



MIGRAVALUE PROJECT



Steering Economic and Social Cohesion
in the CADSES Space: Valuing Migration
as a Development Tool

WP4 – Activity 4.4

Report on the Pension Transferability between Greece and Non-EU Countries

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Objectives

The particular study was done mainly for the acquisition of data and facts for the MigraValue Project which aims at Valuing Migration as a Development Tool. In particular, the report targets the Activity 4.4 of the project and deals with the Definition of Social Program for Origin Territories of Migration. Specifically, hereby we analyze the existing bilateral agreements and conventions concerning the pension transferability between Greece and Non-EU Countries. The paper is based on desk study as well as on personal and phone interviews with the Department of Bilateral Social Agreements of the General Secretariat for Social Security of the Ministry of Labour and Social Affairs. Taking the opportunity, special thanks should be given to the staff of the Department for the clarifications and support provided in the writing of the particular paper.

For the analysis, definition and design of the social programs towards the migrants in the context of the project, a perspective on the existing bilateral agreements concerning the pension transferability between an EU Country and its Non-EU Partners should be provided and this is exactly what has been done with the case of Greece. In addition, the study was implemented in order to acquire information on the mechanism through which the transferability of a pension between Greece and a Non-EU Country is accomplished practically.



1. Introduction.

The Greek social security system is a rather complex model of social protection that is promoted through the application of three different techniques: social insurance for persons within the labor market, social assistance for uninsured persons in need and a national health scheme for all persons living on the Greek territory. As far as its administrative structure is concerned, the social insurance system is regulated and supervised by the Ministry of Labour and Social Affairs, while health care and welfare policies are monitored by the Ministry of Health and Social Assistance.

2. Greek Social Insurance Framework

The social insurance system is the basic cornerstone of the domestic social security model. Its function, as has been developed since the 1950s, aims at covering social risks of workers and employees through the provision of benefits and services, which address problems related to the reduction or loss of income gained through employment. The system is based on three insurance pillars:

- The first pillar corresponds to the public schemes of compulsory main and supplementary insurance, which function through legal entities supervised by different ministries.
- The second and the third pillar have not been developed yet equally with the first pillar. Recently, the Government adopted legislative measures to introduce occupational funds so as to extend the protection of insured persons and to strengthen the adequacy of insurance benefits; these funds will form the second pillar in Greece.

The General Secretariat of Social Security (**Γενική Γραμματεία Κοινωνικών Ασφαλίσεων**) is the executive body of the Public Administration that implements the governmental policies on Social Insurance subjects and supervises the effective



implementation of the legislation on social security matters by the Actuarial Institutions.

More specifically the work of G.S.S.S. consists of:

- Legislative regulation of the framework and actions on Social Insurances subjects,
- Proper operation of the social security system as well as its further improvement,
- Monitoring, control and co-ordination of all the activities of the Actuarial Institutions concerning the provision of benefits, financial situation, the sanitary care, administration, computerization etc
- Representation of the country at and collaboration with the international organizations involved in social security as well as collaboration with other countries on social insurance matters.

The General Secretariat of Social Security is subordinated to the Ministry of Labor and Social Affairs and at the moment supervises 172 Actuarial Institutions, from which 24 deal with the main insurance needs and which cover 98 percent of the county's population. More details in the table below:

Table 1. Social Insurance Funds according to employment criteria

Number of funds supervised by the Ministry of Labour and Social Insurance	Socio-professional categories
22	employees and workers under private law
10	employees in the banking sector
12	persons employed in public utilities
6	self-employed people
11	independent professionals
6	people employed in the press
1	farmers
17	civil servants

Source: Ministry of Labor and Social Affairs, 2002



The biggest Actuarial Institutions in Greece that cover 97.19 percent of the country's population are as follows:

- I.K.A.* - covers the whole range of traditional social risks for the employees,
- O.Γ.A. – Organisation for Agricultural Insurance,
- O.A.E.E. – Organization for the Insurance of Liberal Professionals (it comprises T.E.B.E., T.A.E. & T.Σ.A.)
 - T.E.B.E. - Fund for Craftsmen and Small Entrepreneurs,
 - T.A.E. - Storekeepers' Insurance Fund,
 - T.Σ.A. - Fund for Motorists,
- T.Σ.M.E.Δ.E. – Fund for civil engineers, electronical and mechanical engineers,
- T.Σ.A.Υ. – Fund for the doctors, dentists and pharmacists,
- Ταμείο Νομικών – Lawyers' Fund.
- Ε.Δ.Ο.Ε.Α.Π. – Insurance fund for the Reporters, Journalists, Mass Media's Employees.

