.08	0.08	0.08	0.06	0.06	0.05	0.05	0.04
- attendance supplement	1.67	1.68	1.66	1.61	1.62	1.61	1.57	1.56	1.54	1.54	1.59	1.61
- state pension	0.82	0.84	0.82	0.78	0.75	0.70	0.65	0.00	0.00	0.00	0.00	0.00
- other	0.82	0.83	0.78	1.46	0.87	0.74	0.73	0.74	0.70	0.66	0.64	0.60
1b. Pensions	**81.36**	**81.97**	**82.56**	**82.17**	**82.93**	**83.32**	**83.76**	**85.51**	**85.95**	**86.15**	**86.37**	**86.44**
- old age	51.88	52.90	53.96	54.50	55.65	56.64	57.70	60.36	61.51	62.08	64.99	65.59
- disability	12.12	11.88	11.66	11.24	10.93	10.52	10.09	10.03	9.65	9.42	9.82	9.56
- survivor	9.83	9.79	9.75	9.58	9.51	9.33	9.08	9.14	8.86	8.73	8.83	8.65
- abroad - other Republics of former SFRJ	2.71	2.48	2.59	2.54	2.60	2.68	2.73	2.92	2.92	2.92	0.00	0.00
- abroad - other countries	0.32	0.36	0.38	0.40	0.40	0.42	0.50	0.52	0.52	0.53	0.00	0.00
- holiday bonus	3.29	3.24	3.05	2.86	2.87	2.84	2.84	1.83	1.80	1.75	2.16	2.11
- other	1.21	1.33	1.15	1.05	0.98	0.90	0.82	0.71	0.70	0.71	0.59	0.54
1c. Wage allowances	**4.48**	**4.45**	**4.24**	**4.08**	**3.95**	**3.74**	**3.49**	**3.47**	**3.25**	**3.17**	**3.04**	**2.92**
1d. SSC for healthcare	**8.31**	**7.67**	**7.69**	**8.43**	**7.57**	**7.59**	**7.59**	**7.65**	**7.64**	**7.59**	**7.56**	**7.56**
1e. Other current transfers	**0.08**	**0.07**	**0.02**	**0.02**	**0.02**	**0.02**	**0.02**	**0.08**	**0.05**	**0.04**	**0.03**	**0.05**
2. Current spending	**1.01**	**1.08**	**1.00**	**0.98**	**0.97**	**0.93**	**0.90**	**0.86**	**0.75**	**0.72**	**0.69**	**0.71**
3. Investments	**0.13**	**0.14**	**0.14**	**0.15**	**0.11**	**0.13**	**0.11**	**0.07**	**0.06**	**0.08**	**0.03**	**0.07**
Surplus/deficit	**0.01**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: IPDI Annual Reports, 2006-2017; own calculations.

Table A3: Public receipts and spending for old-age benefits, Slovenia 2005-2016, % GDP

