LAW
ON AMENDMENTS TO THE
LAW ON PENSION AND DISABILITY INSURANCE

Article 1

In the Law on Pension and Disability Insurance (RS Official Gazette, nos. 34/03, 64/04 and 84/04), in Article 9, the words: “republican Funds” shall be replaced by the words: “republican Fund”.

Article 2

In Article 11, item 10), after the word: “cooperative” a comma shall be added and the words: “which shall be considered to be the employer for the purposes of this Law”.

Article 3

In Article 15, paragraph 2 shall be changed to read:
“The status of contributor referred to in paragraph 1 of this Article shall be acquired on the day of the submission of the application, and on an exceptional basis, at the request of a person, not earlier than 30 days prior to the submission of the application.”

After paragraph 2, paragraphs 3 to 5 shall be added, which shall read:
“The status of contributor referred to in paragraph 1 of this Article shall cease on the day chosen by a person in his application.

The submission of the application for the acquisition of the right to the old age or disability pension shall be considered to be a request for the cessation of the status of contributor referred to in paragraph 1 of this Article, provided that the requirements for the acquisition of these rights have been met.

The status of contributor referred to in paragraph 1 of this Article may be acquired provided that one of the cases in which the right is exercised in accordance with this Law has not occurred, and if such a case has occurred, the status of contributor may be acquired only with respect to the case which has not occurred.”

Article 4

In Article 19, items 1) to 3) shall be changed to read:
“1) after attaining 65 (man), or 60 (woman) years of age and not less than 15 years of coverage;
2) after attaining 40 (man), or 35 (woman) years of coverage and not less than 53 years of age;
3) after attaining 45 years of coverage.”

Article 5

In Article 20, paragraph 1, the words: “items 1) and 2)” shall be replaced by the words: “item 1)”; in item 1) the words: “every six year period spent” shall be replaced by the words: “every three year period spent”; in item 2) the words: “every five year period spent” shall be replaced by the words: “every two and a half year period spent”; in item 3) the words: “every four year period spent” shall be replaced by the words: “every two year period spent”; in item 4) the words: “every three year period spent” shall be replaced by the words: “every one and a half year period spent”.

After paragraph 2, paragraph 3 shall be added, which shall read:
“Notwithstanding paragraph 2 of this Article, the retirement age for the contributors who perform the jobs referred to in paragraph 1, item 4), of this Article may be reduced to not more than 50 years of age.”

Article 6

In Article 25, item 2, at the end of the text, the semicolon shall be replaced by a full stop. Item 3 shall be deleted.

Article 7

In Article 29, paragraph 1, item 1), the number: “48” shall be replaced by the number: “50”.
In paragraph 2, the number: “48” shall be replaced by the number: “50”, and the number: “43” shall be replaced by the number: “45”.
In paragraph 3, the number: “48” shall be replaced by the number: “50”, and the number: “43” shall be replaced by the number: “45”.

Article 8

In Article 30, paragraph 1, item 1), the number: “53” shall be replaced by the number: “55”.
In paragraph 2, the number: “53” shall be replaced by the number: “55”.

Article 9

In Article 33, item 1), the number: “63” shall be replaced by the number: “65”, and the number: “58” shall be replaced by the number: “60”.

Article 10

In Article 50, paragraph 2 shall be changed to read:
"The years of coverage referred to in paragraph 1 of this Article shall be proportionately determined in the following manner: the amount of the contractual remuneration taxable under the law governing the personal income tax shall be divided by the lowest base for the payment of contributions applicable at the point of the payment of contributions, in accordance with the law."

Article 11

In Article 54, paragraph 1, the words: ", arising from working on those workplaces, i.e. performing those jobs," shall be deleted.

Article 12

In Article 55, paragraph 2, after the words: "shall be included" the words: "at most" shall be added, and after the words: "coverage" the words: "depending on how difficult these jobs are" shall be added.
Article 13

Article 59 shall be changed to read:
"The years of coverage with an increased duration (special regime) for a contributor shall include the time spent with the status of a military contributor on the terms and to the extent laid down by the regulations governing pension and disability insurance of military contributors."

Article 14

In Article 63, paragraph 5, the words: "except from the year from which the right is exercised" shall be deleted.
After paragraph 5, a new paragraph 6 shall be added, which shall read:
"The personal annual coefficient may amount to not more than five."
The hitherto paragraph 6 shall become paragraph 7.