The Actuarial Institutions are the main providers of the social insurance services of the country. Namely, they collect contributions and take care of the proper and efficient distribution of the financial resources of the social insurance system regarding pension, health care, welfare, etc.

As a rule, the social insurance institutions have their own legal personality and exercise public authority in the form of legal bodies under public law. In principle, each institution has its own administrative structure with its own administrative bodies.

* IKA is the largest Social Security Organization in Greece. It covers 5,530,000 workers and employees (~50% of the Greek Population in 2001) and provides 830,000 pensioners with retirement pension.



3. Bilateral Social Insurance Conventions and Agreements

In the “premises” of the General Secretariat of Social Security operates the department which is responsible for the Bilateral Social Agreements and Conventions between Greece and other Countries. The Department for Bilateral Social Agreements and Conventions is responsible for:

- Studying, drawing up and preparation of bilateral conventions and agreements on social insurance matters as well as review of the already existing ones between Greece and other Non-EU Countries.
- Participation and representation at negotiations for the synapses of bilateral agreements with other countries on social insurance matters.
- Studying and monitorship of the development of the social insurance and actuarial systems of the other countries - partners in the bilateral agreements.
- Preparation and dissemination of the circulars and newsletters to the Insurance and Actuarial Institutions for the implementation of the bilateral agreements on social matters.
- Following up of the implementation of the bilateral agreements by the Actuarial Institutions.
- Provision of solutions in case of controversies during the implementation of the agreements.
- Cooperation with the competent offices of the Ministry of Exterior Affairs on bilateral agreements issues.
- Answers to the Parliament (Reports, Deputies’ questions, etc.) and to the individuals on issues related to the bilateral agreements.
- Translation of the bilateral agreements and conventions, as well as other legislative texts.



3.1 Bilateral Social Insurance Conventions

Greece has concluded many social insurance conventions with other countries in the field of social insurance, aiming at the full guarantee and respect of social security rights for Greek migrant workers abroad. These instruments have direct application in the territories of the contracting parties, which take precedence over domestic legislation in cases where the provisions conflict.

The existing conventions are as follows:

- Greece / USA Convention, ratified by Law No. 2186/1994, in force since 1.9.1994
- Greece / Canada (revised) Convention, ratified by Law No. 2492/1997, in force since 1.12.1997
- Greece / Quebec Convention, ratified by Law No. 1317/1983, in force since 1.9.1983
- Greece / Argentina Convention, ratified by Law No. 1602/1986, in force since 1.5.1988
- Greece / Brazil Convention, ratified by Law No. 1533/1985, in force since 1.9.1988
- Greece / Venezuela Convention, ratified by Law No. 2259/1994, in force since 1.2.1995
- Greece / Uruguay Convention, ratified by Law No. 2258/1994, in force since 1.3.1997
- Greece / New Zealand Convention, ratified by Law No. 2185/1994, in force since 1.4.1994.

The aggregate of the coordinating instruments promote the following principles:

- Equality of treatment, under which a party agrees that a citizen of the other party or parties of the agreement will have the same rights and obligations under their national social security legislation as their own citizens. The only



significance that this has for Greece is that the nationals of other Contracting Parties receive the same treatment as Greek nationals, under the transitional arrangements in the national insurance schemes.

- The settlement of conflicts through the applicable legislation. All the conventions contain provisions specifying the legislation applicable. The provisions must resolve 'positive' conflicts of laws, which would make a worker subject to the social security legislation of two countries at the same time, and also 'negative' conflicts, which would result in a worker being subject to any of the legislations. The general rule in all the international instruments is that an employee is subject to the legislation of the state where he/she is employed. Exception is made for employees who are posted abroad and there are often additional rules to cover seamen, persons employed in international transport and people who normally work in two or more countries, etc.
- Aggregation of insurance periods, under which the periods completed under the legislation of one of the parties, are added to those completed under the legislation of the other. This holds for cases where the acquisition, retention or recovery of rights to benefits is conditional on the completion of such periods. Under Greek law, only the right to unemployment benefits is subject to the completion of a waiting period.
- Payment of benefits abroad.



3.2 Bilateral Social Insurance Agreements

Besides the bilateral Conventions, Greece has made Agreements with other countries in order to regulate some specific social security issues related to migrant workers, not covered yet through conventions or international treaties. The existing Agreements are as follows:

- *Greece / Egypt Agreement* on the transfer of social insurance contributions and pensions (ratified by Law No. 1595/1986, in force since 26.9.1986)
- *Greece / Libya Agreement* on the transfer of social insurance contributions and pensions (ratified by Law No. 1909/1990, in force since 1.3.1991)
- *Greece / Ontario Agreement* on the regulation of industrial accidents and occupational diseases (ratified by Law No. 1550/1985, in force since 1.7.1985)
- *Greece / Quebec Additional Agreement* on the regulation of sickness risks, industrial accidents and occupational diseases (ratified by Law No. 1588/1986, in force since 1.1.1988)
- *Greece / Syria Convention* on the regulation of affiliation issues (ratified by Law No. 2922/2001, in force since 27.6.2001).



4. The Retirement Right in Greece

Since the pension transferability of the bilateral agreements will be interpreted through the comparison of some details of the Greek system with those of the other countries, it would be rather binding to have a look at the Greek system of pension contributions and pension claims. Furthermore, we will take as the main reference point the Social Insurance Fund I.K.A. in discussing the pension transferability between Greece and some other social security institution abroad for two reasons: a. I.K.A. is the biggest insurance fund both in terms of insured workers and retired people, and b. the conditions of retirement for I.K.A., that will be discussed shortly below, tend to be applied for all the insurance funds in Greece. Thus, we will observe firstly what holds for an individual insured in Greece at I.K.A. for obtaining a pension. The insured workers at I.K.A. are separated in two categories: the ones insured before 1993 and the ones insured after 1993. Given that our target is the migrants, and since most of them came to Greece after 1990, we will investigate the second category of the insured at IKA, that is, those affiliated with I.K.A. after 1993.

4.1 Eligibility for Retirement in Greece

For persons first affiliated with I.K.A. after 1.1.1993, the pensionable age is 65, both for men and women. The minimum period required to receive the full rate pension is 4.500 working days (15 years) for which contributions have been paid. Thus, in Greece two are the requirements for the right to retire and receive the pension:

- i. to achieve at minimum 4500 working days (15 years) and
- ii. to achieve the age of 65.

Exceptions to the rule mentioned above include tetraplegics and paraplegics (then 4.050 days), as well as mothers of minors or children unable to work, when they have fulfilled a contribution record of 6.000 working days (55 years of age).

Entitlement to a full rate old age pension is also guaranteed for persons retired at



the age of 60 (both male and female) who have established a contribution record of 4.500 working days (3.375 working days in heavy and unhealthy work). Moreover, people who have a contribution record of 11.100 working days are entitled to a full rate pension without any age limit.

Apart of general eligibility conditions, the existing system includes special conditions to receive pensions for specific categories, applied to persons insured with I.K.A. already before 1993:

- i. People who have carried out heavy and unhealthy work are entitled to a full rate pension at the age of 60 (men) or 55 (women), provided they have established a contribution record of at least 4.500 working days (3.600 of them in heavy and unhealthy work). From these working days at least 1.000 must be included within the 13 former years before the claim for pension. This condition applies for claims submitted since 1.1.2003; for claims before 31.12.2002 these 1000 days should be completed within the 10 former years.
- ii. People who have established a contribution record of 4.500 working days are entitled to a reduced pension at the age of 60 (men) or 55 (women), if they were insured till 31.12.1992 and at the age of 60 (both male and female) if they are affiliated with the I.K.A. scheme after 1.1.1993.
- iii. People who have established a contribution record of 10.000 working days (of which at least 100 days must have been worked in each of the five calendar years preceding early retirement), are entitled to a reduced pension at the age of 60 (men) or 55 (women).
- iv. People who have carried out heavy and unhealthy work are entitled to a reduced pension at the age of 53 (both male and female) if they have established a contribution record of at least 10.500 working days (7.500 of them in heavy and unhealthy work).



- v. People who have established a contribution record of 3.500 working days till 31.12.2007 and haven't received any first pillar pension are entitled to receive an old age pension at the age of 65 (both male and female). This condition applies only for claims submitted between 1.1.2003 – 31.12.2007; the amount of the pension into question will neither be higher than $\frac{2}{3}$, nor lower than $\frac{1}{2}$ of the minimum amount of social pensions.

Favourable eligibility conditions are applied to insured mothers of minors or children unable to work. These conditions were introduced by policy makers in order to confront employment problems related to maternity and the interruption of a working career.

- i. Mothers of minors or children unable to work are entitled to a full rate pension at the age of 55 when they have fulfilled a contribution record of 5.500 working days and have no entitlement to another pension.
- ii. Mothers of minors or children unable to work are entitled to a reduced pension at the age of 50 when they have fulfilled a contribution record of 5.500 working days (for insured till 31.12.1992) or 20 working years (for people insured after 1.1.1993).

4.2 The Pension in Amounts

For persons first affiliated with I.K.A. after 1.1.1993, the pension amount consists also of a basic amount (the 'basic pension') plus various supplements. The calculation of the basic amount takes into account income from employment during the last five years before retirement. The full rate equals to 60% of the pensionable income and corresponds to an insurance period of 35 years, each year being counted as 1,714% of pensionable income. No supplement for the spouse is provided. The supplements for dependent children (unmarried children below the age of 18 years or below the age of 24 years if still in full-time education and out of work) are now calculated as proportions of a complicated index; this index equals to 50% of the 1991 Gross National Product per capita, adjusted annually according to the increases in the pensions of the civil servants. The supplements correspond to 8% of this index for the first child, 10% for the second and 12% for each child following.

4.3 Supplementary pensions

Eligibility conditions to receive a supplementary pension by the I.K.A. scheme are the same with those applied for main pensions. The amount of pensions is regulated by a decision of the Ministry of Labour and Social Insurance. As a rule, their amount for claims after 1.1.1998 corresponds to 20% of the previous earnings, when the insured have established a contribution record of 35 working years.



5. Pension Transferability in Practice

Since the objective of the particular study lies in the investigation of the pension transferability between Greece and a Non-EU Country, in this section we will accord special attention to this aspect. We will examine the pension transferability in each of the bilateral convention and agreement that previews such obligation and we will start with the bilateral convention Greece - U.S.A.

5.1 Bilateral Convention Greece / USA, ratified by Law No. 2186/1994, in force since 1.9.1994

The Convention covers:

- Greeks and U.S.A. Citizens
- The individuals that have been insured in one or both countries, irrespective of their nationalities
- Their family members

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention does not cover seamen and civil servants.

Pension Benefits

The Convention consolidates the right for provisions of the entire pension in the cases the individuals have fulfilled the prerequisites for retirement from one or both contracting parties.

In addition, in cases the prerequisites of a full pension are not fulfilled, the clauses of the Convention preview the counting in of the insured periods in both countries, for example, an individual insured at I.K.A. (Greece) for 3000 days and in U.S. for 2000 days. Without the Convention, the individual wouldn't be able to claim pension neither from Greece nor from the States, because for the fulfillment of the



minimum pension I.K.A. (Greece) requires 4,500 days of insurance (15 years), while the States require 10 years of insurance (40/4). In this case, according to the clauses of the Convention, I.K.A. counts in the period of insurance in the States for the fulfillment of the requirements for the provision of the minimum pension (in the case of Greece 4500 days of insurance). Once I.K.A. has deduced that the minimum requirements are fulfilled, they count the share of the 3000 days insured to issue the amount of pension to be provided. That is, the amount of pension from Greece would be 3000/4500. The same procedure is followed by the insurance fund in U.S.A. Thus, the particular insured individual would receive the respective share of pension benefits from each country.

For the operation of the mechanism mentioned above, the following prerequisite must be taken into account: the individual must have at least 300 days of insurance in Greece and 1.5 years in U.S.A.

The Convention safeguards the counting in of the insurance period both in Greece and U.S.A. in activities that are subordinated to special dispositions of the Greek Legislation (hard and unhealthy work conditions, staff of the airborne companies, 35 years of work, etc.)

In the case the individual resides in Greece and the counting in of the pension benefits from both countries is less than the minimum of the pension benefits accorded by the Greek insurance fund, then the insurance fund must ensure the minimum of the pension benefit.

The Executive Order for the Implementation of the Convention

The Convention is accompanied by the Executive Order of its Implementation which contains regulating dispositions for its implementation framework. In the Executive Order are specified the Liaison Agencies of the contracting Countries.

For Greece the Liaison Agency is I.K.A. for all the persons no matter at what social security fund they are insured. The responsible direction of the I.K.A is as follows below:



Social Insurance Fund I.K.A.
Direction of International Social Insurance Affairs
Department of Bilateral Social Security Agreements
8, Ag. Konstantinou Str., Athens

For U.S.A. the Liaison Agency is the Office of International Programs:

Social Security Administration
Office of International Programs
P.O. Box 17741 – 7741
Baltimore, Maryland 21235
U.S.A.



