

Council Recommendation of 8 November 2019 on access to social protection for workers and the self- employed (OJ C 387, 15 November 2019, p. 1 ff) – Plan Austria

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1. Introduction

This report is the Austrian contribution to the implementation of the Council Recommendation of 8 November 2019 ¹.

Without prejudice to the powers of the Member States to organise their social protection systems, the Council Recommendation provides the EU Member States with uniform reference points to ensure that workers and the self-employed have formal, effective and adequate protection that is also transparently accessible. In principle it applies to the following branches of social protection:

- a) Unemployment benefits
- b) Sickness and healthcare benefits
- c) Maternity and equivalent paternity benefits
- d) Disability benefits
- e) Old-age benefits and survivors' benefits
- f) Benefits in respect of accidents at work and occupational diseases

The implementation of the Recommendation is subject to ongoing review by means of a monitoring framework (i.e. monitoring report) ² established by the Social Protection Committee.

2. Challenges

Overall, the Austrian social security system is characterised by a mixture of centralised and decentralised elements. The benefits granted according to social insurance law – which are the responsibility of the central government level and relate in principle to the social protection referred to in this document – predominate, as do benefits without means-

¹ [EUR-Lex - 32019H1115\(01\) - EN - EUR-Lex \(europa.eu\)](#)

² [Access to Social Protection - Employment, Social Affairs and Inclusion - European Commission \(europa.eu\)](#)

testing, for the entire resident population (universal benefits). Regional authorities (the provinces, local authorities, town and city councils) are responsible above all for part of the healthcare system, housing, most social services, childcare facilities and means-tested minimum income and/or social assistance schemes.

In 2019, social expenditure totalled EUR 113.668 billion. More than one third of social expenditure is financed by employer contributions (2019: 36%) and general tax revenue (36%), and over one quarter by social contributions from protected persons (27%).

Old-age pensions account for 45% of all social benefits, including cash and benefits in kind for persons above retirement age. In 2019, the field of sickness and/or healthcare accounted for 27% of social benefit expenditure while that of families and children accounted for 9%. Social protection of invalids and persons with special needs accounted for 6%, further expenses were benefits for surviving dependants (5.5%) and unemployment-related benefits (5.4%), while housing and social exclusion accounted for 1.9%. ³

The social partners play a key role in the political opinion-making and legislative processes in Austria. Decisions on social policy are usually based on consensual solutions reached with the statutory interest groups of the Chamber of Labour (AK), the Economic Chamber (WKO), the Agricultural Chamber (LKÖ) and the Federation of Austrian Trade Unions (ÖGB). Usually, the Federation of Austrian Industries (IV) also plays a role in the decision-making process. The executive committees of the social insurance institutions, the Public Employment Service (AMS) and other bodies are fully or largely made up of representatives of the social partner organisations. Other interest groups such as the Senior Citizens' Council, the associations of people with disabilities, and non-governmental organisations (NGOs) which are active in the social sector have become increasingly influential in recent years. Experts from a wide range of specialist fields are also increasingly involved in the processes of preparing and implementing decisions within the framework of reform commissions and other bodies.

³ Source: Figures on social expenditure Statistics Austria, ESSPROS: [ESSPROS tables in all \(statistik.at\)](https://www.statistik.at/web_en/statistics/PeopleSociety/social_statistics/social_protection_according_to_eu_concept/esspros_tables_in_all/index.html)
https://www.statistik.at/web_en/statistics/PeopleSociety/social_statistics/social_protection_according_to_eu_concept/esspros_tables_in_all/index.html

The Austrian social insurance system is based on compulsory insurance contributions, the solidarity principle, and self-governance. It is predominantly financed by the contributions made by employers and employees according to a pay-as-you-go system (pension insurance, health insurance and work accident insurance).

Employees with compulsory insurance in the health insurance system are also compulsorily insured under the unemployment insurance system. Recipients of unemployment benefits are covered by health and pension insurance and for the duration of their participation in courses offered by the Public Employment Service they also have work accident insurance.