Article 15

In Article 72, paragraph 1, after the word: "contributor" a comma shall be added and the words: "i.e. the beneficiary of rights,".

Article 16

In Article 73, paragraph 1 shall be changed to read:
“Children without both parents shall be entitled not only to the survivor’s pension of one parent, but also to the survivor’s pension of the other parent.”

Article 17

In Chapter VIII. the title of Section 5 shall be changed to read:
“5 The Lowest and Highest Amount of the Pension”

Article 18

In Article 76, paragraph 2 shall be changed to read:
"The lowest amount of the old age or disability pension for contributors who are employees and contributors who are self-employed shall be set on January 1, 2006 at the level of 25 percent of the average wage of employees in the territory of the Republic in the previous year, according to the published data provided by the authority in charge of statistical affairs. The thus determined lowest amount of the old age or disability pension shall be further indexed in the same manner in which pensions are indexed, pursuant to the provisions of this Law."
After paragraph 2, paragraphs 3 to 5 shall be added, which shall read:
“The payment of the lowest amount of the pension referred to in paragraph 2 of this Article, set on January 1, 2006, shall start as of the payment of the pension for January 2006.
If the lowest amount of the pension referred to in paragraph 2 of this Article paid in the insurance of employees for the previous year amounts to less than 20 percent of the amount of the average wage of employees in the territory of the Republic in the previous year, the lowest amount of the pension shall extraordinarily be indexed as of January 1 of the current year by a percentage which shall ensure the bringing of that lowest amount of the
pension for the previous year of the beneficiaries in the insurance of employees  to the level of 20 percent of the average wage in the previous year.

The lowest amount of the old age or disability pension for contributors who are farmers shall be set at the level of the indexed lowest level of the pension of the beneficiaries in the insurance of farmers registered on January 1, 2006, to be indexed from that point on pursuant to the provisions of this Law."

Article 19

In Article 77, the word: "Contributor" shall be replaced by the words: "to the contributor", and the words: "shall acquire the right to" shall be replaced by the words: "shall pertain".

Article 20

In Article 79, paragraphs 1 and 2, the number: "42" shall be replaced with the number: "43".

After paragraph 2, paragraph 3 shall be added, which shall read:

“The amount of the pension referred to in paragraphs 1 and 2 of this Article shall not be higher than the amount set out in Article 78 of this Law.”

Article 21

Article 80 shall be changed to read:

"The pension shall be indexed as of April 1 and October 1 of the current year, on the basis of statistical data, to the movements in the cost of living in the territory of the Republic in the previous six months.

The payment of the indexed pension shall start as of the payment of the April, i.e. October, pension.

The indexation of pensions as defined in paragraph 1 of this Article shall be carried out on the basis of the data provided by the authority in charge of statistical affairs for the period: October of the previous year – March of the current year, i.e. for the period April – September of the current year.”

Article 22

Article 82 shall be changed to read:

“The rights arising from pension and disability insurance shall be exercised with the Fund.”

Article 23

Article 83 shall be deleted.

Article 24

In Article 84, paragraph 3 shall be deleted.

Article 25

In Article 85, paragraph 1, the words: “irrespective of with which Fund they have been established”, shall be deleted.
Paragraph 2 shall be deleted.
The hitherto paragraph 3 shall become paragraph 2.

Article 26

Article 86 shall be changed to read:
“The issue of the compensation for the part of the pension in the cases where the pensionable years of service have been determined with the Fund for military contributors after January 1, 1973, and with the Fund, shall be settled through an agreement between these Funds.”

Article 27

Article 87 shall be deleted.

Article 28

Article 89 shall be deleted.

Article 29

Article 90 shall be deleted.

Article 30

In Article 106, the words: “the Funds, i.e.” shall be deleted.

Article 31

In Article 109, paragraph 1, the words: “with which the right to the pension or to the cash allowance has been acquired shall be obliged” shall be replaced by the words: “shall be obliged”.

Article 32

In Article 112, paragraph 1, the words: “the receipt of the final decision on the established disability” shall be replaced by the words: “the serving of the final decision on the established disability on the employer”.