5.2 Bilateral Greece / Canada (revised) Convention, ratified by Law No. 2492/1997, in force since 1.12.1997

Implementation Framework

The Convention covers all the persons, irrespective of the nationality, that come under the social insurance legislation of both countries as well as their family members.

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention doe not cover seamen and civil servants.

Pension Benefits

For the pension right to be fulfilled and the amount of the pension benefit to be counted in conformity with the Canadian Law of the Old Age Insurance, a Greek individual must not be under the Greek Social Insurance System. If a Greek individual is covered by the Greek Social Insurance System while residing in Canada, then the individual can not claim anything from the Canadian Social Insurance System.

The Convention consolidates the right for provisions of the entire pension in the cases the individuals have fulfilled the prerequisites for retirement from one or both contracting parties. In cases the prerequisites of an entire, independent pension are not fulfilled, the clauses of the Convention preview the counting in of the insured periods in both countries, plus the insurance period realized in a third country that has bilateral or multilateral agreements with both countries.

The Convention safeguards the counting in of the insurance period both in Greece and Canada in activities that are subordinated to special dispositions of the Greek Legislation (hard and unhealthy work conditions, staff of the airborne companies,



35 years of work, etc.)

Periods under the Legislation of Greece and Canada

For purposes of determining entitlement to the payment of a benefit under the Old Age Security Act of Canada (see Knowledge Box below, where a summary of the Canadian and Quebecian pension system is provided), a creditable period under the legislation of Greece or a period of residence in Greece, after the age at which periods of residence in Canada are credible for the purposes of these Act, shall be considered as a period of residence on the territory of Canada.

For purposes of determining the entitlement to the payment of a benefit under the Canadian Pension Plan (see Knowledge Box below), a calendar year including at least 75 days which are creditable periods under the legislation of Greece, shall be considered as a year, which is creditable under the Canadian Pension Plan.

For purposes of determining the entitlement to the payment of a benefit under the Greek legislation:

- i. calendar year, which is creditable period under the Canadian Pension Plan, shall be considered as 300 days, which are creditable under the Greek legislation, and
- ii. a calendar month, which is creditable period under the Old Age Security Act of Canada and which is not part of a creditable period under the Canadian Pension Plan, shall be considered 25 days, which are creditable under the legislation of Greece.

The Executive Order for the Implementation of the Convention

The Convention is accompanied by the Executive Order of its Implementation which contains regulating dispositions for its implementation framework. In the Executive Order are specified the Institutions-Nexus of the contracting Countries.



For Greece the Liaison Agency is O.G.A. for its insured individuals (farmers) and I.K.A. for all the others individuals no matter at what social security fund they are insured. The responsible directions of O.G.A. and I.K.A are as follows below:

Social Insurance Fund (I.K.A.)

**Direction of International Social Insurance Affairs
Department of Bilateral Social Security Agreements
8 Ag. Konstantinou str., Athens**

Social Insurance Fund for Farmers (O.G.A.)

**General Direction of Managerial Support
Department of Public and International Relations
30, Patission Str., Athens**



Knowledge Box: Canada Pension Plan and Old Age Security Act for Canada and Quebec

The **Canada Pension Plan (CPP)** is a contributory, earnings-related social insurance program. It forms one of the two major components of Canada's public retirement income system, the other component being **Old Age Security (OAS)**. Other parts of Canada's retirement system are private pensions, either employer-sponsored or from tax-free individual savings (known in Canada as registered retirement savings plans)

The **CPP** is funded on a "steady-state" basis, with its current contribution rate set so that it will remain constant for the next 75 years, by accumulating a reserve fund sufficient to stabilize the asset/expenditure and funding ratios over time. Such a system is a hybrid between a fully funded one and a "pay-as-you-go" plan. In other words, assets held in the CPP fund are by themselves insufficient to pay for all future benefits accrued to date but sufficient to prevent contributions from rising any further. While a sustainable path for this particular plan, it is atypical of other public or private sector pension plans.

The **Old Age Security** pension (or **OAS** or **OAS-GIS**) is a taxable monthly social security payment available to most Canadians 65 years of age or older. As of January, 2008, the basic amount is C\$502.31 per month. At tax time, recipients with incomes over C\$64,718 (for 2008) must pay back a portion of their Old Age Security at a rate of 15% of net income. This is often referred to as a clawback. The OAS pension is fully clawed back for people with incomes over approx. C\$104,902 (in 2008).