Workers and the self-employed are generally comprehensively insured against all risks. The self-employed include for instance, farmers, business people, as well as certain professional groups, for instance freelance lawyers. Comprehensive information on the applicable regulations is not only pro-actively provided by the federal government, the social insurance institutions and the social partners but also in individual face-to-face counselling meetings. Such information sharing channels include for instance:

Business Service Portal operated by the federal government: www.usp.gv.at

Social insurance: www.sozialversicherung.at (online and counselling)

Social partners (online and counselling provided to their members):

Austrian Economic Chambers: www.wko.at

Chamber of Labour: www.arbeiterkammer.at

Austrian Trade Union Federation: www.oegb.at

Federation of Austrian Industries: www.iv.at

Based on the results generated by the monitoring report, two groups of persons have partial social insurance coverage – however, as a rule, these persons are generally already appropriately insured and/or protected due to other facts and circumstances.

- **Marginal part-time workers**

The marginal earnings threshold has been in effect since the General Social Insurance Act (ASVG) came into force in 1956. Since 1998, marginal part-time workers have had the opportunity to take out voluntary health and pension insurance at low cost. At the same time, it was also stipulated that multiple marginal part-time employment relationships are to be added up for the purposes of assessing the scope of compulsory insurance.

The marginal earnings threshold in Austria is currently (2021) set at 475.86 euros gross per month. Marginal part-time workers are insured against work accidents but cannot insure themselves against unemployment in Austria. They do not have compulsory health and pension insurance, nor do they receive maternity allowance, but can on a voluntary basis opt to have these for a small contribution. A majority of around 58% make use of this option. This relatively high percentage is attributable to the fact that many marginal part-time workers already have insurance protection due to other facts and circumstances (students are, for instance, usually co-insured with one parent in the health insurance system).

Marginal part-time employees are not subject to compulsory unemployment insurance, as they do not earn an income that can cover their livelihood as a means of subsistence. An entitlement to unemployment benefit based on the marginal income would in any case not suffice to cover subsistence. However, marginal part-time employees are considered unemployed and therefore may receive unemployment insurance benefits while working in a marginal part-time employment, if they have acquired the entitlement from employment subject to compulsory unemployment insurance (except immediately following employment subject to compulsory full social insurance with the same employer. This provision was introduced to avoid abuse). This way, social protection from unemployment insurance is ensured for marginal part-time workers.

Recipients of unemployment assistance and early retirement pensions can also earn up to the marginal earnings threshold without their benefit payments being reduced. For this reason, such groups of persons do not require unemployment insurance either.

- **Self-employed persons**

According to the Recommendation, the self-employed are to have access to adequate social protection at least on a voluntary basis. In Austria, the self-employed are in any case covered by health and pension insurance. The option of voluntary unemployment insurance has hardly been used so far (by around 1,200 out of approx. 400,000 self-employed). However, the take-up rate for voluntary unemployment insurance for self-employed business people, which was introduced in 2009, has increased slightly from year to year.

For many self-employed it is not necessary to opt into unemployment insurance: one of the reasons is that the unemployment insurance law provides for an unlimited extension of the qualifying period for those self-employed who were already pursuing a professional activity as a self-employed prior to 2009 and have acquired unemployment insurance periods. The persons concerned may rely on their previously acquired periods subject to compulsory unemployment insurance for an unlimited period of time, in order to uphold their entitlement to unemployment benefits, provided they have been insured as self-employed person since then. The qualifying period has also been extended indefinitely for persons who have been pursuing a self-employed professional activity since 2009, provided they had previously been in employment subject to compulsory unemployment insurance for a period of at least five years.

As these regulations ensure unemployment-related protection for self-employed persons even if they do not opt into voluntary unemployment insurance, the number of new members of voluntary unemployment insurance has, therefore, increased only slowly.

In addition, the "regular" qualifying period of a maximum of five years applies for all other persons who decide not to opt for unemployment insurance. Thus, social protection in the unemployment insurance system is ensured for the self-employed.