After paragraph 1, a new paragraph 2 shall be added, which shall read:
“Notwithstanding paragraph 1 of this Article, the disability pension shall be paid even before the decision on the established disability has become final in the case of the discontinuation of insurance due to the cessation of the need for the labor of that person, as well as in the case of termination of employment due to bankruptcy, liquidation, i.e. in all the cases where the employer is no longer in business, but not for more than six months retroactively relative to the day of the submission of the request, if disability had existed prior to the submission of the request.”

The hitherto paragraph 2 shall become paragraph 3.

Article 33

In Article 117, after paragraph 1, a new paragraph 2 shall be added, which shall read:
“The payment of the survivor’s pension to the beneficiary of the survivor’s pension who has acquired the status of contributor shall be discontinued.”

The hitherto paragraphs 2 and 3 shall become paragraphs 3 and 4.

Article 34

Article 120 shall be changed to read:
“A contributor who pays contributions for pension and disability insurance by himself, if not all the amounts which have fallen due for contributions have been paid, shall exercise and use the rights arising from pension and disability insurance commensurate with the periods of coverage for which contributions for pension and disability insurance have been paid.

The Fund shall deduct 1/3 of the monthly amount of the pension as set out in paragraph 1 of this Article, until contribution arrears have been cleared in that or some other manner.

Upon the clearance of contribution arrears, the contributor referred to in paragraph 1 of this Article shall exercise the rights arising from pension and disability insurance on the basis of his total years of coverage as of the day of the acquisition of the right referred to in paragraph 1 of this Article.”

Article 35

In Article 124, paragraph 1 shall be changed to read:
“The Fund shall ensure the payment of the acquired right to the pension or cash allowance to the beneficiaries of the rights abroad, on the terms stipulated in international agreements, i.e. on condition of reciprocity.”

Article 36

In Article 129, paragraph 1, after item 8), item 8a) shall be added, which shall read:
"8a) on the suspension of the contributor status for farmers, i.e. the established periods of the suspension of insurance;"

Article 37

In Article 132, paragraph 1, item 1), sub-item (2), after the words: “to 11)” the words: “and Article 12, paragraph 1, item 3)” shall be added.

In item 2), after the words: “(municipal administration” the words: “and/or the authority in charge of maintaining a registry of economic entities” shall be added.

In item 3), the words: “establishing the years of coverage,” shall be deleted.

In item 7), sub-item (1), the words: “except for the contributors referred to in paragraph 1, item 3), of this Article” shall be replaced by the words: “on the suspension of the status of a contributor farmer, i.e. the established periods of the suspension of insurance;”.

Article 38

In Article 139, paragraph 1, item 4), after the word: “item” the number: “3)” and a comma shall be deleted.

After item 4), item 4a) shall be added, which shall read:
“4a) for the self-employed contributors referred to in Article 12, paragraph 1, item 3), of this Law – according to the seat of the payer of the remuneration;”.

Article 39

In Article 140, after paragraph 1, new paragraphs 2 to 4 shall be added, which shall read:
"For the contributor whose contributions were calculated and paid on the base, wage or part of the wage, with a delay in the current calendar year for the previous or some other calendar year, the base for the month for which the contributions were paid, i.e. the wage or part of the wage that belonged to him for the month for which the contributions were paid, shall be entered into the central records for the determination of the annual personal coefficient for the previous or some other earlier calendar year.
In the manner described in paragraph 2 of this Article also the amount of contributions shall be entered.
The provisions of paragraphs 2 and 3 of this Article shall not be applied to the case where contributions were calculated and paid on the base, wage or part of the wage, before January 31 inclusive of the current year for the previous year, i.e. to the case where the paid wage or part of the wage, is lower than the wage that belonged to him for the month for which the contributions were paid."
The hitherto paragraph 2 shall become paragraph 5.

Article 40

In Article 144, paragraph 2 shall be added, which shall read:
"Notwithstanding paragraph 1, item 2), of this Article, when the employer is a youth cooperative, the registration for insurance, the cancellation of the registration for insurance and reports on changes in the course of the insurance period shall be submitted quarterly, and not later than within eight days after the expiry of a calendar year.»

Article 41

In Article 145, item 4,) the word: "one" shall be replaced by the word: "eight".

Article 42

In Article 152, paragraph 1, a colon shall be replaced by a full stop, and items 1) to 3) shall be deleted.