To receive a full **OAS** pension, a person must meet these conditions:

Category 1 - Lived in Canada for at least 40 years after turning 18, OR Category 2 - Born on or before July 1, 1952, AND between the time the applicant turned 18 and July 1, 1977, the applicant lived in Canada for some period of time, AND the applicant lived in Canada for the 10 years immediately before the application was approved.

If an applicant has not lived in Canada for all of the last 10 years because he/she gave up residence in Canada at some time, an applicant may still qualify for a full pension if he/she meets both conditions below:

1) Lived in Canada for the year immediately before the application was approved, AND 2) Prior to these last 10 years, the applicant lived in Canada after age 18 at least 3 times as long as the total of absences during the last 10 years.

Source: Service Canada



5.3 Bilateral Greece / Quebec Convention, ratified by Law No. 1317/1983, in force since 1.9.1983

Implementation Framework

The Convention covers all the individuals, irrespective of the nationality, that come under the social insurance legislation of both countries as well as their family members.

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention does not cover seamen and civil servants.

Applicatory Legislation

The Convention previews the exclusive insurance of wage earning workers within the legislation framework of the Contracting Part, where the work is provided.

At the same time, the Convention previews some exceptions so special categories of the workers. These exceptions concern:

- The workers that are detached from the company and sent to the country, party in the convention, for up to 24 months. These workers keep being insured by the sending country. This exception can be extended only after approval of the responsible authorities of the two Contracting Parts.
- The staff of airborne companies is insured for their employment, only according to the legislation of the Part, in which the company's main activity is located.
- The individual that is employed by a Contracting Part, in order to be engaged in some of its government services on the ground of the other Part, is insured according to the legislation of the second Part. If the engaged person is national of the first Part he/she has the right to choose his/her social insurance under the Greek actuarial system or under the equivalent one of Quebec.



- Also, there is the possibility for the competent authorities of the two contracting parties to agree on exceptions for any individual or group of individuals (with the condition that he/she or they are insured by any of the two social insurance systems)

Pension Benefits

The Convention consolidates the right for provisions of the entire pension in the cases the individuals have fulfilled the prerequisites for retirement from one or both contracting parties.

In cases the prerequisites for a minimum pension are not fulfilled, the clauses of the Convention preview the counting in of the insured periods in both countries.

Periods under the Legislation of Greece and Quebec

For purposes of establishing entitlement to an old age benefit payable by Quebec/Canada, residence on the territory of Greece after the age of 20, shall be counted as residence on the territory of Quebec/Canada.

For purposes of establishing entitlement to an old age benefit payable by Greece:

- i. a year in which a contribution has been made to the Canada Pension Plan, shall be accepted as twelve months of contributions under the legislation of Greece.
- ii. a month, which should be recognized as a month of residence under the Old Age Security Act and in relation to which no contribution has been made to the Canada Pension Plan, shall be accepted as a month of contributions under the legislation of Greece, provided that the interested person has contributed to the Canada Pension Plan for a period of at least equal duration. For the application of this provision, one year of contribution is equal to twelve months.
- iii. for any month of residence under the Old Age Security Act, Greece will count 25 days of insurance and for any year of contributions to the Canada Pension Plan, Greece will count 300 days of insurance.



5.4 Bilateral Conventions with the Countries of the South America.

Greece has contracted bilateral conventions with the following four countries of the South America: Argentina, Brazil, Venezuela and Uruguay. The four conventions are analyzed all together beneath since they are, to a large extent, the same.

- *Greece / Argentina Convention*, ratified by Law No. 1602/1986, in force since 1.5.1988
- *Greece / Brazil Convention*, ratified by Law No. 1533/1985, in force since 1.9.1988
- *Greece / Venezuela Convention*, ratified by Law No. 2259/1994, in force since 1.2.1995
- *Greece / Uruguay Convention*, ratified by Law No. 2258/1994, in force since 1.3.1997

Implementation Framework

The Conventions cover all the individuals, irrespective of the nationality, that come under the social insurance legislation of both countries as well as their family members.

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention does not cover seamen and civil servants from the Hellenic side.

Applicatory Legislation

In all of the above Conventions is previewed the fact that the insurance of a worker is done by the Contracting Part on the ground of which the worker is employed. However, these applications have exceptions and these exceptions are as follows:



- The persons that are extracted by the employer to work on the territory of the other Contracting Part are insured by the Contracting Part of origin. The automatic implementation of this measure stops being executed after some time in dependence with the country. For Brazil and Venezuela, the anticipated period is 12 months (1 year); while with Argentina and Uruguay the prefigured period is 24 months (2 years). After these periods, and if the person continues to work on the territory of the second contracting part, then the person should be insured under the system of the second contracting part. In any case, the above mentioned periods can be extended after agreements between the responsible authorities of the contracting parts.
- Personnel of air and marine transportations companies.
- Diplomatic representatives, consular employees and other civil servants.