Self-employed businesswomen and female farmers receive social assistance (i.e. a person to help them with their work) as a maternity benefit in kind. If social assistance is not granted, they are under certain circumstances entitled to maternity allowance amounting to 56.87 euros per day (2021).

For births from 1 March 2017, self-employed fathers, like all other working fathers, are entitled to the family time bonus for a period of 28, 29, 30 or 31 days, provided they carried out work which was subject to compulsory health and pension insurance for at least 182 days prior to the start of receiving the bonus, interrupt their gainful employment for the duration of their family time and dedicate themselves intensively and exclusively to their family. The family time bonus also includes health and pension insurance cover.

3. Lessons learnt from the COVID-19 crisis

Recent trends and latest analyses at the EU level, in particular the Monitoring Report on the Employment and Social Situation in the EU Following the Outbreak of the COVID-19 Pandemic⁴, provide evidence of an increase in certain social protection benefits, especially relating to unemployment, compared to the time before the onset of the pandemic.

The spread of the COVID-19 pandemic in Austria translated into a production and demand side shock. Although its impact was mitigated by the measures taken by the federal government, it was impossible for it to be prevented. The revenue side of social insurance is predominantly linked to labour income. In particular, the rise in unemployment, but also potential non-payment of contributions from companies, which had been deferred in the first few months of the crisis, put a strain on the revenue side. The expenditure side, on the other hand, is characterised by both price rigidity per se, as well as fixed costs that cannot be changed in the short term, and/or contingency costs on the service provision side. In addition, it will be necessary to perform a large number of check-ups and interventions that had not been carried out.

In the context of a scientific analysis of the social situation commissioned by the Ministry of Social Affairs, an initial assessment of the effects of the Covid-19 crisis on the income situation of private households⁵ in Austria in 2020 was performed. The microsimulation undertaken in this regard combines data from the 2018 European Union Statistics on

⁴ Monitoring Report on the Employment and Social Situation in the EU Following the Outbreak of the COVID-19 Pandemic - Winter 2020/21 Report
Monitoring Report on the Employment and Social Situation in the EU Following the Outbreak of the COVID-19 Pandemic - Winter 2020/21

⁵ BMSGPK_Analyse-der-sozialen-Lage.pdf / Analysis of the social situation (in German only)

Income and Living Conditions (EU-SILC) and micro-census data from the first half of 2020. The results show a heterogeneous development of the equivalised disposable household income according to groups of persons and income classes.

Key findings: Through the actions it had launched, the federal government has been able to contain negative short-term impacts on the income situation. The survey, however, also showed that particularly disadvantaged groups of persons such as single parents, children and young people, people with disabilities, people at risk of poverty and older people are already being confronted with significant restrictions. These include inter alia difficulties in reconciling care obligations and work, a rise in educational inequality due to home schooling, restrictions in public services offered to people with care needs, more difficult conditions in the labour market and increased psychological stress due to physical distancing. In addition, the group of people at risk of poverty and exclusion threatens to increase. This was also confirmed by a study prepared by the Austrian Anti-Poverty Network⁶.

The consequences of the Covid-19 pandemic therefore pose particular socio-economic challenges for people at risk of poverty and exclusion. With a view to preventing the health crisis from turning into a social crisis, the federal government has made available a total of 47 million euros in the form of one-off payments to children and/or energy cost subsidies to households receiving means-tested minimum income and social assistance, in an effort to fight poverty in the wake of the pandemic. Furthermore, (as of 30 April 2021) a total of 32 million euros will be made available in 2021 to non-profit organisations to cushion the negative social and poverty-driving effects of the crisis and/or set up projects for particularly vulnerable groups. Target-group specific projects are aimed at preventing poverty and social exclusion from taking root.

⁶ [BMSGPK Armutskonferenz.pdf / Anti-Poverty Conference \(in German only\)](#)

3. 1. Temporary measures relating to employees and the self-employed in the context of social protection during the COVID-19 pandemic:

Benefits in case of unemployment or vulnerable employment relationships

- **COVID-19-short-time work** to temporarily reduce labour costs while keeping people in employment (limited in time, now also applies to apprentices and members of executive bodies). Short-time work was intensified and expanded in spring 2020 and is to be gradually "scaled back" towards the pre-pandemic model as the pandemic-related economic crisis subsides.
- **Unemployment benefit and unemployment assistance - one-time payments:**
 - Persons who received unemployment benefit or unemployment assistance for at least 60 days between May and August 2020 received a one-time payment of 450 euros in September 2020. Social assistance benefits received will not be reduced as a result of this one-time payment.
 - Additional, staggered one-time payment ranging between 150 and 450 euros (paid out in December 2020/January 2021).
- **Increase of unemployment assistance to the level of unemployment benefit:** in effect (to some extent) retroactively from 16 March 2020 to 30 June 2021; the entitlement for this period is calculated using the basis of calculation that would otherwise have been applicable for calculating the unemployment assistance for these months. When determining the benefit level, the number of family supplements due in this period as well as the relevant upper limit for the additional amount paid in addition to unemployment benefit shall be taken into account. Likewise, personal income that would otherwise have to be taken into account when determining unemployment assistance does not reduce the benefits when calculating the persons entitlement to benefits for the months in question.
- **Package of measures to safeguard jobs for people with disabilities:** More and more flexible wage subsidies granted to employers to support people with disabilities with a view to safeguarding jobs:
 - Job security subsidy when making use of the Public Employment Service short-time work scheme, under which the remaining costs to be covered by the employer after deduction of the Public Employment Service short-time work subsidy are reimbursed for the duration of the short-time work.
 - The relevant measures are to be enhanced for employees with disabilities who are not registered for short-time work. The job security subsidies currently in effect will be increased across the board by 50% and the upper limit for newly granted

- subsidies will be increased over a period of 3 months for vulnerable jobs. Last but not least, self-employed entrepreneurs with disabilities in particular will also be able to receive a monthly bridging grant in addition to the existing support.
- Some of the measures outlined above may be granted until 30 September 2021.
 - **Part-time work for older employees:** Employees who had been dismissed during the current crisis may continue part-time work for older employees in accordance with their original agreement once this crisis is over; those employees who work their full normal working hours during the crisis, which applies in particular to employees in system-relevant sectors, may return to their respective part-time work scheme for older employees; it is not necessary to hire a replacement worker in case the phased or blocked working time model is used. These regulations apply for the period from 15 March 2020 to 30 June 2021.
 - **Restart bonus:** for employees who, in a first step, have not yet succeeded in finding a full-fledged job or employment in their previous occupation, it is possible to agree on fewer working hours per week (at least 20 hours per week), the salary is topped up to 80 per cent of the last net wage for a maximum of 28 weeks (difference capped at 950 euros net); the application is to be filed with the Public Employment Service and it applies only to employment taken up between 15 June 2020 and 30 June 2021.
 - **Training bonus (Resolution by the Council of Ministers of 9 September 2020):** Persons who have started further education and retraining measures that extend over a period of at least 4 months under the Corona Job Drive (formerly Corona Labour Foundation) between October 2020 and 31 December 2021 receive a training bonus of 180 euros in addition to unemployment benefit. Duration: at least 4 months, 6 euros per day. This equals an average increase in unemployment benefit of 19%. It is not necessary to file an additional application for this bonus, payment is made automatically with the unemployment benefit provided the requirements are met. Costs: approx. 58 million euros (2020 to 2022). Measures launched by the Labour Foundation affect a total of 100,000 people, about half of whom will receive the training bonus (the other half undergoes measures lasting less than 4 months).
 - **Provisions in support of self-employed persons (one-person enterprises) who have ceased their business activities due to the Covid-19 crisis and have registered as unemployed:** For the period of restricted self-employed professional activity due to the Covid-19 crisis, the compulsory insurance in the pension insurance system does not affect the receipt of benefits from the unemployment insurance. It is thus ensured that benefits will not be reclaimed if the persons affected are included retroactively in the pension insurance system (applies from March 2020 and has been extended until the end of June 2021).

- **Epidemic Diseases Act:** Deadline for claiming compensation for loss of earnings as a result of official measures to combat COVID-19 was extended from six weeks to three months; deadlines that are already running or have expired start anew when this provision comes into force (relevant for the self-employed).
- **Hardship Fund:** Increase in funding available under the Hardship Fund from 1 to 2 billion euros and expansion of the group of eligible persons: the new self-employed, freelancers, one-person enterprises, micro-entrepreneurs, small-scale room letters, artists, cultural workers, persons in multiple part-time marginal employment relationships who had thus far not been taken into account under measures launched by the Public Employment Service or other COVID-19 related measures, persons employed on a case-by-case basis whose total income exceeds the monthly marginal earnings threshold (e.g. domestic help, students).
 - Inclusion of individuals who establish a new business.
 - Abolition of upper and lower income limits.
 - Multiple insurances and additional incomes are no longer considered reasons for exclusion.
 - Receipt of grants from the Family Hardship Fund is no longer considered a reason for exclusion.
 - 6 instead of 3 payments, up to 3,000 euros Comeback Bonus, increase to 500 euros for minimal amounts: eligible applicants may receive up to 15,000 euros. Comeback Bonus of 500 euros per period under consideration applies to all those eligible for grants under the Hardship Fund in Phase 2 and is paid automatically for applications that have already been approved (bonus totals up to 3,000 euros per person). For persons who have previously received support of less than 500 euros per month as a result of offsetting additional income and insurance benefits of more than 1,500 euros net, such support will be automatically increased to 500 euros per consideration period. Minimum amount per consideration period: 1,000 euros – at least 500 euros plus 500 euros Comeback Bonus. Directive issued by the Federal Ministry of Finance.
 - Doubling of the eligibility period for support from 6 to 12 months introduced (16 March 2020 – 15 March 2021).
 - Extension of the applicability period of the Hardship Fund until 15 June 2021 (Resolution adopted by the Council of Ministers on 19 January 2021).

Benefits in the case of illness, health benefits and services

- **COVID-19 risk group regulation:** issuance of a risk certificate and mandatory release from work for employees with certain pre-existing conditions if they are unable to work from home or in a specially protected workplace, also applies to employees working in the critical infrastructure sector as well as to marginal part-time employees and apprentices. This group is defined by experts (Federal Ministry of Social Affairs, Health, Care and Consumer Protection, Federal Ministry of Labour, Austrian Medical Chamber) based on the respective regulation issued by the Ministry of Social Affairs in agreement with the Federal Ministry of Labour. Provisional extension until 31 May 2021 (COVID-19 risk group regulation), the statutory basis for a potential extension until 30 June 2021 has been created.
- **Sickness benefits,** temporary invalidity pensions, rehabilitation benefits continued to be paid until 30 June 2020, even in the absence of an assessment and/or a report by a medical officer from the social insurance system.

Benefits in the case of old-age and survivors' pension

- **Retired healthcare professionals** who returned to work for the purpose of managing the impacts of the Covid-19 crisis will continue to be paid their pension even if they receive a "corridor pension" (i.e. partial pension as an extended form of part-time employment for older workers) or a pension for arduous jobs.
- The granting of **orphans' pensions and co-insurance in the health insurance system beyond the age of 27** (up to 6 months), if ongoing education and/or training cannot be completed in time due to Covid-19 related restrictions, was extended to also include children of deceased civil servants.
- Increase in the equalisation supplement by 3.5% and thus also an increase in minimum income benefits and/or social assistance by 3.5% as a contribution towards poverty prevention.

Benefits related to accidents at work and occupational diseases

- **Work-related accidents of employees working from home:** Accidents that occur while employees work from home are considered accidents at work. The provisions were initially limited to the duration of the Covid-19 related crisis, but have in the meantime been transferred into permanent law.

3.2. Extension of social protection

For employees, accident insurance cover when working from home was enshrined in law with effect from 11 March 2020. Originally applicable until 31 March 2021, this regulation was extended under the Working from Home Act. The Working from Home Act has been in force since 1 April 2021. It determines the framework conditions for working from home with respect to labour, tax and social insurance law.

Beyond that and as protection provided under social insurance law has already been very extensive, cover has as yet not been expanded further. In this context it should, however, be noted that over the last few years hitherto atypical employment relationships had already been regulated by law and became part of the social insurance system:

“Quasi-freelancers”, as they are called, are generally free to choose their working hours and place of employment. As a rule, they may also be represented by an equivalent person. They are thus fully insured in the same way as employees.

The "new self-employed" work on a contract-for-work basis using their own operating resources but do not hold the otherwise required trade licence. The legal status of the new self-employed is regulated exclusively under social insurance law. Only those individuals who, as a result of their gainful employment, are not already covered under other social insurance law provisions (for instance as an employee, quasi-freelancer or business people) are integrated into the compulsory insurance system. The compulsory insurance cover of the new self-employed includes pension, health and accident insurance as well as the new pension provision scheme for the self-employed (from an annual income limit amounting to 5,710.32 euros in 2021). The new self-employed may also make use of the option to pay for voluntary unemployment insurance (please also see the information provided under item 1).

4. Policy objectives and measures to be taken

4.1. Policy objectives

The Recommendation has already been implemented comprehensively through the legal regulations in force in Austria, with respect to both formal and effective coverage,

protection under social insurance law, adequacy of benefits and services, as well as transparency. Adjustments under the government programme relate in particular to the adequacy and the improvement of benefits and services.

4.2. Measures

4.2.1. Measures already adopted (new since November 2019)

Short-time work is monitored, reviewed and evaluated in the framework of the specifically established "Standing Research Committee". This committee is composed of representatives from the supervising ministry, the Public Employment Service Austria (AMS) and three independent research institutes.

Pension bonus

Objective and target group: Increasing the pension income for persons who had accrued many years of compulsory insurance through gainful employment.

Content: The pension bonus applies based on the same principle as the equalisation supplement. Pensions that are below a certain threshold are increased if the requirements are met.

Depending on the number of contribution years accrued, the following pension bonuses will be granted from 2021 provided the following requirements are met:

- Bonus if at least 30 contributory years of compulsory insurance based on employment have been acquired:

If the total income including the net income to be taken into account does not exceed 1,113.48 euros, the pension bonus in the amount of the difference between 1,113.48 euros and the determined total income - but not exceeding 151.80 euros – is granted.

- Bonus if at least 40 contributory years of compulsory insurance based on gainful employment have been acquired:

If the total income including the net income to be taken into account does not exceed 1,339.99 euros, the pension bonus in the amount of the difference between 1,339.99 euros and the determined total income – but not exceeding 389.20 euros – is granted.

- Bonus for married couples and couples in a registered partnership if at least 40 contributory years of compulsory insurance based on gainful employment have been acquired:

If the total income including the net income to be taken into account does not exceed 1,808.73 euros, the pension bonus in the amount of the difference between 1,808.73 euros and the determined total income (including inter alia the net income of the spouse/partner) - but not exceeding 388.78 euros – is granted.

When calculating the 30 or 40 contributory years of compulsory insurance based on gainful employment, 12 months of military or civilian service periods and 60 months of child-raising periods, if applicable, are to be added.

Disproportionate increase of the individual reference rate for the equalisation supplement

Objective and target group: The equalisation supplement to the pension is the most important instrument towards combating poverty in old age; it is applied in the field of the statutory pension insurance, and women benefit to a considerable extent. In the last 15 years, the reference rates have often been increased by a percentage above the inflation rate.

Content: In 2021, the individual reference rate for the equalisation supplement for eligible individuals was raised to 1,000.48 euro, representing a disproportionate increase.

Staggered pension adjustments

Objective and target group: The annual pension adjustment is based on the development of inflation and seeks to maintain the pensions' purchasing power.

In the past years, pension adjustments frequently involved social staggering. Hence, lower pensions were raised more substantially and the level of pension benefits was likewise sustainably strengthened, also with a view to future pension adjustments.

Content of the 2021 pension adjustment:

With an economic crisis in full swing and a social crisis looming large, it is becoming all the more important to increase people's purchasing power and acknowledge the role of pensions as a means of social protection. Against this backdrop, the Austrian federal government adopted the 2021 pension adjustment, which provides for social staggering, thus ensuring that lower pensions will see a higher increase.

Pensions of EUR 1,000 per month or less will be raised by 3.5%, while the adjustment for pensions of more than EUR 1,000, but not exceeding EUR 1,400 will be subject to a linear decrease from 3.5% to 1.5%. For pensions above EUR 1,400, but not exceeding EUR 2,333, pension payments will be raised by +1.5%, which is the benchmark value. Pensions exceeding EUR 2,333 will be increased by a fixed amount of EUR 35. In 2021, the reference rate for the means-tested equalisation supplement for individuals was raised to EUR 1,000.48, and the reference rate for families to EUR 1,578.36, which constitutes a disproportionate increase.

This measure strengthens lower pensions in the long term, thus contributing to preventing old-age poverty. Women benefit to a considerable extent from social staggering as their pensions are on average lower.

4.2.2. Planned measures

Short-time work

As the pandemic-related economic crisis subsides, short-time work is to be gradually "scaled back" towards the pre-pandemic model.

Expansion of primary care units

A total of 99.9% of Austrian citizens have insurance coverage under the national social health insurance scheme. Furthermore, public healthcare offers a very wide range of services to those insured. In comparison to the rest of the EU, Austria has one of the lowest rates of healthcare needs not covered by insurance. By international comparison, Austria spends a lot of money on healthcare, and according to the calculations of the European

Commission, these expenditures are set to increase by 1.3 percentage points to 8.3% of GDP, by 2070 (EC, 2018).

To relieve the burden on the cost-intensive acute in-patient hospital sector, Austria decided to redirect medical care, wherever possible from a medical perspective, to the out-patient sector, with a special focus being put on expanding and improving primary care.

In the next few years, 75 multi-professional and interdisciplinary primary care units will be set up. To promote the establishment of primary care units, the federal government introduced a support initiative. Until the end of 2021, specific support for starting up a primary support centre will be offered under the European Commission's Structural Reform Support Programme (SRSP) to increase the number of such units, also in rural regions. Especially in times of crisis, the team-based organisational structure and infrastructure of primary care units can be crucial in ensuring that persons in acute need of medical care and chronically ill patients receive the care they need. Primary care units thus play an essential role in ensuring the smooth functioning of the healthcare system as a whole, with the importance of their role having been confirmed during the Covid pandemic.

Expansion of psychotherapeutic treatment offer

The 2020-2024 Government Programme stipulates the expansion of psychotherapeutic services to ramp up capacities and offer more fully-financed treatment slots in a move towards fully meeting existing demand. In October 2020, first steps were taken towards achieving equality between the treatment of mental and physical illnesses.

Comprehensive conceptual preparatory work has already been carried out with a view to ramping up capacities in psychotherapeutic treatment funded by social insurance to a level where they will meet existing demand. Potential further implementation steps are being continually reviewed on this basis. The medium-term goal pursued together with the social insurance funds is to increase the number of available slots for treatment and to reduce access barriers to psychotherapy services.

Early childhood interventions

Early childhood interventions ("Frühe Hilfen") is an overall concept of interventions including in particular health promotion measures and targeted early childhood

interventions in pregnancy and early childhood that take into account the resources and burdens of families in specific circumstances and situations of life.⁷

These measures have become increasingly important over the past few years. Providing an easy-access offer of assistance in the form of networks for early childhood interventions is key to promoting health and preventing illness. Early childhood interventions not only foster equal opportunities in health and society but contribute in particular to making the health system more sustainable as early intervention helps ensure prevention. The mother-and-child medical report card (Mutter-Kind-Pass), a tried and tested prevention instrument, is to be further developed to also include psychosocial aspects and risks.

Community nurses at the local level

Considering the projected increase in age-related expenditure, and with a view to ensuring both the sustainability and resilience of the long-term care system, it is necessary to adopt measures to promote easy-access care in line with actual demand. The purpose of the Community Nurses project is to provide professional support to caregiving relatives and assist in coordinating mobile nursing and care services as well as medical and social services. Community nurses play a key role in prevention, even before the need for nursing care arises.

Implementation is scheduled to begin in mid-2021. The estimated costs amount to some EUR 54 million for the period between mid-2021 and late 2024.

The measure is aimed at strengthening the self-help capacities of those in need of care and their relatives and ensuring that older persons can remain in their own homes for as long as possible.

Old-age and survivors' pension benefits - Early Starter Bonus

Due to enter into force on 1 January 2022, the regulation on an Early Starter Bonus provides for granting a bonus to individuals who were in gainful employment before the age of twenty.

⁷ www.fruehehilfen.at

The Early Starter Bonus aims to increase gender equality as it allows for both men and women to benefit equally from the new scheme, irrespective of the amount of their individual pensions, while at the same time specifically acknowledging early contribution periods accumulated before the age of 20. For the five years until the age of 20, the bonus amounts to a maximum of 60 euros per month (840 euros per year) on top of the determined pension amount. Account is thus being taken of these individuals' early entry into working life and the frequently long period of contribution payments. Women and men will benefit equally from this measure, which is also a contribution against poverty in old age.

Pension splitting

The parent who does not devote him or herself to bringing up children may transfer credits to their pension account resulting from periods of gainful employment to the other parent (pension contributions from bringing up children are excluded). Application period: from birth to the 10th birthday of the youngest child. Extent: up to 50% of the annual credits to their pension account for the first 7 years of a child (the maximum being 14 years in case of more than one child). The transfer takes place on a voluntary basis, but currently the take-up rate is very low. In the period from 2010 to 2019, the option for voluntary pension splitting was taken up some 2,000 times in total, in 2019 a total of 639 cases were registered.

Involving the relevant stakeholders, a legislative proposal amending pension splitting with a view to avoiding implementation risks is planned to be drafted by 2022.

For details on the planned measures in the field of social affairs and pensions, please refer to the Austrian National Reform Programme 2021 (NRP) and the Austrian Recovery and Resilience Plan 2020-2026 ⁸.

⁸ Please see the final version of the NRP as published; [Recovery Plan for Europe \(oesterreich.gv.at\)](https://www.oesterreich.gv.at)

5. Way forward

The social protection system in Austria is very well developed, with very high coverage in all branches of social protection. Against this background, implementation of the Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed is thus ensured.

The social protection schemes in Austria have proved their worth during the Covid crisis and softened the income losses of many employees. By combining measures such as the short-time work allowance, reliefs on tax and charges, extra family benefits, extra benefits for unemployed persons or raised unemployment assistance, the government took further steps to cushion social hardship. Despite this positive assessment of social safeguards, the months since the outbreak of the pandemic have made already existing socio-economic inequalities even more visible and have put the spotlight on where the challenges of the future lie.

The Covid-19 pandemic has tested the Austrian healthcare system to an unprecedented extent, and so far the healthcare system has been able to manage the challenge successfully. But the pandemic has also brought structural problems to light. The system can be made more resilient and efficient by expanding outpatient healthcare with a focus on health promotion, disease prevention, pooling of regional resources and increasing services in the area of psychotherapeutic treatment.

Given the powers of the Member States to organise their social protection systems, mutual learning is a special asset that generates real added value at EU level. Hence, both the exchange of best practices and the work undertaken in the context of the European Semester are of essential importance in this respect. The Council Recommendation therefore rightly mentions the role played by the Social Protection Committee established in accordance with Art. 160 of the TFEU.



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