Article 43

In Article 153, paragraph 1, the words: “item 1)” shall be deleted.
Paragraph 2 shall be deleted.

Article 44

Article 155 shall be changed to read:
“The Management Board of the Fund shall comprise 21 members, namely seven representatives of contributors, seven representatives of employers and seven representatives of the beneficiaries of the rights.
The members of the Management Board from among the contributors shall be appointed by:
- representative trade unions established at the level of the Republic, in keeping with the law governing labor – five members;
- representative associations of employers established at the level of the Republic, in keeping with the law governing labor – one member;
- associations of farmers established at the level of the Republic - one member.

The members of the Management Board from among employers shall be appointed by:
- representative associations of employers established at the level of the Republic, in keeping with the law governing labor – five members;
- the Government – two members.

The members of the Management Board from among the beneficiaries of rights shall be appointed by associations of pensioners established at the level of the Republic, which have more than 50,000 registered members – seven members, of whom five representatives of the beneficiaries from the insurance of employees, one member from the insurance of the self-employed and one member from the insurance of farmers.

The associations of pensioners referred to in paragraph 4 of this Article shall present proof of the number of their registered members to the Ministry in charge of affairs related to pension and disability insurance, pursuant to an act issued by the Minister.”

**Article 45**

Articles 156 and 157 shall be deleted.

**Article 46**

In Article 160, paragraph 5, the words: “not later than by March 31” shall be replaced by the words: “not later than by April 30”.

**Article 47**

Article 161 shall be changed to read:
“The Supervisory Board shall comprise seven members, namely three representatives of contributors, three representatives of employers and one representative of the beneficiaries of rights.

The members of the Supervisory Board from among contributors shall be appointed by:
- representative trade unions established at the level of the Republic, in keeping with the law governing labor – two members;
- associations of farmers established at the level of the Republic – one member.

The members of the Supervisory Board from among employers shall be appointed by:
- representative associations of employers established at the level of the Republic, in keeping with the law governing labor – two members;
- the Government – one member.

One member of the Supervisory Board from among the beneficiaries of rights shall be appointed by associations of pensioners established at the level of the Republic, which have more than 50,000 registered members.

The associations of pensioners referred to in paragraph 4 of this Article shall present proof of the number of their registered members to the Ministry in charge of affairs related to pension and disability insurance, pursuant to an act issued by the Minister.”
Article 48

Articles 162 and 163 shall be deleted.

Article 49

In Article 169, paragraph 1, item 4) shall be deleted, and the hitherto items 5) to 9) shall become items 4) to 8).

In new item 4), the words: “free resources” shall be replaced by the words: “own revenue of the Fund, in keeping with the law.”

Article 50

In Article 171, paragraph 2 shall be added, which shall read:

"The resources of the Fund may be used, pursuant to an act of the Fund, for social standard of the beneficiaries of pensions, but not more than 0.10 percent of the total contribution revenue of the Fund.”

Article 51

In Article 172, the words: “The resources of the Fund which” shall be replaced by the words: “Own revenue of the Fund which”.

Article 52

Article 183 shall be deleted.

Article 53

Article 204 shall be deleted.

Article 54

In Article 207, paragraph 2 shall be added, which shall read:

“The resources for covering a difference between the lowest amount of the pension established by applying Article 76 of this Law and the amount of the pension which would have belonged to the contributor in the case of the non-application of the said Article shall be secured in the budget of the Republic.”

Article 55

In Article 219, paragraph 1, after the words: “entry into force of this Law,” the words: “i.e. at the request of his family member,” shall be added.

Paragraph 2 shall be changed to read:

“At the request of the person referred to in paragraph 1 of this Article, contributions may be paid for the period of the suspension of insurance or for part of that period on the base applicable at the point of the payment of contributions in keeping with the law.”

Article 56

Article 220 shall be deleted.
Article 57

In Article 225, paragraph 2 shall be deleted.

Article 58

In Article 231, paragraph 1, after the word: “wages” the words: “i.e. compensation for wages” shall be added.

Article 59

Article 242 shall be changed to read:

“The operation of the Fund shall not be subject to regulations on public services.”

Article 60

In Article 254, paragraph 2, the words: “To the Republican Fund for Pension and Disability Insurance of Employees” shall be replaced by the words: “To the Fund”.

Article 61

Article 256 shall be deleted.

Article 62

In Article 257, paragraph 3, the words: "not earlier than from the commencement of the implementation of this Law," shall be deleted.

Article 63

The Republican Fund for Pension and Disability Insurance of Employees, the Republican Fund for Pension and Disability Insurance of the Self-Employed and the Republican Fund for Pension and Disability Insurance of Farmers, which were established pursuant to the Law on Pension and Disability Insurance (RS Official Gazette nos. 27/92, 82/92, 28/95 and 12/96), and which continued to operate in keeping with the provisions of the Law on Pension and Disability Insurance (RS Official Gazette nos. 52/96, 46/98, 29/01 and 80/02) and the Law on Pension and Disability Insurance (RS Official Gazette nos. 34/03, 64/04 and 84/04), on January 1, 2008 shall become a single Fund – the Republican Fund for Pension and Disability Insurance, organized as a single legal entity having the status of an organization for mandatory social insurance where the rights arising from pension and disability insurance shall be exercised and resources for this type of insurance secured. The financial transactions of the Republican Fund for Pension and Disability Insurance shall be carried out through three sub-accounts: for contributors employees, self-employed contributors and contributors farmers by January 1, 2011 and after that date – through one account.

Article 64

The bodies of the Fund referred to in Article 63 of this Law shall be set up before January 31, 2008, at the latest.
Article 65

The Management Board of the Fund referred to in Article 63 of this Law shall adopt the Statute, other general acts and an act on the organization of the Fund within 30 days from the day of the constitution of the Management Board.

Article 66

As of the day of the commencement of the operation of the Fund referred to in Article 63 of this Law, assets, liabilities and capital of the Republican Fund for Pension and Disability Insurance of Employees, Republican Fund for Pension and Disability Insurance of the Self-Employed and Republican Fund for Pension and Disability Insurance of Farmers, shall become assets, liabilities and capital of the Fund referred to in Article 63 of this Law.

The value of the assets, liabilities and capital shall be appraised by an authorized person, in keeping with the law.

Article 67

The Fund referred to in Article 63 of this Law shall take over all the employees of the Republican Fund for Pension and Disability Insurance of Employees, Republican Fund for Pension and Disability Insurance of the Self-Employed and Republican Fund for Pension and Disability Insurance of Farmers.

Article 68

In respect of the bylaws referred to in Article 239 of the Law on Pension and Disability Insurance (RS Official Gazette nos. 34/03, 64/04 and 84/04) which have not been adopted – the competent authorities shall be under an obligation to adopt them within six months from the day of the commencement of the implementation of this Law.

The bylaw referred to in Article 37 of this Law shall be adopted, i.e. harmonized with this Law, within eight days from the day of the commencement of the implementation of this Law.

Article 69

Notwithstanding the provision of Article 4 of this Law, a contributor shall acquire the right to the old age pension upon attaining:

1) in 2006 and 2007, 63 years of age (man), or 58 years of age (woman) and not less than 20 years of pensionable service;
2) in 2008, 63 years and six months of age (man), or 58 years and six months of age (woman) and not less than 19 years of pensionable service;
3) in 2009, 64 years of age (man), or 59 years of age (woman) and not less than 18 years of pensionable service.
4) in 2010, 64 years and six months of age (man), or 59 years and six months of age (woman) and not less than 17 years of pensionable service.

The provision of paragraph 1 of this Article shall apply also to the acquisition of the right to the disability pension where the condition for the acquisition of that right is a loss of ability to work which had happened before the retirement age was attained prescribed for the acquisition of the right to the old age pension.
Article 70

Notwithstanding the provision of Article 7, paragraphs 1 and 2, of this Law, a widow shall acquire the right to the survivor’s pension once she has attained:

1) in 2006 and 2007, 48 years of age;
2) in 2008, 48 years and six months of age;
3) in 2009, 49 years of age;
4) in 2010, 49 years and six months of age.

Notwithstanding the provision of Article 7, paragraph 3, of this Law, a widow who had not attained 45 years of age before the death of her husband shall acquire the right to the survivor’s pension once she has attained:

1) in 2006 and 2007, 43 years of age;
2) in 2008, 43 years and six months of age;
3) in 2009, 44 years of age;
4) in 2010, 44 years and six months of age.

Article 71

Notwithstanding the provision of Article 8 of this Law, a widower shall acquire the right to the survivor’s pension once he has attained:

1) in 2006 and 2007, 53 years of age;
2) in 2008, 53 years and six months of age;
3) in 2009, 54 years of age;
4) in 2010, 54 years and six months of age.

Article 72

Notwithstanding the provision of Article 9 of this Law, a parent shall acquire the right to the survivor’s pension once he or she has attained:

1) in 2006 and 2007, 63 years of age (man), or 58 years of age (woman);
2) in 2008, 63 years and six months of age (man), or 58 years and six months of age (woman);
3) in 2009, 64 years of age (man), or 59 years of age (woman);
4) in 2010, 64 years and six months of age (man), or 59 years and six months of age (woman).

Article 73

Notwithstanding the provision of Article 21 of this Law, the pension indexation shall be performed:

1) as of April 1 and October 1, 2006, to the movements in the cost of living and average wage of employees in the territory of the Republic in the previous six months, by applying a percentage which constitutes a sum of 62.5 percent of the percentage of growth, or fall, of the cost of living and 37.5 percent of the percentage of growth, or fall, of wages;
2) as of April 1 and October 1, 2007, to the movements in the cost of living and average wage of employees in the territory of the Republic in the previous six months, by applying a percentage which constitutes a sum of 75 percent of the percentage of growth, or fall, of the cost of living and 25 percent of the percentage of growth, or fall, of wages;
3) as of April 1 and October 1, 2008, to the movements in the cost of living and average wage of employees in the territory of the Republic in the previous six months, by
applying a percentage which constitutes a sum of 87.5 percent of the percentage of growth, or fall, of the cost of living and 12.5 percent of the percentage of growth, or fall, of wages.

The payment of the indexed pensions shall start as of the first day in a month in which the indexation was performed.

The pension indexation as described in paragraph 1 of this Article shall be performed on the basis of the data from the authority in charge of statistical affairs for the previous six months, presented on a cumulative basis.

Article 74

The provisions of Article 76, paragraph 4, of the Law on Pension and Disability Insurance (RS Official Gazette nos. 34/03, 64/04 and 84/04) may be applied for not longer than five years from the day of the commencement of the implementation of this Law.

Article 75

If the average amount of the pension of beneficiaries in the insurance of employees, paid for the previous year, is less than 60 percent of the amount of the average wage, excluding taxes and contributions, of the employees in the territory of the Republic in the previous year, pensions shall be extraordinarily indexed as of January 1 of the current year, by a percentage which shall ensure that the amount of the average pension, paid for the previous year, of beneficiaries in the insurance of employees, is brought to the level of 60 percent of the average wage, excluding taxes and contributions, paid in the previous year.

This extraordinary indexation may be in application for not longer than three years from the day of the commencement of the implementation of this Law.”

Article 76

The provision of Article 18 of this Law shall also apply to the present beneficiaries of old age or disability pensions.

Article 77

Notwithstanding the provision of Article 5 of this Law, for the contributors referred to in Article 42 of the Law on Pension and Disability Insurance (RS Official Gazette nos. 34/03, 64/04 and 84/04) the retirement age may be lowered to a maximum of 50 years of age, by December 31, 2009 inclusive.

Notwithstanding the provision of Article 43, paragraph 1, of the Law on Pension and Disability Insurance (RS Official Gazette nos. 34/03, 64/04 and 84/04) a contributor referred to in Article 42 of the said law whose employment has been terminated with the right to a pension before meeting the requirements referred to in Article 19 of the said Law shall acquire the right to the old age pension if he has attained not less than 50 years of age and 20 years of coverage, of which not less than 10 years were effectively spent on workplaces where the years of coverage are calculated with an increased duration by December 31, 2009 inclusive.

Article 78

The conditions for and manner of acquiring rights arising from partial disability for contributors employees and self-employed contributors shall be governed by a separate law.
Article 79

This Law shall enter into force on the eighth day from the day of its publication in the Official Gazette of the Republic of Serbia, and shall be applied as of January 1, 2006, with the exception of the provisions of Articles 1, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 35, 42, 43, 44, 45, 47 and 48. Article 49, paragraph 1 and Articles 53, 59 and 60 of this Law, which shall be applied as of January 1, 2008.