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES – TOTAL	**12.53**	**12.21**	**11.56**	**11.80**	**12.87**	**13.25**	**13.39**	**13.45**	**13.66**	**13.24**	**12.82**	**12.48**
1. Social security contributions	**8.71**	**8.56**	**8.35**	**8.57**	**9.09**	**9.20**	**9.10**	**9.28**	**9.02**	**8.87**	**8.94**	**9.03**
- employees	5.11	5.02	4.91	5.04	5.31	5.35	5.26	5.11	4.96	5.13	5.21	5.24
- employers	3.01	2.96	2.89	2.96	3.12	3.14	3.09	3.34	3.23	3.04	3.02	3.07
- self-employed	0.43	0.41	0.40	0.40	0.45	0.45	0.46	0.51	0.49	0.45	0.46	0.46
- other	0.16	0.16	0.15	0.16	0.22	0.25	0.29	0.33	0.34	0.24	0.26	0.26
2. Transfers	**3.71**	**3.54**	**3.12**	**3.15**	**3.70**	**3.96**	**4.21**	**4.07**	**4.52**	**4.28**	**3.81**	**3.38**
- central government budget	3.62	3.42	3.01	3.02	3.56	3.68	4.07	3.93	4.37	4.27	3.76	3.25
- KAD	0.09	0.12	0.11	0.13	0.14	0.28	0.14	0.14	0.14	0.00	0.05	0.12
- other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other revenues (capital, EU)	**0.10**	**0.11**	**0.09**	**0.09**	**0.08**	**0.09**	**0.09**	**0.10**	**0.12**	**0.10**	**0.07**	**0.07**
SPENDING – TOTAL	**12.53**	**12.21**	**11.56**	**11.80**	**12.87**	**13.25**	**13.39**	**13.45**	**13.66**	**13.24**	**12.82**	**12.48**
1. Transfers – Total	**12.38**	**12.06**	**11.43**	**11.67**	**12.73**	**13.11**	**13.26**	**13.32**	**13.55**	**13.13**	**12.73**	**12.38**
1a. For social security:	**0.58**	**0.56**	**0.50**	**0.60**	**0.57**	**0.57**	**0.55**	**0.32**	**0.31**	**0.30**	**0.29**	**0.28**
- pension support - home	0.15	0.14	0.11	0.13	0.15	0.15	0.15	0.00	0.00	0.00	0.00	0.00
- pension support - abroad	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
- attendance supplement	0.21	0.21	0.19	0.19	0.21	0.21	0.21	0.21	0.21	0.20	0.20	0.20
- state pension	0.10	0.10	0.09	0.09	0.10	0.09	0.09	0.00	0.00	0.00	0.00	0.00
- other	0.10	0.10	0.09	0.17	0.11	0.10	0.10	0.10	0.10	0.09	0.08	0.07
1b. Pensions	**10.19**	**10.01**	**9.54**	**9.70**	**10.67**	**11.04**	**11.22**	**11.50**	**11.74**	**11.40**	**11.08**	**10.79**
- old age	6.50	6.46	6.24	6.43	7.16	7.51	7.73	8.12	8.40	8.22	8.33	8.18
- disability	1.52	1.45	1.35	1.33	1.41	1.39	1.35	1.35	1.32	1.25	1.26	1.19
- survivor	1.23	1.20	1.13	1.13	1.22	1.24	1.22	1.23	1.21	1.16	1.13	1.08
- abroad - other Republics of former SFRJ	0.34	0.30	0.30	0.30	0.33	0.35	0.37	0.39	0.40	0.39	0.00	0.00
- abroad - other countries	0.04	0.04	0.04	0.05	0.05	0.06	0.07	0.07	0.07	0.07	0.00	0.00
- holiday bonus	0.41	0.40	0.35	0.34	0.37	0.38	0.38	0.25	0.25	0.23	0.28	0.26
- other	0.15	0.16	0.13	0.12	0.13	0.12	0.11	0.10	0.10	0.09	0.08	0.07
1c. Wage allowances	**0.56**	**0.54**	**0.49**	**0.48**	**0.51**	**0.50**	**0.47**	**0.47**	**0.44**	**0.42**	**0.39**	**0.36**
1d. SSC for healthcare	**1.04**	**0.94**	**0.89**	**0.99**	**0.97**	**1.01**	**1.02**	**1.03**	**1.04**	**1.01**	**0.97**	**0.94**
1e. Other current transfers	**0.01**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.01**	**0.00**	**0.00**	**0.01**
2. Current spending	**0.13**	**0.13**	**0.12**	**0.12**	**0.12**	**0.12**	**0.12**	**0.12**	**0.10**	**0.10**	**0.09**	**0.09**
3. Investments	**0.02**	**0.02**	**0.02**	**0.02**	**0.01**	**0.02**	**0.01**	**0.01**	**0.01**	**0.01**	**0.00**	**0.01**
Surplus/deficit	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: IPDI Annual Reports, 2006-2017; own calculations.

Table A4: Real growth in public receipts and spending for old-age benefits, Slovenia 2005-2016, 2005=100

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES – TOTAL	**100.0**	**102.7**	**104.4**	**109.0**	**112.3**	**113.9**	**115.1**	**110.1**	**110.4**	**110.8**	**111.5**	**112.7**
1. Social security contributions	**100.0**	**103.5**	**108.4**	**113.7**	**114.1**	**113.7**	**112.4**	**109.3**	**104.8**	**106.7**	**111.7**	**117.3**
- employees	100.0	103.5	108.7	114.0	113.5	112.6	110.7	102.4	98.3	105.1	110.9	116.0
- employers	100.0	103.6	108.5	113.7	113.2	112.3	110.5	113.6	108.5	105.9	109.0	115.2
- self-employed	100.0	102.1	104.6	108.4	115.1	114.5	114.6	123.2	116.7	111.5	116.1	122.9
- other	100.0	104.8	106.9	119.1	149.6	170.8	195.7	210.4	212.4	157.8	174.0	183.7
2. Transfers	**100.0**	**100.5**	**95.2**	**98.2**	**109.0**	**115.0**	**122.0**	**112.5**	**123.2**	**120.8**	**111.9**	**103.0**
- central government budget	100.0	99.5	94.1	96.5	107.6	109.7	121.0	111.4	122.4	123.8	113.2	101.7
- KAD	100.0	143.5	138.3	164.1	162.8	326.3	160.3	156.2	153.4	0.0	58.5	154.0
- other	100.0	81.2	85.8	85.3	93.9	114.1	113.7	125.4	117.4	124.3	125.7	135.4
3. Other revenues (capital, EU)	**100.0**	**109.6**	**101.5**	**100.0**	**81.8**	**96.0**	**93.6**	**95.2**	**118.1**	**99.2**	**78.5**	**75.7**
SPENDING – TOTAL	**100.0**	**102.7**	**104.4**	**109.0**	**112.3**	**113.9**	**115.1**	**110.1**	**110.4**	**110.8**	**111.5**	**112.8**
1. Transfers – Total	**100.0**	**102.6**	**104.4**	**109.0**	**112.4**	**114.0**	**115.2**	**110.4**	**110.7**	**111.2**	**112.0**	**113.2**
1a. For social security:	**100.0**	**102.6**	**98.0**	**119.2**	**108.2**	**105.2**	**102.9**	**56.3**	**54.8**	**53.9**	**54.7**	**55.0**
- pension support - home	100.0	100.4	85.7	101.2	106.6	107.3	106.0	0.3	0.0	0.0	0.0	0.0
- pension support - abroad	100.0	96.0	87.4	92.6	88.3	87.9	82.0	64.7	58.6	53.6	49.6	46.3
- attendance supplement	100.0	103.0	103.7	105.1	108.5	109.7	108.2	102.4	101.4	102.0	105.6	108.7
- state pension	100.0	105.3	104.3	103.6	102.2	97.5	91.3	0.0	0.0	0.0	0.0	0.0
- other	100.0	103.1	99.6	193.7	118.4	103.1	102.2	99.3	94.3	88.7	86.2	82.1
1b. Pensions	**100.0**	**103.4**	**106.0**	**110.1**	**114.5**	**116.7**	**118.5**	**115.7**	**116.6**	**117.3**	**118.4**	**119.8**
- old age	100.0	104.7	108.6	114.5	120.5	124.4	128.0	128.1	130.8	132.6	139.6	142.5
- disability	100.0	100.6	100.5	101.1	101.3	98.9	95.9	91.2	87.8	86.1	90.3	89.0
- survivor	100.0	102.3	103.7	106.3	108.7	108.1	106.4	102.5	99.5	98.5	100.1	99.2
- abroad - other Republics of former SFRJ	100.0	93.8	99.8	102.1	107.7	112.5	116.1	118.5	118.8	119.2	0.0	0.0
- abroad - other countries	100.0	113.9	124.9	134.3	140.0	147.6	177.4	178.4	180.2	183.6	0.0	0.0
- holiday bonus	100.0	101.2	97.0	94.8	98.0	98.6	99.3	61.3	60.5	59.1	73.1	72.2
- other	100.0	112.3	98.9	94.6	90.5	84.5	77.7	64.5	63.4	65.1	54.0	50.2
1c. Wage allowances	**100.0**	**102.0**	**98.9**	**99.4**	**99.1**	**95.2**	**89.7**	**85.5**	**80.3**	**78.4**	**75.8**	**73.5**
1d. SSC for healthcare	**100.0**	**94.7**	**96.6**	**110.5**	**102.3**	**104.0**	**105.1**	**101.3**	**101.4**	**101.2**	**101.4**	**102.5**
1e. Other current transfers	**100.0**	**90.6**	**22.2**	**22.9**	**22.9**	**22.5**	**25.3**	**103.9**	**66.0**	**49.8**	**40.6**	**69.5**
2. Current spending	**100.0**	**109.3**	**103.6**	**106.2**	**107.2**	**105.3**	**102.6**	**93.7**	**81.5**	**79.1**	**75.9**	**78.6**
3. Investments	**100.0**	**115.5**	**116.8**	**132.6**	**100.0**	**115.8**	**97.9**	**60.0**	**52.0**	**72.8**	**28.0**	**59.4**
Surplus/deficit	**100.0**	**0.0**	**79.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Source: IPDI

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: http://europa.eu/contact

On the phone or by e-mail

Europe Direct is a service that answers your questions about the European Union. You can contact this service

– by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),

– at the following standard number: +32 22999696 or

– by electronic mail via: http://europa.eu/contact

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: http://europa.eu

EU Publications

You can download or order free and priced EU publications from EU Bookshop at: http://bookshop.europa.eu. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see http://europa.eu/contact)

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: http://eur-lex.europa.eu

Open data from the EU

The EU Open Data Portal (http://data.europa.eu/euodp/en/data) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.