Also, there is the possibility for the responsible Authorities of the two Contracting States to agree upon further exceptions for any person or categories of persons, with the condition that they are covered by the insurance system of one of the two Contracting States.

Pension Benefits

The Convention consolidates the right for provisions of the entire pension in the cases the individuals have fulfilled the prerequisites for retirement from one or both contracting parties.

In cases the prerequisites for a minimum pension are not fulfilled, the clauses of the Convention preview the counting in of the insured periods in both countries.

Specifically, in the Conventions with Argentina and Venezuela, in the case the retirement right is not fulfilled with the inclusion of periods of insurance that were realized both in Greece and in the other country, it is possible to include an



insurance period realized in a third country that has bilateral or multilateral agreements with both countries.

With the exception of the Convention Greece-Uruguay, in all the other Conventions the payment of the minimum limit of a Greek pension is insured by the responsible actuarial institution, in the case where the pensioner resides in Greece and the sum of pensions realized in the two Contracting States is smaller than the minimum limit of a Greek pension that would be issued by the responsible actuarial institution.

The Executive Order for the Implementation of the Convention

All the above mentioned Conventions are accompanied by the Executive Order of their Implementation which contains regulating dispositions for their implementation framework. In the Executive Order there are specified the Liaison Agencies of the contracting Countries. For Greece the Liaison Agency is I.K.A. for all the individuals irrespective of at which social security fund they are insured.



5.5 Bilateral Greece / New Zealand Convention, ratified by Law No. 2185/1994, in force since 1.4.1994

Implementation Framework

The Conventions cover all the individuals, irrespective of the nationality, that come under the social insurance legislation of both countries as well as their family members.

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention does not cover seamen and civil servants from the Hellenic side.

Applicatory Legislation

By definition, the workers are covered by the social insurance system of the country on the territory of which he/she is working. The Convention, however, provides the possibility of unilateral exception in the case of detachment of a worker insured by a Greek social insurance fund and sent to work on the territory of New Zealand. In this case the period of insurance of the worker by the Greek social insurance fund can't exceed 5 years. Also, there is the possibility for the responsible Authorities of the two Contracting States to agree upon further extension of the period mentioned above.

Pension Benefits

The Convention consolidates the right for provisions of the entire pension in the cases the individuals have fulfilled the prerequisites for retirement from one or both contracting parties.

In cases the prerequisites for a minimum pension are not fulfilled, the clauses of the Convention preview the counting in of the insured periods in both countries. In the case the minimum insurance period is not covered by both parts, there is the



possibility to count the insurance period realized in a third country that has bilateral or multilateral agreements with both countries.

To be noted that the social insurance system of New Zealand is not retributive (there are no actuarial contributions and periods of insurance) and the calculation of the retirement benefits is done based on the years of residence in the particular country.

From the Greek side when the self-existent retirement is not fulfilled by itself, then it is possible to count in the period of staying in New Zealand after the age of 20 as retirement contribution.

The Convention ensures the payment of the minimal Greek pension by the responsible actuarial institution. This is done in the case where the pensioner resides in Greece and the sum of pensions realized in the two Contracting States is smaller than the minimum limit of a Greek pension that would be issued by the responsible actuarial institution.

The Executive Order for the Implementation of the Convention

The Convention is accompanied by the Executive Order of its Implementation which contains regulating dispositions for its implementation framework. In the Executive Order are specified the Institutions-Nexus of the contracting Countries. For Greece the Institutions-Nexus is O.G.A. for its insured individuals (farmers) and I.K.A. for all the others individuals irrespective at what social security fund they are insured.

5.6 Idiosyncratic Bilateral Agreement Greece / Egypt on the transfer of social insurance contributions and pensions (ratified by Law No. 1595/1986, in force since 26.9.1986)

Implementation Framework

The Conventions cover all the individuals, irrespective of the nationality, that come under the social insurance system of both countries as well as their family members.

The Convention covers the following working activities: wage earners, free lancers, self-employed, independent professionals and farmers. The Convention does not cover seamen and civil servants.

Benefits' Transfer

In case of the fulfilment of the retirement right (after completion of the required insured years of work), the retirement pensions, disability pensions and survivors' pensions, as well as the benefits in case of death (expenses of funeral, etc.) and other lump sums are transferred to the residence country of the beneficiary.

Actuarial Contributions Transfer

The actuarial contributions of workers that were submitted to the actuarial system of one of the two Contracting States are transferred from the country of work to the country of worker's origin so that they are utilized in the frame of actuarial system of their country, e.g. Greek that was occupied in Egypt and yielded contributions to the Egyptian actuarial institution when returning to Greece he/she can ask with an application to the responsible Greek actuarial institution the transfer of his contributions to Greece. These contributions will be converted in the Greek terms of insurance in order to be used in the frame of Greek insurance system.



5.7 Idiosyncratic Bilateral Agreement Greece / Libya on the transfer of social insurance contributions and pensions (ratified by Law No. 1909/1990, in force since 1.3.1991)

Implementation Framework

The Conventions cover only the nationals of the two Contracting States as well as their family members.

Pension Transfer

The Agreement ensures that the old age pensions, invalidity pensions and survivors' pensions, as well as the benefits in case of death (expenses of funeral, etc.) and other lump sums are transferred to the residence country of the beneficiary or its family members.

Actuarial Contributions Transfer

The actuarial contributions that were yielded to the Libyan Fund of Social Safety by Greek workers are transferred to I.K.A (Greece) and are converted into Greek terms of insurance, are taken later into consideration for retirement by the Greek actuarial institution.

After the definitive settlement of the Greek worker in Greece, for the transfer of the actuarial contributions from Libya to Greece, the worker must submit an application to the local branches of I.K.A. with the following documentation:

- I. Contract of work (having on it the stamp of the Libyan Office of Work)
- II. Certification from the Actuarial Fund (which certifies the payment of contributions) or the Form of Wage Situation attested by the employing company and the Libyan Actuarial Fund
- III. Attested copy of the passport from which results the definitive exit visa from the country



This documentation must be passed, certified and translated by the Translation Office of the Ministry of the External Affairs of the Greek state.



Conclusion

Given the description and analysis of the bilateral agreements and conventions mentioned above, the conclusion that can be drawn lies in the fact that these agreements and conventions are created based on the idiosyncratic characteristics of a country's social insurance system, as well as on the needs of its citizens in the particular country of agreement. We have observed how the bilateral agreements work in practice, e.g. the case of Greece – U.S.A., where a person can count in both periods worked in Greece and U.S.A. to claim a full pension. In addition, we have given information about the responsible implementation institutions for the bilateral agreements and conventions. We have noticed the minimum requirements for a person to be able to receive a pension in Greece or abroad. Additionally, we have noticed that thanks to these agreements and conventions some persons can enjoy a full pension. Haven't there been these agreements, these persons wouldn't have been able to claim a pension from any of the two contracting states. For example, the Albanian people that reside at this moment on the territory of Greece. At this point there is no bilateral agreement between Greece and Albania in order to take into account any actuarial contributions for the transfer of the pensions. As such, the Albanians must accomplish the minimum of 4500 days of insurance (15 years) in order to be able to claim the pension from Greece. If an Albanian person, and any other non-EU resident in Greece with the country of whom there is no any bilateral agreement, leave the country and the insurance system they belonged to, before the accomplishment of the 4500 insurance days, then these insurance contributions are lost. To be noted that Greece like any other country exports the pension anywhere in the world from the moment the insurance contribution prerequisites are accomplished and the pension is fully claimable. As such, in the case that an immigrant covers the 4,500 days of insurance in Greece and leaves the country before reaching the age of 65, then once the particular person reaches the age of 65, he/she can claim the pension through the social insurance system of the country of residence. This procedure is much easier in the case where Greece has a bilateral agreement with the country of residence of the person in discussion.



Recently, Greece and Australia have started negotiations for the transfer of the actuarial benefits and pensions of their citizens between these countries. As result, a new bilateral convention will be contracted defending the rights and the contributions of the individuals working in any of the two states.

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Links

European Centre for Social Welfare Policy and Research –

<http://www.euro.centre.org/>

I.K.A., Biggest Social Security Organization in Greece –

<http://www.ika.gr/>

Ministry of Health and Welfare, Greece –

<http://www.mohaw.gr/>

Ministry of Labour and Social Affairs, Greece –

<http://www.ypakp.gr/>

General Secretariat of Social Security –

<http://www.ypakp.gr/>

Department of Bilateral Social Agreements –

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