

Module 8 - Assessment matrix for "Elderly"

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations ¹
Government of Coresia aims at providing a minimum income support for all elderly in need of protection (National Five Year Plan (2012–16))	<p>Private sector employees: compulsory contributory pension scheme (NPS) and employee provident fund (EPF) providing lump sum upon retirement</p> <p>Civil servants, police and military personnel, veterans, public school teachers: tax-funded pension scheme (ACPP), Government Officials' Provident Fund (GOPF)</p> <p>Informal economy workers, self-employed workers, and employees of SMEs: voluntary contributory pension scheme (VPP); non-contributory Universal Pension Scheme (UPS)</p> <p>Old age homes and home care programmes</p>	<p>Informal economy workers in the age group of 60–74 years are not covered by UPS</p> <p>Workers who have not completed the minimum number of years of contribution cannot claim pension benefits (under NPS, ACPP, VPP) but only lump-sum payments</p> <p>UPS benefit levels are too low and not indexed on inflation</p>	<p>Majority of formal sector employees not covered by NPS due to social evasion by employers</p> <p>Lack of portability: workers who change employers across their active age may not be entitled to a pension if they have spent less than 15 years with each employer</p> <p>Long administrative procedures in VPP</p>	<p>(*) R1 – Calculate the cost of extending UPS to informal economy workers of 60–74 years of age</p> <p>(Δ) R2 – Increase portability of pensions through linking with national ID system and database</p> <p>(*) R3 – Calculate the cost of providing pension benefits under UPS at the poverty line</p> <p>(*) R4 – Index benefits of UPS on inflation</p> <p>(Δ) R5 – Simplify the administrative procedures in VPP</p> <p>(Δ) R6 – Improve enforcement of the NPS Law to prevent social evasion, e.g. impose penalty for evasion and establish a supervisory and inspection mechanism</p> <p>(Δ) R7 – Increase coverage of the NPS Law to employees in small and medium-sized enterprises with 1-10 employees</p>

¹ Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects