

# THE CROATIAN PARLIAMENT

3290

Pursuant to Article 89 of the Constitution of the Republic of Croatia, I hereby issue the

## DECISION

### ON PROMULGATING THE PENSION INSURANCE ACT

I hereby promulgate the Pension Insurance Act, passed by the Croatian Parliament at its session on 13 December 2013.

Class: 011-01/13-01/300

Reg. no. 71-05-03/1-13-2

Zagreb, 18 December 2013

President  
of the Republic of Croatia  
**Ivo Josipović, m.p.**

## PENSION INSURANCE ACT

### I- GENERAL PROVISIONS

#### Article 1

(1) The pension insurance system in the Republic of Croatia comprises:

- 1) mandatory pension insurance based on generational solidarity,
- 2) mandatory pension insurance based on individual capitalised savings,
- 3) voluntary pension insurance based on individual capitalised savings.

(2) This Act regulates mandatory pension insurance based on generational solidarity.

(3) This Act transposes Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC (OJ L 014, 20.1.1998) into Croatian legislation.

#### Article 2

Insurees shall have mandatory insurance on the principles of reciprocity and solidarity for old age and a reduced working capacity with the remaining working capacity, partial or complete

loss of working capacity, and members of their families shall have the rights following an insuree's or a pension beneficiary's death.

### Article 3

The rights provided on a mandatory basis include:

- 1) old-age pension,
- 2) early retirement pension,
- 3) disability pension,
- 4) temporary disability pension,
- 5) survivors' pension,
- 6) minimum pension,
- 7) basic pension,
- 8) occupational rehabilitation,
- 9) compensation for physical damage,
- 10) reimbursement of travel expenses in relation to exercising insured rights.

### Article 4

- (1) Pension insurance rights are inalienable, personal substantial rights, which may not be transferred to others or inherited. Overdue benefit payments which remained unpaid until the beneficiary's death are inheritable, while monetary claims following the death of a beneficiary without heirs belong to the Republic of Croatia, i.e. the state budget.
- (2) Pension insurance rights may not be barred by the statute of limitations, with the exception of the unpaid overdue pensions and other cash benefits in the cases specified by law.
- (3) Income deriving from pension insurance may be subject to execution and used as security in accordance with the law.

### Article 5

The insuree's rights based on generational solidarity shall be granted by the Croatian Pension Insurance Institute (hereinafter: the Institute).

### Article 6

- (1) Funds for pension insurance shall be ensured by insurees, employers, other persons liable to pay contributions prescribed by law, and the Republic of Croatia.

(2) The Republic of Croatia, local and regional self-government units, employers and the Institute shall create conditions aimed at preventing reduced working capacity, as well as the partial or complete loss of working capacity, shall ensure the protection of disabled workers, disabled veterans and other insured persons by helping them regain the ability to work and find employment.

#### Article 7

(1) Pension insurance rights are granted in a two-instance administrative procedure at the Institute and judicial protection of rights is also guaranteed.

(2) The provisions of the General Administrative Procedure Act shall apply in the proceedings for deciding on pension insurance rights, unless otherwise specified by this Act.

#### Article 8

For the purpose of this Act, the following terms shall have the following meanings:

1. Pension insurance based on generational solidarity is a part of the pension insurance system in which insurees are ensured rights based on the principles of reciprocity and solidarity, for the occurrence of risk of old age, reduced working capacity, partial or complete loss of working capacity and physical damage, and their family members are ensured rights in case of an insuree's or beneficiary's death.

2. An insuree is a natural person with mandatory pension insurance based on generational solidarity, on the basis of his or her work activity (employment relationship, business activity etc.).

3. An insured person is a natural person with pension insurance based on generational solidarity in specific circumstances, for the risk of reduced working capacity, partial or complete loss of working capacity and physical damage caused by an accident at work or an occupational disease.

4. Qualifying periods encompass periods of mandatory pension insurance coverage and extended insurance coverage (insurance periods), and periods not covered by insurance, which are accepted as qualifying periods under specific circumstances (special qualifying periods).

5. Insurance period with extended duration is a period of mandatory pension insurance coverage calculated with extended duration. Posts and occupations in which insurance periods are calculated with extended duration, as well as insurees who are disabled persons whose qualifying periods are calculated with extended duration, are determined by special regulations.

6. Additional periods are a periods added to the actually incurred qualifying periods, thus forming the total qualifying periods, and is the basis for determining disability pension or survivors' pension if the insuree has not reached 60 years of age on the date the reduced, partial or complete loss of working capacity or his or her death occurred, but does not serve as a basis for fulfilling conditions to obtain those rights.

7. Pension (old-age pension, early retirement pension, disability pension, temporary disability pension and survivors' pension) constitute monetary claims from pension insurance.

8. Minimum pension is the lowest monetary appropriation from pension insurance, determined on the basis of an insuree's qualifying periods and the actual pension value.

9. Basic pension is the monetary appropriation from pension insurance, granted under specific conditions to insurees also insured under the mandatory pension insurance based on individual capitalised savings since 1 January 2002.

10. A pension beneficiary is an insuree who acquired the right to pension.

11. Salary compensation for occupational rehabilitation shall be the insuree's or the insured person's monetary appropriation related to occupational rehabilitation.

12. Compensation for physical damage is a monetary appropriation from pension insurance due to a physical damage which is a consequence of accident at work or an occupational disease.

13. Pension insurance records constitute a compilation of information about insurees, persons liable to pay contributions and beneficiaries of pensions, which is kept at the Institute.

14. European Union regulations on the coordination of social security systems constitute the European Union secondary legislation, directly applicable in the Republic of Croatia. They encompass Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, and Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems, as last amended by Regulation No 1224/2012. The Act on Implementing European Union Regulations Regarding the Coordination of Social Security Systems was adopted for the purpose of implementing the regulations in question.

## II - TYPES OF INSURANCE AND INSURED PERSONS

### A. INSUREES

#### *1. Mandatory insurance*

#### Article 9

(1) Mandatory insurance shall cover:

1. workers, civil servants and government employees, including, on the basis of special regulations, equivalent persons, employed in the territory of the Republic of Croatia,

2. persons elected or appointed to positions in public authorities, local and regional self-government units, when they receive a salary for that work,

3. persons attending mandatory professional training for work, after completion of their schooling,

4. persons attending professional training for work without being employed, according to special regulations,

5. persons employed by foreign organisations whose seat is in the Republic of Croatia, who do not have diplomatic immunity (foreign representation offices, international organisations and institutions), by foreign natural persons with their residence or seat in the Republic of Croatia, by diplomatic missions or consular offices of a foreign country, by international organisations or representation offices whose seat is in the Republic of Croatia which have diplomatic immunity, or those in personal service of foreign nationals, unless European Union regulations on the coordination of social security systems or an international agreement on social security establishes otherwise,

6. citizens of third countries and stateless persons employed in the territory of the Republic of Croatia, unless legal provisions of the European Union on the coordination of social security systems or an international agreement on social security establishes otherwise,

7. posted workers, working abroad for an employer whose seat is in the Republic of Croatia, and persons employed in diplomatic missions or consular offices of the Republic of Croatia abroad,

8. seasonal agricultural workers, pursuant to the Employment Promotion Act.

(2) Unemployed persons are covered by mandatory insurance under such conditions and for such periods of time as established by employment regulations.

(3) Persons providing care and assistance to Croatian disabled war veterans from the Homeland War, receiving compensation for that work pursuant to special regulations, have mandatory insurance.

(4) Persons employed by an employer whose seat is abroad have mandatory insurance, when covered by Croatian legislation pursuant to legal provisions of the European Union on the coordination of social security systems.

## Article 10

(1) Mandatory insurance shall cover:

1. craftsmen and sole traders registered in the relevant registers,

2. self-employed persons practising their profession pursuant to special regulations, such as lawyers, private healthcare workers, artists, journalists, educators, language editors and translators, midwives, representatives of family homes, natural persons engaged in an individual professional activity of consultation, care and assistance at home, and others,

3. top athletes, unless they have mandatory insurance on another basis,

4. taxpayers of income tax or profit tax, based on their independent activity in agriculture or forestry,

5. persons engaged in an activity which does not require the issuing of an approval or registration, but is by nature an individual, permanent activity with the aim of creating income or profit, who pay income tax or profit tax for those activities, unless they have mandatory insurance on another basis,

6. persons engaged in handicrafts production or in a secondary activity pursuant to the Trades and Crafts Act, unless they have mandatory insurance on another basis, or if they are not pension beneficiaries, except disability pension beneficiaries based on a partial loss of working capacity from Article 39, paragraph 3 of this Act.

#### Article 11

(1) Mandatory insurance shall cover persons engaged in agricultural and forestry activities as their only or main activity, entered into the register of family-owned farms or in the register of forest owners as holders or members of the family-owned farm, or as forest owners or members of their households, respectively.

(2) For the purpose of this Act, it shall be considered that persons from paragraph 1 of this Act are not engaged in agricultural or forestry activities as their only or main activity when they have mandatory insurance on another basis, if they attend regular schooling, if they are over 65 years of age or if they are pension beneficiaries, with the exception of disability pension beneficiaries based on a partial loss of the working capacity from Article 39, paragraph 3 of this Act, and disability pension beneficiaries due to occupational incapacity for work from Article 174, paragraphs 4 and 5 of this Act.

#### Article 12

Mandatory insurance shall cover management board members, executive directors in companies and managers of co-operatives, unless they have mandatory insurance on another basis.

#### Article 13

Mandatory insurance shall cover priests and other religious officials of a religious community entered into the records of religious communities kept by the ministry in charge of administration, unless they have mandatory insurance on another basis.

#### Article 14

(1) Mandatory insurance shall cover, upon personal request, to a parent performing his or her parental duties in the first year of his or her child's life, who is not covered by mandatory insurance on another basis, if the child is a Croatian citizen and if both the child and the parent have permanent residence in the Republic of Croatia. When another child is born to such parent before his or her previous child reached the age of one, the right to mandatory insurance in respect of the previously born child shall terminate.

(2) When both parents perform parental duties in respect of their child and they are not insured on another basis, mandatory insurance covers the mother of the child, unless otherwise agreed by the parents.

(3) A care-providing parent or another caregiver shall be covered by mandatory insurance while engaged in this status, pursuant to the social welfare regulations.

#### Article 15

(1) Mandatory insurance shall cover, upon personal request, persons employed abroad by international organisations and foreign employers unless they have mandatory insurance according to foreign regulations to which an international agreement on social security applies, or if they do not have mandatory insurance pursuant to the European Union regulations on the coordination of social security systems.

(2) Mandatory insurance shall cover, upon personal request, persons employed in the European Union institutions, unless they have mandatory insurance pursuant to European Union regulations.

(3) Under conditions from paragraph 1 of this Article, persons employed in the territory of the Republic of Croatia by an employer whose seat is abroad, who does not have a registered office in the Republic of Croatia, shall be covered by mandatory insurance.

(4) Mandatory insurance from paragraphs 1 and 2 of this Article shall commence on the date of employment, but no earlier than 1 January of the calendar year in which the application for insurance was submitted.

#### Article 16

(1) Mandatory insurance shall cover seafarers in international navigation whose employer, ship operator or company is a domestic or foreign legal entity, unless legal provisions of the European Union on the coordination of social security systems or an international agreement on social security establishes otherwise.

(2) Persons from paragraph 1 of this Article shall obtain the status of an insuree on the date of embarkation, and shall cease on the date of their disembarkation, based on registration/deregistration submitted by the employer, ship operator or company which is a domestic legal entity, or by the harbourmaster's office, and based on embarkation and disembarkation information listed in the beneficiary's seaman book.

(3) By way of derogation from paragraph 2 of this Article, seafarers in international navigation whose employer, ship operator or company is a domestic or foreign legal entity, in possession of a concluded employment contract with the employer for a period longer than the period on-board the vessel, shall obtain the status of a beneficiary for the entire contract duration.

#### Article 17

(1) Mandatory insurance shall cover persons receiving other income pursuant to regulations on income tax, when pension insurance contributions are paid on that income according to regulations on contributions for mandatory insurances (hereinafter: other income).



(2) Persons from paragraph 1 of this Article shall not be granted rights from this Act in case of an accident at work or occupational disease while working on activities incurring other income from paragraph 1 of this Article.

## *2. Extended insurance*

### Article 18

(1) Persons whose mandatory pension insurance has terminated may insure themselves under the extended insurance scheme if no more than 12 months have passed since the termination of their mandatory insurance and if they file an application for insurance within this period.

(2) A person referred to in paragraph 1 of this Article may insure himself or herself under the extended insurance scheme during the period of:

1. unpaid leave,
2. employment relationship at standstill until his or her child reaches three years of age,
3. further vocational training or specialisation after the termination of his or her labour contract, service or self-employment activity,
4. unemployment after insurance termination,
5. temporary or seasonal break in business operations,
6. employment abroad in international and other organisations pursuant to international agreements on social insurance, or with foreign employers if the person does not have mandatory insurance in the Republic of Croatia during that period, or if European Union regulations on the coordination of social security systems or an international agreement on social security establishes otherwise,
7. stay abroad as the spouse of an insuree working abroad,
8. unemployment of an insuree - seafarer, after the termination of his or her fixed-duration labour contract.

(3) Extended insurance may also cover a person with residence in the territory of the Republic of Croatia during unemployment, following the termination of mandatory pension insurance in a European Union Member State or in a country with which an international agreement on social insurance was concluded, regardless of whether the person was insured in the Republic of Croatia before the mandatory insurance abroad.

(4) Extended insurance shall cover a person following the termination of a limited duration employment contract for permanent seasonal jobs.

(5) Extended insurance shall cover spouses of insurees - career contractual diplomats during their stay abroad.



(6) The right to extended insurance shall terminate even before the circumstances referred to in paragraphs 2 and 3 of this Article ceased to exist, if the contributions due were not paid within three months of their maturity date.

## B. PERSONS INSURED IN SPECIFIC CIRCUMSTANCES

### Article 19

(1) In case of a reduced working capacity with the remaining working capacity, and partial or complete loss of working capacity and physical damage due to an accident at work or occupational disease, insurance shall cover:

1. pupils and students enrolled in undergraduate and graduate university studies, or integrated undergraduate and graduate university studies, or specialist graduate professional studies, as well as students enrolled in undergraduate university studies or professional studies during practical training, in the course of professional practice for an employer, or during work through an intermediary for employment of pupils and full-time students,

2. unemployed persons during occupational training or occupational rehabilitation to which they were referred by the competent employment service,

3. persons performing certain jobs while serving prison sentences, during community service according to a special act, or while being subject to security measures of mandatory psychiatric treatment and compulsory treatment of addiction, and to correctional measures.

(2) Provisions of paragraph 1, item 1 of this Article shall also apply to nationals of European Union Member States during their schooling in the Republic of Croatia, and to citizens of third countries, subject to reciprocity.

### Article 20

(1) In case of a reduced working capacity with the remaining working capacity, a partial or complete loss of working capacity and physical damage due to an accident at work, insurance shall cover persons injured in the territory of the Republic of Croatia:

1. while participating in rescue operations and those involving defence against natural disasters such as fire, flood, earthquake and other disasters caused by *force majeure*, or while saving the lives of citizens or to prevent the material damage to the property,

2. members of volunteer fire departments while participating in fire-fighting operations, rescuing people and property threatened by fire or other natural disasters, on their way to and from drills, as well as during training activities organised by volunteer fire departments,

3. while performing their defence duties, in accordance with defence regulations.

(2) An accident at work shall also be considered to include any disease resulting directly and exclusively from the performance of the tasks referred to in paragraph 1 of this Article.

### Article 21

In case of a reduced working capacity with the remaining working capacity, a partial or complete loss of working capacity and physical damage due to an accident at work, insurance shall cover persons who, upon request of state authorities, provide assistance to these authorities, in the course of which they incur an injury or fall ill.

## C. FAMILY MEMBERS OF INSUREES

### Article 22

(1) In case of death of an insuree or a beneficiary of old-age pension, early retirement pension, disability pension and temporary disability pension, insurance shall cover their family members, as follows:

1. widow or widower,
2. divorced spouse entitled to maintenance,
3. marital, extramarital and adopted children,
4. step-children whom the insuree supported,
5. grandchildren whom the insuree supported if without both parents or if one or both of their parents completely lost their working capacity according to this Act,
6. parents - father, mother, stepfather, stepmother and adoptive parent of the insuree, whom the insuree supported,
7. children without parental support – siblings and other children whom the insuree has taken into his or her care, if without both parents or if one or both of their parents completely lost their working capacity according to this Act.

(2) Family members from paragraph 1 of this Article shall be insured in case of death of persons from Articles 19 to 21 of this Act, if the death of these persons occurred during an accident at work or an occupational disease, while performing activities under circumstances listed in Articles 19 to 21 of this Act.

(3) An extramarital partner who lived in the same household with the insuree or pension beneficiary until the latter's death for at least three years shall also be considered a family member from item 1, paragraph 1 of this Article. The status of an extramarital partnership shall be determined in an *ex parte* judicial proceedings.

### Article 23

(1) It shall be considered that the insuree or the pension beneficiary supported a family member:

1. if the family member lived with the insuree in the same household and does not receive personal income sufficient for sustenance, does not receive income from agriculture and forestry, or when his or her other permanent income at the time of death of the insuree or

pension beneficiary did not exceed 66% of the minimum pension amount determined for 15 years of qualifying periods according to this Act, or

2. if the family member did not live with the insuree in the same household and does not receive personal income sufficient for sustenance according to item 1 of this paragraph, and the deceased insuree or pension beneficiary regularly ensured the family member with financial support in the average amount of at least 80% of the minimum pension determined for 15 years of qualifying periods according to this Act.

(2) The right to survivors' pension obtained on the basis of paragraph 1 of this Article shall expire once income of the pension beneficiary exceeds the amount from paragraph 1 of this Article.

### III - QUALIFYING PERIODS

#### Article 24

For the purposes of this Act, qualifying periods on the basis of which pension insurance rights are granted include the following periods:

1. periods covered by insurance under the provisions of this Act,
2. periods completed before 31 December 2013, which were reckoned as qualifying periods under the legislation applicable until that date and, in particular, as insurance periods, insurance periods completed under the insurance period with extended duration and special qualifying periods.

#### *1. Insurance periods*

#### Article 25

Insurance periods shall include the periods completed by an insuree after reaching 15 years of age under the mandatory pension insurance and extended insurance schemes.

#### Article 26

(1) For insurees from Articles 10 to 13, Articles 15 and 16, and Article 18, paragraphs 1 and 2 of this Act, the insurance periods shall be calculated on the basis of contributions paid, separately for each insurance basis, upon confirmation from the authority competent for payment.

(2) Paid contributions for pension insurance until 31 December 2002 shall be determined by the Institute in accordance with provisions of the General Tax Act.

(3) The procedure for determining insurance periods based on paid contributions for pension insurance shall be established in an ordinance adopted by the minister in charge of the pension system, upon prior opinion of the minister in charge of finance.

#### Article 27

(1) Insurance periods shall include the time spent in full-time employment according to labour regulations or special regulations.

(2) The period of full-time employment shall also be considered to include the period of employment with short-time working hours worked by:

1. a parent employed with half-time working hours following the expiration of compulsory maternity leave, and when employed with short-time working hours to be able to provide greater care and attention to the child, according to special regulations,

2. a parent of a child suffering from serious developmental problems, who is employed with half-time working hours,

3. workers who are employed with short-time working hours under special regulations.

(3) Insurance periods shall also include the time spent in part-time employment, for the duration corresponding to the total number of hours of such work in particular years, as converted into full-time working hours.

(4) The provisions of paragraphs 1 to 3 of this Article shall also apply to working hours worked with more than one employer.

(5) The time spent in seasonal employment where the total hours worked exceeded full-time working hours shall be converted into full-time working hours.

(6) For beneficiaries of disability pension based on a partial loss of working capacity from Article 39, paragraph 1 of this Act, the insurance periods shall encompass the period of employment with at least 70% of the working hours on adapted tasks of equivalent or similar qualifications, corresponding to his or her existing tasks, as if he or she worked full time.

(7) The insurance periods from paragraphs 1 to 6 of this Article shall be included in insurance periods lasting no longer than 12 months in a given calendar year.

## Article 28

Insurance periods shall also include the time spent by a particular person or insuree:

1. while receiving salary compensation due to a temporary inability to work, according to regulations on mandatory health insurance, following the termination of employment or other work on the basis of which he or she had been insured,

2. while on occupational rehabilitation to which he or she was referred as a disabled worker or a disabled veteran, as a blind person, a person suffering from dystrophy and related muscular and neuromuscular diseases, a person suffering from paraplegia, cerebral palsy or poliomyelitis, multiple sclerosis and similar illnesses, a person suffering from rheumatoid arthritis, as a deaf person or as a wartime disabled civilian and a person suffering from functional disorders because of which he or she is unable to move independently, without the use of a wheelchair, regardless of whether or not he or she had previously been insured,

3. while receiving salary compensation in relation to the right to occupational rehabilitation.

## Article 29

Insurance periods shall also include the time spent by a particular person or insuree out of employment, for which he or she had been insured and, in particular, the time:

1. during which he or she was receiving salary or salary compensation under special regulations,
2. in respect of which he or she acquired the right to pension insurance, in accordance with employment regulations,
3. during which he or she performed parental duties referred to in Article 14 of this Act.

## Article 30

(1) Insurance periods shall also encompass the period in which other income was received, for which contributions were paid according to Article 17 of this Act.

(2) Insurance periods shall also encompass the period for which an annual basis was determined for performing another activity for which the pension insurance contribution is paid, pursuant to regulations regarding contributions for mandatory insurances.

(3) Insurance periods shall be established for each calendar year by dividing the basis for salary and/or income from paragraphs 1 and 2 of this Article for which contributions were calculated and paid, with the average monthly salary of all employees in the Republic of Croatia in the same year, according to the Central Bureau of Statistics.

(4) If contributions were not entirely paid in a year in which another salary and/or income for a business activity was received, but were paid later, the insurance periods shall be determined for the calendar year in which the other income was received, in relation to the average monthly salary for that year.

## Article 31

(1) Insurance periods accrued on all insurance bases pursuant to this Act shall be calculated for a maximum of twelve months in one calendar year.

(2) When calculating the total qualifying periods, certain periods accrued in months and days shall be added up so that twelve months equal one year, and 30 days equal one month, respectively.

## 2. Additional periods

## Article 32

(1) Additional periods are periods added for the purpose of determining the amount of a disability pension and survivors' pension when the insuree has not reached 60 years of age.

(2) Additional periods shall start:

1. in case of a disability pension - on the date the reduced working capacity occurs, with the remaining working capacity, partial or complete loss of working capacity,

2. in case of a survivors' pension - on the date of the insuree's death.

(3) The duration of additional periods is computed by taking two thirds of the time during which the insuree did not complete any insurance periods before reaching 55 years of age and adding one half of the time from his or her age 55 to 60 to this.

(4) When an insuree was insured in a European Union Member State or in a state with which an international agreement on social insurance had been concluded, additional periods are determined in proportion to the share of the qualifying periods computed in accordance with this Act and the total qualifying periods computed by adding the periods completed in the state concerned, in accordance with European Union regulations on the coordination of social security systems or an international agreement on social security with that particular state.

#### IV - PENSION INSURANCE RIGHTS

##### *1. Old-age pension*

##### Article 33

(1) The right to an old-age pension in the period from 1 January 2014 to 31 December 2030 is acquired by an insuree who has reached 65 years of age, provided that he or she has completed 15 years of qualifying periods.

(2) An insuree shall have the right to old-age pension with accrued 15 years of qualifying periods, and

- in the year 2031 – at the age of 65 years and 3 months,
- in the year 2032 – at the age of 65 years and 6 months,
- in the year 2033 – at the age of 65 years and 9 months,
- in the year 2034 – at the age of 66 years,
- in the year 2035 – at the age of 66 years and 3 months,
- in the year 2036 – at the age of 66 years and 6 months,
- in the year 2037 – at the age of 66 years and 9 months.

(3) An insuree shall have the right to old-age pension from 1 January 2038 at the age of 67, with accrued 15 years of qualifying periods.

##### *2. Early retirement pension*

##### Article 34

(1) The right to an early retirement pension in the period from 1 January 2014 to 31 December 2030 is acquired by an insuree who has reached 60 years of age and completed 35 years of qualifying periods.

(2) The right to an early retirement pension is acquired by an insuree who has completed 35 years of qualifying periods, and

– in the year 2031 – at the age of 60 years and 3 months,

– in the year 2032 – at the age of 60 years and 6 months,

– in the year 2033 – at the age of 60 years and 9 months,

– in the year 2034 – at the age of 61 years,

– in the year 2035 – at the age of 61 years and 3 months,

– in the year 2036 – at the age of 61 years and 6 months,

– in the year 2037 – at the age of 61 years and 9 months.

(3) The right to early retirement pension from 1 January 2038 is acquired by an insuree at the age of 62, who has completed 35 years of qualifying periods.

#### Article 35

(1) The right to early retirement pension due to long-term insurance shall be acquired by an insuree at the age of 60, with 41 years of insurance periods.

(2) In establishing early retirement pension from paragraph 1 of this Article, the initial factor from Article 85, paragraph 2 of this Act shall not apply.

#### Article 36

(1) The right to early retirement pension pursuant to conditions from Article 34 of this Act shall be acquired by an insuree who, following the termination of insurance due to bankruptcy immediately preceding the fulfilment of conditions for obtaining the right to pension from Article 34 of this Act, was registered continuously for at least two years as an unemployed person with the competent employment service.

(2) The right from paragraph 1 of this Article shall be granted no earlier than on the date the insuree fulfils the conditions, and if the insuree deregisters from the records of the competent employment service with that date.

(3) The application for an early retirement pension from this Article shall be submitted from the date the initial conditions from Article 34 of this Act have been fulfilled.

(4) In establishing early retirement pension from paragraph 1 of this Article, Article 85, paragraph 2 and Article 183 of this Act shall not apply.



### *3. Common provisions*

#### *Article 37*

- (1) The insuree shall obtain the right to old-age pension and early retirement pension once he or she fulfils the conditions for pension, and once insurance has terminated, unless otherwise established by this Act.
- (2) The insuree whose insurance has not terminated may submit an application for granting the right to old-age pension and early retirement pension at the earliest one month before insurance termination, on the grounds of evidence about the date of insurance termination.
- (3) The right to old-age pension and early retirement pension shall be granted to an insuree from the date indicated in the application, but no earlier than the next day following insurance termination.
- (4) When the right to an old-age or early retirement pension is granted at the insuree's application, after the termination of insurance, and the application does not indicate a date from which the insuree requests the granting of the right to pension, the insuree is entitled to pension as from the first day following the termination of insurance, if an application for pension was filed within six months of the termination of insurance. If this application was filed after the termination of the six-month time limit, the insuree is entitled to pension as from the first day of the month following the month in which the application was filed and for six months retroactively.
- (5) If the insuree submits the application within six months from the date the insurance terminated, and indicates in the application that the right to old-age pension or early retirement pension should be granted to him with a later date than the day following insurance termination, this right shall be granted with the selected date, but only if it is within the six-month period from the insurance termination date.
- (6) By way of derogation from paragraphs 1 to 5 of this Article, the insuree who, having fulfilled the conditions for old-age pension as stipulated by this Act, continued to work, but only up to half of the full time he or she used to work before fulfilling the conditions for old-age pension, may obtain the right to old-age pension without terminating employment once he or she fulfils the conditions, from the date on which he or she continued working up to half time.
- (7) The insuree from Article 26 of this Act who failed to pay in full the contributions due for pension insurance for the entire period covered by insurance, may obtain the right to old-age pension or early retirement pension only if he or she fulfils the conditions for the right to pension based on insurance periods for which contributions have been paid. The right to pension shall not waive the obligation of paying due contributions for the period covered by insurance for which contributions have not been paid.
- (8) The insuree may inform the Institute twelve months before submitting an application about his or her intention to request old-age pension or early retirement pension for the purpose of completing and controlling information regarding insurance periods and salary, i.e. its basis. The insuree's notice shall not be considered as an application for the recognition of the right to pension according to paragraphs 2 and 5 of this Article.

## Article 38

The insurees working in particularly arduous jobs, which are detrimental to their health and ability to work, and those whose physiological functions, due to their age, the nature and arduousness of their jobs, have deteriorated to the level where they can no longer successfully perform their jobs, as well as insurees who are blind or who suffer from dystrophy and related muscular and neuromuscular diseases, those suffering from paraplegia, cerebral palsy or poliomyelitis, those suffering from multiple sclerosis and similar diseases, rheumatoid arthritis, insurees who are deaf or suffer from functional disorders because of which they are unable to move independently, without the use of a wheelchair, in addition to rights prescribed by this Act, acquire pension insurance rights also under a special law.

### *4. Rights based on reduced working capacity with the remaining working capacity, partial loss of working capacity and complete loss of working capacity*

## Article 39

(1) Pursuant to this Act, an insuree shall have a reduction of working capacity when, due to permanent changes in health which cannot be eliminated by treatment, his or her working capacity is reduced for more than half in relation to a healthy insuree with an equivalent or similar educational level. Tasks according to which the working capacity is assessed shall encompass all tasks corresponding to his or her physical and mental abilities, considered appropriate for his or her existing tasks.

(2) The remaining working capacity shall exist when an insuree has experienced a reduction of working capacity from paragraph 1 of this Article, but in regards to his or her health condition, age, education and ability is able to work full time on other tasks after occupational rehabilitation.

(3) A partial loss of working capacity shall exist when an insuree experiences reduced working capacity from paragraph 1 of this Article, and due to his or her health, age, education, and abilities is incapable of completing occupational rehabilitation training to work full-time on other tasks, but is able to work at least 70% of full time in adapted tasks with an equivalent or similar educational level corresponding to his or her existing tasks.

(4) A complete loss of working capacity shall exist when an insuree experiences, due to changes in health which cannot be eliminated by treatment, a permanent loss of working capacity, with no remaining working capacity in relation to a healthy insuree with an equivalent or similar educational level.

(5) The causes of reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity shall be an illness, a non-work related injury, accident at work and occupational disease.

## Article 40

Pursuant to this Article, a disabled worker shall be an insuree who has acquired the right to a disability pension or the right to occupational rehabilitation based on a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity from Article 39 of this Act.

## Article 41

An immediate danger of a reduced working capacity is when working conditions in a specific job affect the health and ability to work of the insuree referred to in Article 9, paragraph 1, item 1 of this Act, regardless of the occupational safety and health measures which are or may be applied, to such an extent that, in order to prevent the onset of a reduction or loss of working capacity, he or she must be indispensably transferred to another job, suitable to his or her educational background, in which he or she can work without deteriorating his or her health.

## Article 42

Pursuant to this Act, an accident at work shall be considered to include:

1. any injury sustained by an insuree, caused by immediate and short-term mechanical, physical or chemical action, as well as injury caused by an abrupt change in body position, sudden strain on the body or other changes in the physiological condition, if such injury is causally linked to the performance of the job in which he or she works or of the self-employment activity on the basis of which the injured person has the status of an insuree under this Act,
2. any disease suffered by an insuree, caused directly and exclusively by an accident or *force majeure* during work, or during or in relation with the performance of self-employment activity on the basis of which the person fallen ill has the status of an insuree under this Act,
3. any injury the insuree sustains in the manner described in paragraph 1 of this Article, while travelling from home to work and *vice versa*, and on his or her way to take up the employment offered to him or her or the employment on the basis of which he or she is insured,
4. any injury the insuree sustains in the manner described in item 1 of this Article in relation to his or her use of the rights to health care under the mandatory health insurance regulations, and the rights to occupational rehabilitation under the provisions of this Act,
5. any injury or disease referred to in items 1 and 2 of this Article suffered by an insured person referred to in Articles 19 to 21 of this Act,
6. any injury a person sustains in the manner described in item 1 of this Article in relation to the preliminary assessment of his or her health ability, when this is required by law for entering into employment.

## Article 43

(1) Occupational diseases are certain diseases caused by long-term and immediate exposure to work processes and working conditions in specific jobs on the basis of which the person fallen ill has the status of an insuree under this Act.

(2) The list of occupational diseases and the jobs in which these diseases occur is established by a special law, as well as the conditions under which they qualify as occupational diseases.

## a) Occupational rehabilitation

### Article 44

(1) Pursuant to this Act, occupational rehabilitation shall be a group of activities (practical learning and application of knowledge, skills and habits) whose purpose is to train disabled workers for work, while maintaining their remaining working capacity.

(2) Occupational rehabilitation shall encompass the processes of:

1. retraining - training/schooling for posts different from the ones the insuree used to perform, or
2. additional training - supplementary training for performing tasks corresponding to the remaining working capacity.

### Article 45

(1) Pursuant to this Act, the right to occupational rehabilitation shall be granted to an insuree from Article 9, paragraph 1, Articles 10 and 12, and to an insured person from Articles 19 to 21 of this Act, who suffered a reduction of working capacity from Article 39, paragraph 1 of this Act, but has the remaining working capacity from Article 39, paragraph 2 of this Act.

(2) The right to occupational rehabilitation may be acquired when the insuree or the insured person suffered a reduction of working capacity with the remaining working capacity before the age of 53.

(3) If the reduction of working capacity with the remaining working capacity is the result of an injury out of work or disease, the insuree has the right to occupational rehabilitation if he or she meets the requirements relating to qualifying periods for the acquisition of the right to a disability pension.

(4) If the reduction of working capacity with the remaining working capacity is the result of an accident at work or occupational disease, the insuree has the right to occupational rehabilitation regardless of the length of the qualifying periods completed.

### Article 46

(1) Occupational rehabilitation of an insuree who acquired that right pursuant to this Act, shall be performed by an occupational rehabilitation centre.

(2) Regulations laying down occupational rehabilitation and employment of persons with disabilities shall apply accordingly to the process of performing occupational rehabilitation and employment of insurees undergoing training for work or who have completed training for work, unless otherwise established of this Act.

(3) The cost of occupational rehabilitation for insurees from Article 9, paragraph 1, Articles 10 and 12, Article 19, paragraph 1, items 2 and 3, and paragraph 2 and Articles 20 and 21 of this Act shall be borne and paid by the Institute, while the cost of occupational rehabilitation

for insured persons from Article 19, paragraph 1, item 1 of this Act shall be paid by the Institute from the state budget.

#### Article 47

(1) A disabled worker who acquired the right to occupational rehabilitation, and has the educational level required for the job he or she worked on before a reduction of working capacity with the remaining working capacity pursuant to Article 39, paragraph 2 of this Act, shall undergo training for work in another job requiring an equivalent educational level. When such a possibility does not exist, the disabled worker may also undergo training for tasks for which an immediately lower educational level is required.

(2) By way of derogation from paragraph 1 of this Article, a disabled worker who acquired the right to occupational rehabilitation may undergo training also for work on another post for which higher qualifications are required from those required for the post he or she worked on before the reduction of his or her working capacity with the remaining working capacity, when such training is useful in regards to the expertise and age of the insuree, and when an employment opportunity exists upon completion of occupational rehabilitation.

#### Article 48

An insured person from Article 19, paragraph 1, items 2 and 3 of this Act who acquired the right to occupational rehabilitation, shall undergo training for work for which the equivalent educational level is required which the person would have obtained or has obtained through schooling, before a reduction of working capacity with the remaining working capacity.

#### Article 49

(1) The requirements and methods of implementation of occupational rehabilitation for disabled workers are regulated by a contract between the Institute and the occupational rehabilitation centre.

(2) The Institute shall have the right and duty to check whether occupational rehabilitation of disabled workers is implemented in accordance with this Act and the contract entered into.

#### Article 50

(1) A disabled worker entitled to occupational rehabilitation who was not referred to occupational rehabilitation within six months of the date when the decision granting this entitlement became legally effective, shall be referred by the Institute for examination by an authorised expert examiner or to an expert examination authority, who shall reassess his or her residual ability to work.

(2) A disabled worker – beneficiary of the right to occupational rehabilitation shall also be referred for reassessment of his or her residual ability to work when the Institute, based on findings of the expert examiner or the examination authority, finds that it will not be possible to train this disabled worker for work in a specific job.

(3) The application for a re-assessment of the remaining working capacity may be submitted by a disabled worker and by the occupational rehabilitation centre.

## Article 51

(1) A disabled worker who has acquired the right to occupational rehabilitation due to an injury out of work or a disease is entitled to salary compensation for occupational rehabilitation equivalent to a disability pension due to a partial loss of working capacity from the date the reduced working capacity with the remaining working capacity occurred to the beginning of occupational rehabilitation and from the day of the completion of occupational rehabilitation to employment in an appropriate job.

(2) During occupational rehabilitation, a disabled worker referred to in paragraph 1 of this Article has the right to salary compensation for occupational rehabilitation during his or her occupational rehabilitation, equivalent to a disability pension based on a complete loss of working capacity.

(3) A disabled worker shall be entitled to a salary compensation for occupational rehabilitation from paragraph 1 of this Article until he or she finds employment or acquires the status of an insuree, and for no longer than twelve months from the date occupational rehabilitation was completed, on the condition that he or she registers with the competent employment service as unemployed within 30 days from the date occupational rehabilitation was completed. If the disabled worker occasionally worked or engaged in a business activity upon completion of occupational rehabilitation, he or she shall be entitled to salary compensation for occupational rehabilitation only for the periods of unemployment, but for no longer than twelve months counting from the date occupational rehabilitation was completed.

(4) The employment relationship of a disabled worker shall be suspended on the date occupational rehabilitation begins. he or she shall accrue insurance periods and salary compensation for occupational rehabilitation until occupational rehabilitation is completed, and shall be insured on that basis.

## Article 52

(1) A disabled worker who acquired the right to occupational rehabilitation due to an accident at work or an occupational disease shall be entitled to salary compensation for occupational rehabilitation corresponding to disability pension based on a complete loss of working capacity for 40 years of qualifying periods, from the date the reduced working capacity with the remaining working capacity occurred, to the date the occupational rehabilitation began, and from the date occupational rehabilitation was completed until he or she finds employment in an adequate post.

(2) A disabled worker shall be entitled to a salary compensation for occupational rehabilitation from paragraph 1 of this Article for no longer than 24 months from the date occupational rehabilitation was completed, on the condition that he or she registered with the competent employment service as unemployed within 30 days from the date occupational rehabilitation was completed, pursuant to employment regulations. If the disabled worker occasionally worked or engaged in a business activity upon completion of occupational rehabilitation, he or she shall be entitled to salary compensation for occupational rehabilitation only for the periods of unemployment, and for no longer than 24 months, counting from the date occupational rehabilitation was completed.

## Article 53



(1) A disabled worker shall be entitled to salary compensation for occupational rehabilitation from Articles 51 and 52 of this Act also during subsequent medical treatment or medical rehabilitation referred to while using the right to occupational rehabilitation, and due to an illness or other causes due to which he or she is temporarily unable to work, pursuant to regulations on mandatory health insurance, as well as during his or her adaptation to work.

(2) A beneficiary of the right to occupational rehabilitation who becomes sick in the course of occupational rehabilitation, due to which he or she is temporarily unable to work pursuant to regulations on mandatory health insurance, may obtain an extension of occupational rehabilitation for the period corresponding to the period of temporary inability to work, but for no longer than double the amount of time foreseen for rehabilitation, provided the expert examiner, or the examination authority deems it necessary.

(3) Upon application of the disabled worker or the occupational rehabilitation centre, the Institute shall render a decision on the duration of occupational rehabilitation from paragraph 2 of this Article.

#### Article 54

When occupational rehabilitation is organised outside of a disabled worker's permanent residence, and it is impossible to arrange for regular transportation from his or her dwelling place to the place of occupational rehabilitation, the disabled worker shall be provided with accommodation and food or compensation for the costs of accommodation and food during the period of occupational rehabilitation in another place, up to the amount established by the Institute in a general act.

#### Article 55

A disabled worker who has acquired the right to occupational rehabilitation shall lose this right if he or she fails to start exercising it within a specified time limit, unless he or she is prevented from doing so by reasons beyond his or her control and, in particular:

1. if he or she fails to join the programme of occupational rehabilitation within one month of the date when he or she was referred for occupational rehabilitation,,
2. if he or she leaves the programme of occupational rehabilitation while it is still in progress or if he or she fails to perform the duties related to occupational rehabilitation without a valid reason.

#### b) Disability pension

#### Article 56

(1) An insuree shall be entitled to the right to disability pension from Articles 9, 10 and 12 to 18 of this Act based on a partial or complete loss of working capacity from Article 39, paragraphs 3 and 4 of this Act, and an insuree from Article 11 of this Act based on a complete loss of working capacity from Article 39, paragraph 4 of this Act, when the partial or complete loss of working capacity occurred due to a non-work related injury or disease , and before the age of 65, and when the insuree's qualifying periods cover at least one third of his or her working life.



(2) By way of derogation from paragraph 1 of this Article, an insuree shall be entitled to the right to disability pension based on a complete loss of working capacity:

1. who suffered a complete loss of working capacity before the age of 35, holding an undergraduate university degree or a specialist study degree (university-level qualifications obtained on the basis of previous regulations), if by the date he or she suffered the complete loss of working capacity he or she accrued at least two years of insurance periods, and an insuree holding an undergraduate university degree and a graduate university degree, or an integrated undergraduate and graduate university degree or specialist professional graduate degree (university-level qualifications obtained on the basis of previous regulations), if by the date he or she suffered the complete loss of working capacity, he or she accrued at least one year of insurance periods, and when the complete loss of working capacity occurred during insurance coverage or within one year after insurance termination,

2. who suffered a complete loss of working capacity before the age of 30, if he or she accrued at least one year of insurance periods, and when the complete loss of his or her working capacity occurred during insurance coverage or within one year after insurance termination.

(3) For the purpose of paragraph 1 of this Article, the working life shall encompass the number of full years from the date the insuree reached the age of 20 to the date the partial or complete loss of working capacity occurred. An insuree's working life shall be calculated from the age of 23, if he or she completed, after the age of 20, an undergraduate university study or a specialist study (university-level qualifications obtained on the basis of previous regulations), and, respectively, an insuree's working life from the age of 26, if he or she completed an undergraduate university study and a graduate university study, or an integrated undergraduate and graduate university study, or a specialist professional graduate study (university-level qualifications obtained on the basis of previous regulations).

(4) The working life period from paragraph 3 of this Article shall be reduced for the actual period which the insuree:

1. spends in voluntary military service or mandatory military service,

2. spends registered as unemployed with the competent employment service in the period when one insurance ended and another has not yet begun.

(5) If the insuree suffered a partial or complete loss of working capacity due to an accident at work or occupational disease, the insuree shall be entitled to disability pension regardless of the qualifying periods duration.

#### *Temporary disability pension*

#### Article 57

(1) A disabled worker who, upon completion of his or her training for other types of work through occupational rehabilitation, remains unemployed for an extended period, as an adequate post has not been ensured for which he or she completed training through occupational rehabilitation, shall be entitled to temporary disability pension on the condition that he or she has been continuously unemployed for at least five years upon completion of rehabilitation, and that he or she remains unemployed until the age of 58.

(2) A disabled worker who completed occupational rehabilitation, initially continued working, but became unemployed subsequently, shall be entitled to temporary disability pension based on conditions from paragraph 1 of this Article, provided he or she accepted an employment offer through the competent employment service without delay, or provided he or she does not turn down an offered job. Pursuant to paragraph 1 of this Article, a period of occasional work during a six-month period shall not be considered as a termination of unemployment relationship.

(3) Temporary disability pension from paragraph 1 of this Article, when the cause for a reduced working capacity with the remaining working capacity is a non-work related injury or illness, shall be determined through salary compensation for occupational rehabilitation, which was or would have been established during the period in which the person was waiting for work upon completing rehabilitation pursuant to Article 51, paragraph 1 of this Act, determined by personal points and harmonised according to Article 88 of this Act.

(4) Temporary disability pension from paragraph 1 of this Article, when the cause for a reduced working capacity with the remaining working capacity is an accident at work or an occupational disease, shall be determined through salary compensation for occupational rehabilitation which was or would have been established during the period in which the person was waiting for work upon completing rehabilitation pursuant to Article 52, paragraph 1 of this Act in case of a complete loss of working capacity, determined by personal points, and harmonised according to Article 88 of this Act.

#### Article 58

Beneficiaries of the right to disability pension based on a complete loss of working capacity shall have this right, on the date they reach the age stipulated by Article 33 and Article 180 of this Act, converted *ex officio* and in the same amount to their old-age pension.

#### c) Common provisions

#### Article 59

(1) An insuree shall be entitled to the right to disability pension from the date the partial or complete loss of working capacity occurs, unless otherwise stipulated by this Act.

(2) An insuree whose partial or complete loss of working capacity was established pursuant to the findings and opinion of an authorised expert examiner or an examination authority in the first instance, or pursuant to the findings and opinion of the competent second-instance examination authority of the Institute, as stipulated by Article 39, paragraphs 3 and 4 of this Act on the basis of which he or she is entitled to a disability pension in accordance with Article 56 of this Act, who is employed or engaged in a business activity which served as the basis for mandatory insurance, shall be granted the right to disability pension based on the partial or complete loss of the working capacity, for which the Institute shall render a decision. Upon finality of this decision, a subsequent decision shall be rendered, determining the amount of pension and the initial payment.

(3) When the right to disability pension is granted upon application of the insuree once insurance has terminated, and the partial or complete loss of working capacity existed before the application submission, the insuree shall be entitled to disability pension from the date the

partial or complete loss of working capacity occurred, if the application for this right is submitted within six months from the date the partial or complete loss of the working capacity occurred. If this application was submitted after the expiration of the six-month time limit, the insuree is entitled to a disability pension as from the first day of the month following the month in which the application was submitted and for six months retroactively.

(4) An insuree whose partial loss of working capacity was established according to Article 39, paragraph 3 of this Act, who received salary compensation for a temporary inability to work pursuant to regulations on mandatory health insurance from the submission date of the application for this right based on the temporary inability to work, to the date of the decision granting this right to disability pension from paragraph 2 of this Act, shall receive disability pension from the date he or she begins working on other tasks, based on the modified remaining working capacity of the insuree or the disabled worker.

(5) An insuree whose right to disability pension based on the partial loss of working capacity according to Article 39, paragraph 3 of this Act was established by a decision from paragraph 2 of this Article, who continued working after the partial loss of working capacity was established, and did not receive salary compensation for the temporary inability to work pursuant to regulations on mandatory health insurance, shall receive disability pension from the date the partial loss of working capacity is established, on the basis of Article 87, paragraph 1, item 7 of this Act.

(6) An insuree entitled to disability pension based on a complete loss of working capacity from Article 39, paragraph 4 of this Act, whose employment, i.e. insurance was terminated following the determined complete loss of working capacity, shall receive disability pension from the first day following his or her employment or insurance termination, on the basis of Article 87, paragraph 1, item 5 of this Act.

(7) An insuree whose complete loss of working capacity was established according to Article 39, paragraph 4 of this Act, who received salary compensation for a temporary inability to work pursuant to regulations on mandatory health insurance from the submission date of the application for this right based on the complete loss of working capacity, to the date of the decision granting this right to disability pension from paragraph 2 of this Act, shall receive disability pension from the first day following the finality of the decision from paragraph 2 of this Article.

(8) An insuree whose right to disability pension based on the complete loss of working capacity according to Article 39, paragraph 4 of this Act was established by a decision, who did not receive salary compensation during his or her temporary inability to work pursuant to regulations on mandatory health insurance, shall receive disability pension from the first day following the last day of his or her entitlement to salary, after the complete loss of working capacity was established.

(9) The insuree from Article 26 of this Act who failed to pay his or her due pension insurance contributions for the entire period covered by insurance, may acquire the right to disability pension if he or she fulfils the conditions for acquiring disability pension based on insurance periods for which contributions have been paid. The right to pension shall not waive the obligation of paying due contributions for the period covered by insurance for which contributions have not been paid.

(10) An insuree whose partial or complete loss of working capacity occurred as a consequence of an act for which he or she was sentenced with finality for criminal acts against the Republic of Croatia, criminal acts against labour relations and social insurance, and criminal acts against humanity and human dignity pursuant to the Criminal Act (OG 125/11 and 144/12), as well as for criminal acts against the Republic of Croatia and criminal acts against values protected by international law pursuant to the Criminal Act (OG 110/97, 27/98, 50/00 – Decision of the Constitutional Court of the Republic of Croatia; 129/00, 51/01, 111/03, 190/03 – Decision of the Constitutional Court of the Republic of Croatia; 105/04, 84/05, 71/06, 110/07, 152/08, 57/11 and 77/11 – Decision of the Constitutional Court of the Republic of Croatia), shall not be entitled to or shall lose the right to disability pension based on the partial or complete loss of working capacity on the first day of the month following the month in which the sentence rendered in criminal proceedings became final.

(11) If, pursuant to Article 10 of this Article, insuree's family members were granted the right to insuree's support, his or her disability pension shall be paid to these family members as survivors' pension.

(12) An insuree shall obtain temporary disability pension upon personal request, from the application submission date, provided this application is submitted within six months from the date conditions from Article 57 of this Act have been fulfilled. If the application was submitted after the term in question has expired, the insuree shall be entitled to temporary disability pension from the first day of the month following the application submission date, including for the six previous months, but no earlier than the date on which conditions were fulfilled.

(13) If a partial or complete loss of working capacity was established by a senior expert examiner in the Institute regarding an appeal, the decision on that right and the payment of pension shall be rendered pursuant to the findings and opinion of the senior expert examiner in the Institute.

#### Article 60

(1) Rights obtained on the basis of a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity shall remain in force for as long as this specific condition of working capacity, on the basis of which the right was granted, exists.

(2) If changes occur in a specific working capacity or the remaining working capacity condition which give rise to modification of the right pursuant to this Act, or lead to the granting of another right based on the remaining working capacity, a partial or complete loss of working capacity, that right shall be modified, or another right shall be granted from the day the change occurs in the specific working capacity condition.

(3) If changes occurs in a specific working capacity and the remaining working capacity condition which give rise to a termination of a granted right pursuant to this Act, that right shall be terminated on the first day of the month following the month in which the decision on terminating that right was rendered.

### *5. Compensation for physical damage*

#### Article 61

(1) Physical damage shall exist when the insuree experiences a loss, significant damage or a serious dysfunction of an organ or a body part, which represents an obstacle for normal functioning of his or her body, requiring extra efforts to complete the necessary living activities, regardless of whether it causes a reduction or loss of the insuree's working capacity or not.

(2) An insuree whose physical damage of at least 30% is a consequence of an accident at work or occupational disease shall be entitled to the right to compensation for physical damage.

(3) The types of physical damage and percentages of respective disabilities on the basis of which the right to compensation for physical damage is granted, shall be established by a special act.

#### Article 62

If an insuree acquires for the same case of physical damage the right to compensation pursuant to this Ac, and the right to compensation pursuant to other regulations, he or she may use only one of these rights at his or her own discretion.

#### Article 63

(1) Compensation for physical damage shall be determined in regards to the percentage of physical damage in the corresponding basis percentage, amounting to:

Due to a physical damage of	Degree	Compensation amounting to the basis percentage of
100%	1	40%
90%	2	36%
80%	3	32%
70%	4	28%
60%	5	24%
50%	6	20%
40%	7	16%
30%	8	12%

(2) The basis for determining the compensation from paragraph 1 of this Article shall be established by the Institute in a general act.

(3) The compensation for physical damage shall be indexed in the same manner as pensions.

#### Article 64

An insuree is entitled to a compensation allowance as from the date when he or she sustained physical damage, if an application for this benefit was filed within six months of the date when the physical damage occurred. If this application was filed after the expiration of the

six-month time limit, the insuree is entitled to a compensation allowance as from the first day of the month following the month in which the application was filed and for six months retroactively.

## *6. Survivors' pension*

### Article 65

(1) Family members of a deceased insuree referred to in Article 22 of this Act are entitled to a survivors' pension:

1. if the insuree completed at least 5 years of insurance periods or at least 10 years of qualifying periods, or
2. if the insuree met the requirements relating to the length of qualifying periods for acquiring the right to a disability pension, or
3. if the insuree was a beneficiary of an old-age, early retirement or disability pension, or
4. if the insuree was a beneficiary of the right to occupational rehabilitation.

(2) If the death of the insuree or insured person referred to in Articles 19 to 21 of this Act occurred as a result of an accident at work or occupational disease, his or her family members have the right to a survivors' pension regardless of the length of the qualifying periods completed.

### Article 66

(1) The right to a survivors' pension may not be acquired by a family member of an insuree or pension beneficiary who intentionally caused the death of the insuree or pension beneficiary and was convicted of this criminal offence by a legally effective judgment to incarceration.

(2) A family member of a deceased insuree, insured person or pension beneficiary, who intentionally incapacitated himself or herself for work to acquire the right to a survivors' pension, may not acquire the right to survivors' pension on that ground.

### Article 67

(1) A widow shall be entitled to survivors' pension if:

1. if she reached 50 years of age before the death of her spouse from whom she derives this right, or
2. if she is younger than 50, but suffered a complete loss of working capacity before the death of her spouse or within one year of the death of her spouse, or
3. if her spouse left one or more children entitled to a survivors' pension and she performs parental duties in respect of these children. A widow who suffers from a complete loss of working capacity during this entitlement shall retain the right to a survivors' pension as long as this inability exists.



(2) A widow who did not reach 50 years of age before the death of her spouse, but was older than 45, shall acquire the right to a survivors' pension when she reaches 50 years of age.

(3) A widow who reached 50 years of age while exercising the right to a survivors' pension acquired under paragraph 1, item 3 of this Article shall retain the right to a survivors' pension on a permanent basis, and if she was divested of this right between the ages of 45 and 50, she may re-acquire it when she reaches 50 years of age.

(4) A widow who reached 45 years of age before the death of her spouse or termination of the right to a survivors' pension, shall acquire the right to a survivors' pension even before reaching 50 years of age, when she suffers a complete loss of working capacity.

(5) A widower is entitled to a survivors' pension under the conditions referred to in paragraphs 1 to 4 of this Article.

(6) A widow is also entitled to a survivors' pension when a child was born to the insuree after his death (paragraph 1, item 3) and she exercises this right from the date of the insuree's death.

#### Article 68

(1) The right to a survivors' pension is also granted to a divorced spouse, subject to the conditions referred to in Article 67 of this Act, provided that he or she is entitled to maintenance by a court decision.

(2) When the right to a survivors' pension is exercised both by the widow or widower and by the ex-spouse of the insuree referred to in paragraph 1 of this Article, the survivors' pension is determined in the amount for one family member.

#### Article 69

(1) A child has the right to a survivors' pension after the death of his or her parent and may exercise this right even after the age of 15 in periods of unemployment, but for no longer than the age of 18.

(2) A child who experiences a complete loss of working capacity as stipulated by Article 39, paragraph 4 of this Act until the age limit stipulated in paragraph 1 of this Article shall be entitled to survivors' pension for as long as the complete loss of working capacity lasts.

(3) A child whose complete loss of working capacity occurred after he or she reached the age by which children may exercise a survivors' pension referred to in paragraph 1 of this Article, but before the death of the insuree or beneficiary, is entitled to a survivors' pension if the insuree had supported him or her before his or her death.

(4) A child who experienced a complete loss of working capacity at the time when exercising the right to survivors' pension, shall be entitled to survivors' pension for as long as the complete loss of working capacity lasts.

(5) By way of derogation from paragraphs 1 to 4 of this Article, a child with a status of a disabled person with the remaining working capacity determined pursuant to regulations on



occupational rehabilitation and employment of persons with disability shall be entitled to a survivors' pension following a parent's death, regardless of whether the deceased insuree or beneficiary supported the child until his or her death.

(6) The payment of survivors' pension shall terminate for a survivors' pension beneficiary from paragraph 5 of this Article, who finds employment or engages in a business activity as a disabled person with the remaining working capacity, which entails a pension insurance obligation pursuant to this Act. Following the termination of mandatory insurance, survivors' pension payments shall continue.

(7) A child with a status of a disabled person with the remaining working capacity established pursuant to regulations on occupational rehabilitation and employment of disabled persons from paragraph 5 of this Article, who, before the parent's death, finds employment or engages in a business activity which entails a pension insurance obligation pursuant to this Act, shall be entitled to survivors' pension following the parent's death.

(8) A child from paragraphs 2 and 3 of this Article who acquired survivors' pension based on a complete loss of working capacity from Article 39, paragraph 4 of this Act, shall not lose the right to survivors' pension if he or she finds employment or engages in a business activity which entails a pension insurance obligation pursuant to this Act, however pension payment shall be suspended during the term of insurance coverage, as stipulated for a child from paragraph 6 of this Article.

#### Article 70

(1) A child has the right to a survivors' pension and may exercise this right after reaching 15 years of age, if he or she is in regular schooling at the time of the insuree's death or if he or she enters regular schooling after the insuree's death. Children enjoy this right until the end of regular schooling, but not after they reach 26 years of age.

(2) If a child's regular schooling was interrupted due to illness, the child has the right to a survivors' pension and may exercise this right for the duration of illness – up to the age of 26 and beyond, but for a period not longer than the time he or she lost due to illness, provided that the child's regular schooling continued before he or she reached 26 years of age.

#### Article 71

(1) A parent of a deceased insuree or beneficiary whom the insuree or beneficiary supported until his or her death is entitled to a survivors' pension:

1. if, before the insuree's or beneficiary's death, he or she reached the age of: 60, or
2. if he or she is younger than 60, but experienced a complete loss of working capacity at the time the insuree or the beneficiary died, for as long as such disability lasts.

(2) If the parent referred to in paragraph 1, item 2 of this Article reaches the age referred to in paragraph 1, item 1 of this Article while exercising the right to a survivors' pension, he or she shall retain this pension right on a permanent basis.

#### Article 72

(1) A family member has the right to a survivors' pension as from the date when qualifying conditions for this pension were met, if an application for this benefit was filed within six months of the date when qualifying conditions were met. If this application was filed after the expiration of six months following the date when qualifying conditions were met, the family member has the right to a survivors' pension as from the first day of the following the month after the application was filed and for six months retroactively.

(2) By way of derogation from paragraph 1 of this Article, in case of the pension beneficiary's death, the right to survivors' pension may be acquired no earlier than the first day of the month following the month in which the pension beneficiary died.

(3) A family member, who at the time of filing an application and acquisition of the right to a survivors' pension is employed or performs a self-employment activity on the basis of which he or she is insured, shall receive survivors' pension payments as from the first day following the termination of his or her employment or performance of self-employment activity.

(4) A family member, who files an application for a survivors' pension after the termination of his or her employment or performance of a self-employment activity on the basis of which he or she was insured, shall not receive retroactive payments of the survivors' pension to which he or she is entitled under paragraph 1 of this Article for the period during which he or she was employed or performed the self-employment activity on the basis of which he or she was insured.

(5) When a family member files an application for a survivors' pension after other family members who have already acquired the right to a survivors' pension, a new survivors' pension shall be determined which shall and be payable as from the first day of the month following the month when the application was filed.

#### Article 73

(1) If two or more family members are beneficiaries of a survivors' pension, and one of them is divested of the right to this pension, the amount of the survivors' pension shall be re-determined in respect of the other members entitled to it. The amount thus determined shall be payable as from the date on which any of the beneficiaries was divested of the right to pension, and the newly determined pension is paid from the first day of the month following the month when this change took place.

(2) If payments of a part of a survivors' pension are suspended, the amount of this pension shall not be re-determined as long as these circumstances exist.

(3) When a widow or widower entitled to a survivors' pension does not receive pension payments on the ground of his or her employment or performance of self-employment activity or being a beneficiary of an early retirement or disability pension, the survivors' pension payable to other family members shall be re-determined as if the widow or widower were not entitled to it at all, and the survivors' pension thus determined shall be paid as long as the payment of the part belonging to the widow or widower is suspended.

(4) The provisions of paragraph 3 of this Article shall also apply when a survivors' pension is payable to both the widow or widower and the divorced spouse, if payments of the respective part thereof are only suspended in respect of one of them.

#### Article 74

(1) If the right to a survivors' pension is granted only to the insuree's widow or widower and his or her children, or only to his or her parents, or only to other children without parental support, and some of them live separately, the total sum of the survivors' pension is divided into equal parts, and each family member receives the appropriate share of the pension.

(2) If the right to a survivors' pension is granted to the insuree's widow or widower, children and parents, and some of them live separately, the total sum of the survivors' pension is first divided into the part belonging to the insuree's widow or widower and children and the part belonging to the insuree's parents and then each of these parts is then divided into equal parts and each family member receives the appropriate share of the pension.

(3) If the right to a survivors' pension is granted to the insuree's widow or widower, children or parents and other children without parental support, and some of them live separately, the total sum of the survivors' pension is first divided into the part belonging to the insuree's widow or widower, children or parents and the part belonging to other children without parental support and then each of these parts is then divided into equal parts and each family member receives the appropriate share of the pension.

(4) A survivors' pension is also divided in accordance with paragraphs 1 to 3 of this Article when pension payments are temporarily suspended in respect of any of the beneficiaries, if the survivors' pension is not re-determined under Article 73 of this Article.

(5) When the right to survivors' pension is granted only to a child or children following the death of both parents, the child or children shall be entitled to survivors' pension from each of the parents by way of derogation from Article 98 of this Act.

#### Article 75

(1) The right to survivors' pension shall terminate by marriage or registration of an extramarital partnership for:

1. a widow or widower younger than 50, unless they obtained that right based on a complete loss of working capacity,

2. children of the insuree, siblings and other parentless children, with the exception of children who are entitled to it based on a complete loss of working capacity and children attending regular schooling, as well as children with a status of a disabled person with the remaining working capacity determined pursuant to regulations on occupational rehabilitation and employment of disabled persons from Article 69, paragraph 5 of this Act.

(2) A widow or widower who lost the right to survivors' pension by remarriage or registration of a new extramarital partnership, but did not obtain the right to survivors' pension through the new spouse or extramarital partner, shall reacquire the right to former survivors' pension on the condition that at the time the new marriage or extramarital partnership ends, that person has a child from the former marriage or extramarital partnership who is a beneficiary of a survivors' pension, and that the person is still engaged in parental duties regarding that child.

(3) Provisions of this Act regarding the acquiring, determination, exercise, redetermination and loss of right to survivors' pension of a widow or widower shall apply accordingly to extramarital partners and divorced spouses who acquired the right to support.

## *7. Reimbursement of travel expenses*

### Article 76

(1) An insuree or an insured person shall be entitled to a reimbursement of travel expenses in relation to the granting or exercise of rights, when the Institute:

1. has referred or invited him or her to another location for the purpose of obtaining finding and opinion of an expert examiner or a second-instance examination authority of the Institute,
2. has referred him to another location for occupational rehabilitation.

(2) The insuree or the insured person shall be entitled to a reimbursement of travel expenses in relation to the granting or exercise of rights, when he or she submits the application for a right in person, and if a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity was determined in that case.

(3) A person approved as escort of the insuree, or an insured person from paragraph 1 of this Article shall also be entitled to reimbursement of travel expenses.

(4) Reimbursement of travel expenses shall encompass:

1. compensation of transport costs,
2. compensation of food and accommodation expenses while travelling and staying at a different location.

### Article 77

A disabled worker who acquired the right to occupational rehabilitation shall be entitled to a reimbursement of travel expenses, provided he or she needs permanent transport for the purpose of using a granted right based on a reduced working capacity with the remaining working capacity, and in regards to the distance of the location where occupational rehabilitation is to take place.

### Article 78

(1) The Institute shall establish the type and manner of using a means of transport, taking into account the insuree's health condition and the travelling distance, detailed conditions and the manner for obtaining reimbursement of travel expenses, and the amount of compensation for food and accommodation expenses during travel and stay at another location.

(2) The reimbursement of travel expenses and compensation for food and accommodation expenses during travel and stay at another location, as stipulated by paragraph 1 of this Article, shall be determined and harmonised pursuant to decisions of the Government of the Republic of Croatia for state budget beneficiaries.

## *8. Determining pension*

### *Article 79*

- (1) The pension amount shall be calculated by multiplying personal points with the pension factor and the actual pension value from Article 88 of this Act.
- (2) The pension amount from paragraph 1 of this Article shall include the pension supplement determined in the manner and under conditions prescribed by the Act on Pension Supplements, granted pursuant to the Pension Insurance Act.
- (3) The amount of pension determined or granted pursuant to a special regulation under more favourable conditions shall be calculated by multiplying personal points of the whole or a part of the pension with the pension factor and the actual pension value from Article 89 of this Act.

### *Article 80*

- (1) Old-age pension, early retirement pension, disability pension and survivors' pension granted pursuant to a special regulation under more favourable conditions, or determined in a more favourable manner from the one stipulated by this Act, while entirely or partially determined on the basis of insurance periods from Article 25 of this Act, shall be divided into the part of the pension granted pursuant to a special act and the part of the pension granted pursuant to insurance periods from Article 25 of this Act.
- (2) The part of pension granted pursuant to a special act shall be determined by decreasing the amount of pension determined on the basis of total qualifying periods for the pension amount of insurance periods from Article 25 of this Act.
- (3) The part of pension for insurance periods from Article 25 of this Act shall be calculated by dividing the overall pension amount with the total qualifying periods, and thus obtained pension value by year of qualifying periods shall be multiplied with the conversion factor from paragraph 4 of this Article and the total insurance periods from Article 25 of this Act, then converted into personal points by applying the actual pension value from Article 88, paragraph 1 of this Act.
- (4) When determining the part of pension in question from paragraph 3 of this Article pertaining to insurance periods from Article 25 of this Act, the conversion factor shall be as follows:
  - 1) for pensions of Croatian veterans from the Homeland War from 30 May 1990 to 30 June 1996, and for survivors' pensions granted following the death of those veterans, for:
    - a) old-age, early retirement, disability and survivors' pensions pursuant to a general regulation, increased by a special regulation - 0.85,
    - b) disability and survivors' pensions granted pursuant to a special regulation, as well as survivors' pensions granted according to a general regulation following the death of the disability pension beneficiary, granted pursuant to a special regulation - 0.40,

c) disability pensions determined proportionally to the influence of certain causes on the disability, granted pursuant to a special regulation - 0.45,

2) pensions of Croatian Homeland Army veterans mobilised from 17 April 1941 to 15 May 1945, and for survivors' pensions granted once those veterans have deceased - 0.85,

3) pensions of National Liberation War veterans, and for survivors' pensions granted once those veterans have deceased, for:

a) National Liberation War veterans before 9 September 1943 and 13 October 1943, respectively - 0.70,

a) National Liberation War veterans from 9 September 1943 and 13 October 1943, respectively - 0.85,

4) pensions of former political prisoners, and for survivors' pensions granted once those insureds have deceased - 0.55,

5) pensions of the members of the Croatian Academy of Arts and Sciences, and for survivors' pensions granted once those insureds have deceased - 1.0,

6) pensions of the Croatian Parliament members, former members of the Government of the Republic of Croatia, judges of the Constitutional Court of the Republic of Croatia and the Croatian auditor general, and for survivors' pensions granted once those insureds have deceased - 0.45,

7) pensions of authorised officials in internal affairs and the judiciary, and for survivors' pensions granted once those insureds have deceased - 0.60,

8) pensions of former members of the Croatian Parliament Executive Council and administratively retired federal civil servants, and for survivors' pensions granted once those insureds have deceased - 0.75,

9) pensions granted pursuant to the Act on Special Pension Insurance Rights and Rights Pertaining to Unemployment for Employees in Istrian Coal Mines Tupljak d.d. Labin, and for survivors' pensions granted once those beneficiaries have deceased 0.75,

10) pensions of workers occupationally exposed to asbestos, and for survivors' pensions granted once those insureds have deceased - 0.90,

11) pensions of active military personnel established and granted pursuant to the Act on Pension and Disability Insurance of Military Personnel, transposed into Croatian legislation on 8 October 1991 as an act of the former republic - 0.65,

12) pensions of active military personnel, police officers and authorised officials and workers engaged in demining tasks, established and granted pursuant to the Act on Pension Insurance Rights for Active Military Personnel, Police Officers and Authorised Officials, the Humanitarian Demining Act and the Act on Special Pension Insurance Rights for Employees Working in Demining, and for survivors' pensions granted once those insureds have deceased - 0.65,



13) pensions of insurees who are seafarers in international and national navigation, and for survivors' pensions granted once those insurees have deceased - 0.90, and

14) pensions of insurees whose total qualifying periods include insurance periods obtained by 8 October 1991 pursuant to the Act on Pension and Disability Insurance of Military Personnel and salaries (personal income and special supplements), granted in the former Yugoslav People's Army in the amount of 63.22%, and for survivors' pensions granted once those insurees have deceased - 0.90.

(5) Personal points for the part of pension granted pursuant to a special regulation from paragraph 2 of this Article shall be determined by reducing the overall number of points for personal points pertaining to the part of pension calculated pursuant to paragraph 3 of this Article.

(6) The calculation of parts of pension pursuant to this Article, and pertaining to insurance periods from Article 25 of this Act shall, in addition to the effective period covered by mandatory pension insurance based on employment, also include the insurance periods calculated with extended duration for insurees who worked in exceptionally difficult posts, and those harmful to health, or in such professions, pursuant to regulations which were, or are in force at the time when the insurance periods were acquired.

(7) Paragraphs 1 and 2 of this Article shall not apply to pensions of former Yugoslav People's Army members, assumed by succession from the former SFRY, whose exercise was ensured pursuant to a general regulation in force until this Act came into force, pensions of members of the Croatian Defence Council granted pursuant to an agreement between the Republic of Croatia and Bosnia and Herzegovina on cooperation in the field of war victims in Bosnia and Herzegovina, and pensions of former officials in federal bodies of the former SFRY, transposed into Article 38 of the Pension Insurance Act.

#### Article 81

(1) Value points are established on the basis of salaries and insurance bases applied from 1 January 1970, by dividing the salary or insurance base, as established for each calendar year, by the average annual salary of all employees in the Republic of Croatia for the same calendar year. Gross salaries or bases are divided by the gross average salary, whereas net salaries or bases are divided by the net average salary.

(2) The calculation of value points, beginning with 1 January 2003, for calendar years in which an insuree received a salary or a basis higher than the highest annual basis for calculating contributions pursuant to regulations on contributions for mandatory insurances, shall include the maximum annual basis for the year for which value points are established, proportionally to the insurance periods accrued in that year.

(3) By way of derogation from paragraph 2 of this Article, beginning with 1 January 2009, for calendar years in which an insuree received other income in addition to salary or a basis, which forms the basis for the calculation of contributions, the calculation of value points shall include the basis according to which contributions were calculated for pension insurance, but no higher than the amount of the maximum annual basis prescribed for that year, regardless of the insurance periods accrued in that year.



(4) The calculation of value points for insurance periods accrued according to Article 175, paragraph 5 of this Act, in addition to the salary received in the respective calendar year, shall also include the basis for the calculation and payment of pension insurance contributions proportional to the insurance periods granted based on that provision, and the calculation of value points for insurance periods of beneficiaries from Article 27, paragraph 6 of this Act for the period up to full-time, shall be formed on the basis used for the calculation and payment of pension insurance contributions proportionally to the insurance periods accrued for those beneficiaries, pursuant to the regulation in question.

(5) Value points from paragraph 1 of this Article shall also be determined based on other income for which contributions for mandatory pension insurance were paid.

(6) For the qualifying periods completed before 31 December 1969 average value points shall apply. Average value points shall also apply for the qualifying periods completed from 1 January 1970 in which no salary was received or insurance bases applied or for which there are no data on salaries or insurance bases, as well as for the periods in which insurees had the refugee status and were entitled to a minimum salary as such.

(7) The calculation of value points for Croatian citizens for insurance periods accrued by 8 October 1991 pursuant to former regulations governing the rights of military insurees shall include salaries (personal income and special supplements) granted in the former Yugoslav National Army in the amount of 63.22%.

(8) Average value points are established by dividing the sum of the value points referred to in paragraphs 1 to 5 and paragraph 7 of this Article, and Articles 82, 83 and 84 of this Act, by the periods for which they were computed.

(9) When it comes to an insuree in respect of whom it is impossible to establish value points for any of the calendar years from 1 January 1970, because this insuree was not insured after that date or there are no data on salaries or insurance bases for the periods following that date, his or her value points shall be equivalent to one value point for each year of qualifying periods.

(10) A salary obtained in a year in which the right to pension was granted shall not be taken into consideration for establishing value points, but average value points from paragraph 8 of this Article shall be used for that year, proportionally to the insurance periods in that year.

(11) When the total qualifying periods completed are expressed in years, months and days,, the total qualifying periods shall be calculated by adding 0.0834 for each additional month of accrued periods, and 0.00274 for each additional day, respectively.

(12) For the purposes of paragraph 1 of this Article, one value point is equivalent to the amount of the average salary in the Republic of Croatia for a calendar year.

## Article 82

(1) Value points for an insuree or pension beneficiary who acquired the right to salary by a final court ruling, a court or an out-of-court settlement notarised by a public notary, shall be determined based on salaries the insuree would have been entitled to based on the law,

employment contract, a collective agreement or internal regulations for the appropriate period, without the right to interest on that basis.

(2) The provision from paragraph 1 of this Article shall apply to the period which the final court ruling, or the court or out-of-court settlement, applies to.

#### Article 83

(1) For the insurance periods completed between 1 January 1970 and 31 December 1998 during which the insuree was receiving salary compensation under pension and disability insurance regulations, value points shall be computed on the basis of the base applied for computing this compensation, whereas in case of salary compensation payable due to lower salaries earned in another job, the compensation actually received shall be taken into account.

(2) For the insurance periods completed from 1 January 1999, during which the insuree was receiving salary compensation in relation to the right to occupational rehabilitation, the salary compensation actually received shall be used for the computation of value points.

#### Article 84

(1) When an insuree received salary compensation during the calendar year, which entails the obligation of calculating contributions pursuant to regulations for mandatory insurances, the amount of compensation or the basis for the calculation of contribution shall be used in the calculation of value points.

(2) As an exception to the provisions of paragraph 1 of this Article, when an insuree was receiving salary compensation based on a temporary inability to work under health insurance regulations in the period before 31 December 1998, the average value points for the period in which he or she was receiving salary or in which insurance base was applicable shall be used.

#### Article 85

(1) The initial factor depends on the insuree's age on the date when he or she acquires the right to pension. The initial factor determines the extent to which value points are taken into account when computing pension. Value points are taken to the full extent (initial factor = 1.0) in case of:

- 1) disability pension,
- 2) temporary disability pension,
- 3) survivors' pension - following the insuree's death,
- 4) old-age pension,
- 5) early retirement pension from Articles 35 and 36 of this Act.

(2) The initial factor for determining early retirement pension shall be determined by reducing the initial factor from paragraph 1 of this Article for each month before the insuree's age required for obtaining the right to old-age pension, as follows:

- with 35 years of qualifying periods - for 0.34% a month,
- with 36 years of qualifying periods - for 0.32% a month,
- with 37 years of qualifying periods - for 0.30% a month,
- with 38 years of qualifying periods - for 0.25% a month,
- with 39 years of qualifying periods - for 0.15% a month,
- with 40 years of qualifying periods - for 0.10% a month.

(3) The initial factor for determining the insuree's old-age pension, who is granted pension for the first time after the age of 65, and has 35 years of qualifying periods, shall be determined by increasing the initial factor from paragraph 1 of this Article by 0.15% a month for each month once the insuree has reached the age required for obtaining the right to old-age pension, and for no longer than five years.

(4) The initial factor for determining the insuree's early retirement pension, who is granted pension for the first time after the age of 60, and has 41 years of insurance periods with effective duration, shall be determined by increasing the initial factor from paragraph 1 of this Article by 0.15% a month for each month once the insuree has reached the age required for obtaining the right to early retirement pension, and for no longer than five years. The same initial factor shall apply to the calculation of survivors' pension following the insuree's death, who died after the age of 60 and did not obtain pension.

(5) The initial factor from paragraph 3 of this Article shall apply to the calculation of survivors' pension following the insuree's death, who died after the age of 65 and did not obtain pension.

#### Article 86

(1) Personal points for determining pensions are computed by multiplying the average value points referred to in Article 81, paragraph 8 of this Article by the total qualifying periods and the initial factor.

(2) The basis for determining personal points shall be value points of:

1. the insuree, for determining old-age pension, early retirement pension, disability pension and temporary disability pension,
2. a deceased insuree, for determining survivors' pension.

(3) Value points for at least 40 years of qualifying periods shall be taken into account when determining the insuree's personal points for establishing disability pension, provided the partial or complete loss of working capacity was based on an accident at work or an occupational disease.

(4) If the reduced working capacity with the remaining working capacity, a partial or complete loss of working capacity based on which the insuree obtains the right to disability

pension is caused partially by an accident at work or an occupational disease, and partially by an illness or a non-work related injury, the disability pension shall be determined as a single pension from the overall personal points calculated proportionally for an accident at work or occupational disease pursuant to paragraph 3 of this Article, and proportionally in case of an illness or non-work related injury pursuant to paragraph 1 of this Article.

(5) To compute personal points of a deceased insuree, the value points for at least 21 years of qualifying periods shall be used for determination of a survivors' pension.

(6) To compute personal points of a deceased insuree whose death was caused by an accident at work or occupational disease, the value points for at least 40 years of qualifying periods shall be used for determination of a survivors' pension.

(7) If an insuree died as a disability pension beneficiary due to occupational disability obtained before the entry of this Act into force, or as a disability pension beneficiary based on a partial loss of working capacity obtained on the basis of this Act, paid to him during his or her employment or engagement in an independent business activity pursuant to Article 87, paragraph 1, items 7 or 8 of this Act, personal points of the deceased insuree shall be determined by taking into consideration also the value points for insurance periods once his or her occupational incapacity for work occurred before the entry of this Act into force, or his or her partial reduced working capacity occurred pursuant to this Act.

(8) Following the death of a beneficiary of old-age pension, early retirement pension, disability pension based on a permanent loss of working capacity (general inability to work), and disability pension based on occupational incapacity for work, obtained before the entry of this Act into force, as well as disability pension based on a partial or complete loss of working capacity obtained pursuant to this Act, who was unemployed or did not engage in an independent business activity, survivors' pension shall be determined on the basis of personal points of the pension beneficiary at the time of death, by applying the pension factor from Article 87, paragraph 1, item 9 of this Act.

#### Article 87

(1) The pension factor shall be:

1) for old-age pension	1.0
2) for old-age pension paid to the insuree during employment up to half of the full-time	1.0
3) early retirement pension	1.0
4) temporary disability pension paid during unemployment	0.8
5) disability pension based on the complete loss of working capacity	1.0
6) disability pension based on the partial loss of working capacity paid during unemployment	0.8
7) disability pension based on the partial loss of working capacity paid to a beneficiary during employment or engagement in an independent business activity	0.5
8) disability pension obtained on the basis of a partial loss of working capacity, caused by an accident at work or an occupational disease, paid to a beneficiary during employment or engagement in an independent business activity	0.6667

9) survivors' pension in case the pension is granted only to a widow or a widower and children of the insuree, or only to parents or siblings and other parentless children supported, if the pension is used by:	
- one person	0.7
- two persons	0.8
- three persons	0.9
- four or more family members	1.0

(1) Where the right to a survivors' pension is exercised by the insuree's widow or widower, children and parents, the pension factor is determined for the widow or widower and children in accordance with paragraph 1, item 9 of this Article, whereas the parents shall be entitled to any balance remaining up to 1.0. Should the pension factor for the widow or widower and children be 1.0 due to their number, the pension factor for the widow or widower and children shall be 0.9, whereas for the parents it shall be 0.1.

(3) Where the right to a survivors' pension is exercised by the insuree's widow or widower, children or parents and other family members (siblings and other supported child without parental support), the pension factor is determined for the widow or widower, children or parents in accordance with paragraph 1, item 9 of this Article, whereas the other family members shall be entitled to any balance remaining up to 1.0.

(4) Where the right to a survivors' pension is exercised by both the insuree's or beneficiary's widow or widower and his or her ex-spouse, the two of them shall, for the purposes of determining a survivors' pension under this Act, be considered as one family member, so their pension factor is equivalent to that for one family member.

#### Article 88

(1) The actual value of pension is the pension amount determined for one personal point.

(2) The actual value of pension is determined on a half-yearly basis by indexing the actual value of pension by the rate from paragraph 3 or paragraph 4 of this Article.

(3) The actual pension value indexation rate applied on 1 January 2014 and 1 July each calendar year shall be determined by harmonising the actual pension value at a rate obtained as half the sum of the average consumer price index rate of change in the previous semester, and the rate of change of the average gross wage of all employees in the Republic of Croatia in the previous semester, in relation to the semester that preceded it.

(4) The rate of indexing the actual pension value applied on 1 January each calendar year starting from 1 January 2015 shall be determined in the amount of difference between the annual growth rate of pensions pursuant to paragraph 5 of this Article, and the rate of the actual pension value indexation, established six months earlier pursuant to paragraph 3 of this Article.

(5) The annual growth rate of pension shall be determined by adding the average consumer price index rate of change in the previous calendar year and the change rate of the average

gross wage of all employees in the Republic of Croatia in the previous calendar year in relation to the year preceding it, as follows:

- if the share of average consumer price index rate of change of summed-up rates from paragraph 5 of this Article is under 45%, the rate of average pension growth shall be determined by adding 30% of the average consumer price index rate of change and 70% of the average salary change rate, or
- if the share of the average consumer price index rate of change of summed-up rates from paragraph 5 of this Article ranges from 45% to 55%, the rate of average pension growth shall be determined by adding 50% of the average consumer price index rate of change and 50% of the average salary change rate, or
- if the share of the average consumer price index rate of change of summed-up rates from paragraph 5 of this Article is over 55%, the rate of average pension growth shall be determined by adding 70% of the average consumer price index rate of change and 30% of the average salary change rate.

(6) When calculating the share of change rate of consumer prices in the summed-up rates from paragraph 5 of this Article, absolute values of the rates shall be used.

(7) The actual pension value shall not be indexed if the indexation rate from paragraph 3 or 4 of this Article is equal to or less than zero.

(8) The actual value of pension is determined by the Management Board of the Institute on the basis of the data provided by the Central Bureau of Statistics, no later than within two months following the end of each half-year.

#### Article 89

(1) The actual pension value for pensions or parts of pensions obtained pursuant to special regulations under more favourable conditions shall be established by the decision of the Government of the Republic of Croatia upon proposal of the minister in charge of the pension system, and upon a prior opinion of the minister in charge of finance.

(2) The Government of the Republic of Croatia shall establish the actual pension value by possibly indexing the actual pension value from paragraph 1 of this Article up to a maximum of the actual pension value indexation rate from Article 88, paragraphs 3 and 4 of this Article.

### *9. Minimum pension*

#### Article 90

(1) An insuree who has been granted a pension solely under the provisions of this Act and whose pension, as determined in accordance with Article 79, paragraphs 1 and 2, and Articles 81 to 88 of this Act, is lower than a minimum pension, shall be entitled to a minimum pension.



(2) A minimum pension is determined in the amount of 0.825% of the average gross wage of all employees in the Republic of Croatia in 1998 per each year of the qualifying periods completed, according to the data provided by the Central Bureau of Statistics.

(3) Minimum pension for a disability pension beneficiary, whose partial or complete loss of working capacity is caused by an accident at work or occupational disease, shall be determined according to paragraph 2 of this Article, for 40 years of qualifying periods.

(4) Minimum pension for a disability pension beneficiary, whose partial or complete loss of working capacity is partially a consequence of an accident at work or an occupational disease, and partially a consequence of a non-work related disease or injury, shall be determined from the sum of minimum pensions calculated in the proportionate part in case of a partial or complete loss of working capacity caused by an accident at work or occupational disease pursuant to paragraph 3 of this Article, and the proportionate part in case of or non-work related disease or injury pursuant to paragraph 2 of this Article.

(5) A minimum pension for a beneficiary of a survivors' pension after the death of the insuree which was caused by an accident at work or occupational disease is determined according to paragraph 2 of this Article, for 40 years of qualifying periods.

(6) Minimum pension shall be determined by applying the initial factor and the pension factor pursuant to this Act.

(7) A beneficiary of old-age pension or disability pension, obtained based on a partial loss of working capacity from Article 56 of this Act, and the disability pension beneficiary based on occupational incapacity for work acquired before the entry of this Act into force, shall not be entitled to minimum pension during employment or engagement in an independent business activity.

(8) A disability pension beneficiary due to occupational incapacity for work from paragraph 7 of this Article shall receive minimum pension upon termination of employment or engagement in an independent activity by applying paragraphs 2, 3, 4 and 6 of this Article accordingly.

## *10. Basic pension*

### *Article 91*

(1) An insuree insured by mandatory pension insurance based on individual capitalised savings, who accrued insurance periods in the period before beginning of application of mandatory pension insurance based on individual capitalised savings, shall have his or her old-age pension and early retirement pension calculated by determining the part of pension he or she is entitled to for qualifying periods until that date as if the insuree were insured only by mandatory pension insurance based on generational solidarity, and the part of pension he or she is entitled to for qualifying periods from that date onwards shall be determined as basic pension.

(2) An insuree insured by mandatory pension insurance based on individual capitalised savings, who did not accrue insurance periods in the period before beginning of application of



mandatory pension insurance based on individual capitalised savings, shall have his or her old-age pension and early retirement pension determined as basic pension.

(3) For a family member of an insuree insured by mandatory pension insurance based on individual capitalised savings, whose personal account funds were inherited, the survivors' pension he or she is entitled to from mandatory pension insurance based on generational solidarity shall be established by determining the part of pension for qualifying periods accrued from the beginning of application of mandatory pension insurance based on individual capitalised savings as basic pension.

#### Article 92

(1) An insuree younger than 55 or insured for less than 10 years by mandatory pension insurance based on individual capitalised savings, who suffered a complete loss of working capacity, shall obtain disability pension as if he or she were insured only by mandatory pension insurance based on generational solidarity.

(2) For an insuree insured by mandatory pension insurance based on individual capitalised savings, the old-age pension and early retirement pension obtained under more favourable conditions from those established by this Act shall be determined as if the insuree were insured only by mandatory pension insurance based on generational solidarity.

(3) For family members of an insuree younger than 55, or insured for less than 10 years by mandatory pension insurance based on individual capitalised savings, the survivors' pension for the total qualifying periods of the deceased insuree shall be determined as if the insuree were insured only by mandatory pension insurance based on generational solidarity.

(4) In cases when the right to pension pursuant to paragraphs 1, 2 and 3 of this Article was granted, the implementing entity of mandatory pension insurance based on individual capitalised savings shall transfer the entire capitalised savings of the insuree's contributions from the personal account of the insuree from that insurance to the state budget.

#### Article 93

(1) Personal points for basic pension shall be determined by multiplying personal points determined on the basis of qualifying periods accrued from the beginning of insurance based on individual capitalised savings, with the basic pension factor determined for the calendar year in which the insuree obtains the right to pension.

(2) The basic pension factor from paragraph 1 of this Article shall be determined on 1 January of each year in the amount of an average share of the contribution rate for mandatory pension insurance, based on generational solidarity prescribed for insurees insured in both mandatory pension insurances, for the overall contributions rate for pensionable insurance from 1 January 2002 until the current year.

(3) The basic pension factor shall also apply to the minimum pension and the maximum pension determined on the basis of qualifying periods accrued before insurance in mandatory pension insurance based on individual capitalised savings, and based on qualifying periods accrued by that date, the minimum pension and the maximum pension pursuant to the

Maximum Pension Act (OG 162/98 and 82/01) shall be determined as if the insuree were insured only by mandatory pension insurance based on generational solidarity.

(4) The basic pension factor from paragraph 2 of this Article shall be established by the Steering Committee of the Institute.

### *11. Indexation of pensions*

#### *Article 94*

(1) Pensions are indexed from 1 January and from 1 July each calendar year according to the new actual pension value, as established under Article 88 of this Act.

(2) Pensions or parts of pensions acquired or determined pursuant to special regulations under more favourable conditions shall be indexed from 1 January and from 1 July each calendar year based on the actual pension value from Article 89 of this Act, if the gross domestic product growth in real terms, based on data from the Central Bureau of Statistics in each of the three previous consecutive quarters, is at least 2.0% in relation to the same quarter of the previous calendar year, and if the state budget deficit in the same period is less than 3%.

### *12. Common provisions on the exercise, loss and re-determination of rights*

#### *Article 95*

(1) Pensions and other appropriations arising from pension insurance are determined as monthly amounts and paid in arrears.

(2) The personal identification number (PIN) of the appropriations beneficiary shall be mandatory for the payment of pensions and other appropriations from pension insurance.

(3) In case of death of the pension beneficiary, the pension due and other appropriations shall be granted until the last day of the month in which the beneficiary died.

(4) The Institute may suspend the payment of pension and other appropriations from pension insurance in circumstances which are the beneficiary's fault, i.e. if the beneficiary does not submit his or her personal identification number (PIN), his or her certificate of life, does not renew his or her power of attorney, does not submit a notification of the change of address or any other information or document required by the Institute, which the Institute is unable to obtain by official means, or when the beneficiary does not complete an activity or does not inform the Institute about facts important for further payment of pension or other appropriations.

(5) The term for submitting information or documents required by the Institute shall not be shorter than 30 days.

(6) The payment of suspended benefits from paragraph 1 of this Article shall be re-established from the first day of the month following the date on which the Institute has received the requested information, documents or notices, or after completing the necessary activity for a further payment of benefits.

(7) Due benefits from paragraph 4 of this Article, unpaid due to circumstances caused by the beneficiary, may be paid retroactively for no longer than 12 months, counting from the date the Institute has received the requested information, documents or notices.

#### Article 96

(1) Pensions and other appropriations from pension insurance obtained and paid by 31 December 2013 shall be paid in the Republic of Croatia or abroad through banks, or delivered by the postal service to the beneficiary's address in the Republic of Croatia.

(2) For pensions and other appropriations from pension insurance obtained and paid by 31 December 2013, delivered by the postal service to the beneficiary's address in the Republic of Croatia, as well as those after 1 January 2014, the payment costs shall be borne by the state budget.

(3) Pensions and other appropriations from pension insurance obtained and paid from 1 January 2014 shall be paid in the Republic of Croatia or abroad through banks.

(4) The payment of pensions and other appropriations from pension insurance abroad shall be based on European Union regulations on the coordination of social security systems, an international agreement on social security or on the principle of reciprocity, or based on an Institute's decision approving payment in a country with which an agreement was not signed or no reciprocity exists.

#### Article 97

(1) For the purpose of establishing mutual relations regarding the means, payment conditions and the return of pensions and other appropriations from Article 96, paragraphs 1 to 3 of this Act, the Institute shall conclude a contract with the banks and the postal service.

(2) Pensions and other appropriations paid according to Article 96, paragraphs 1 to 3 of this Act and paragraph 1 of this Article following the death of the beneficiary, shall belong to the state budget of the Republic of Croatia, and upon request of the Institute the banks and the postal service shall return them.

(3) Immediately after receiving information about the death of a pension or other appropriation, the bank and postal service shall block any disposal with the funds from paragraph 2 of this Article.

(4) Claims of banks and other creditors from the beneficiary as a debtor shall not be paid from the funds already paid after the beneficiary of the pension or other benefits died.

(5) If the bank or postal service does not return the funds paid according to paragraph 2 of this Article because another person disposed with the funds in question, they shall, upon request of the Institute and within eight days, submit the information about the person who disposed with those funds, as well as other information the Institute may additionally require about that disposal, if available.

(6) The bank and postal service shall be liable to the Institute for damages if they pay a pension or other appropriations from pension insurance contrary to the contract or this Act.

## Article 98

If an insuree or pension beneficiary acquires the right to two or more pensions in accordance with this Act or some other law of the Republic of Croatia in the scheme of mandatory pension insurance based on generational solidarity, he or she may only receive one pension, of his or her choice.

## Article 99

(1) A pension beneficiary who finds employment or engages in a business activity which entails the obligation of insurance, shall have his or her pension payment suspended.

(2) By way of derogation from paragraph 1 of this Article, pension shall not be suspended for:

1. an old-age pension beneficiary who acquired old-age pension pursuant to Articles 33 and 180 of this Act, who continues to work up to half of the full time with a modified employment contract,
2. an old-age pension beneficiary who acquired old-age pension pursuant to Articles 33 and 180 of this Act, and the old-age pension beneficiary who acquired it by the time this Act entered into force, who finds employment up to half time while using this right,
3. a disability pension beneficiary based on occupational incapacity for work, obtained before the entry of this Act into force,
4. a disability pension beneficiary based on a partial loss of working capacity, obtained pursuant to this Act,
5. a beneficiary engaged in seasonal jobs in agriculture, pursuant to regulations on employment stimulation and other regulations regulating this right in a different manner, or those explicitly prescribing that pension suspension shall not occur,
6. a beneficiary receiving another income, or engaged in another business activity (Article 17 of this Act).

## Article 100

(1) A beneficiary of early retirement pension who, after acquiring the right to pension, accrued at least one year of insurance periods, may, once his or her employment or business activity based on which he or she is covered by mandatory pension insurance, has terminated, acquire the right to a new old-age pension or early retirement pension, provided conditions for age and qualifying periods from Articles 33, 34, 35, 180 and 182 of this Act are fulfilled. The new pension shall be determined pursuant to Article 79, paragraphs 1 and 3, and Articles 81 to 88 of this Act, based on the overall accrued qualifying periods and accrued value points before and after obtaining the right to early retirement pension.

(2) When determining pension from paragraph 1 of this Article, the initial factor, based on which the previous early retirement was determined, shall increase for 0.15% for each month for which pension payment was suspended due to employment, or engagement in an independent business activity. This initial factor shall not exceed 1.0.

(3) A new pension may be established for an old-age pension beneficiary following the termination of his or her employment or engagement in a business activity on the basis of which he or she has mandatory pension insurance, provided he or she accrued at least one year of insurance periods after obtaining the right to old-age pension, and that he or she fulfilled all conditions pertaining to pension age and qualifying periods for old-age pension. The new pension shall be determined pursuant to Article 79, paragraphs 1 and 2, and Articles 81 to 88 of this Act, based on the overall accrued qualifying periods and accrued value points before and after obtaining the right to early retirement pension.

(4) If the beneficiary from paragraph 3 of this Article received old-age pension during employment, the initial factor shall be determined in the amount of initial factor which served as the basis for the previous old-age pension.

(5) For an old-age pension beneficiary from Articles 33 and 175 of this Act, whose old-age pension payment had been suspended during employment or engagement in an independent activity, and who has 35 years of qualifying periods, the initial factor shall be determined by increasing the initial factor which served as the basis for the previous old-age pension by 0.15% for each month for which pension payment was suspended, and may amount to a maximum of 1.09.

(6) For an early retirement pension beneficiary who acquired the right to pension pursuant to Article 35 of this Act by fulfilling the conditions for old-age pension pursuant to Articles 33 and 180 of this Act, the initial factor for determining old-age pension pursuant to Article 85, paragraph 3 of this Act shall not increase.

(7) For a disability pension beneficiary, based on occupational incapacity for work which occurred before the entry of this Act into force, and for a disability pension beneficiary based on a partial loss of working capacity from Article 39, paragraph 3 of this Act, provided he or she obtains disability pension due to a complete loss of working capacity, or old-age or early retirement pension, the new pension shall be determined on the basis of qualifying periods and accrued value points by the date the right to disability pension based on the complete loss of working capacity, or the right to old-age or early retirement pension was granted, and the initial factor shall not exceed 1.0.

#### Article 101

(1) A pension beneficiary may authorise another person to receive pension payments or compensation allowance due to physical damage on his or her behalf.

(2) The power of attorney from paragraph 1 of this Article submitted to the Institute shall be in force for one year.

(3) If the pension beneficiary is under guardianship as a person declared completely legally incompetent to act or legally incompetent to act in regards to the disposal with funds, the Institute shall pay his or her pension in accordance with the decision of the competent social welfare centre.

(4) A pension beneficiary residing in an institution for senior and infirm citizens may authorise the Institute to pay his or her pension to the account of the institution in question for the purpose of covering accommodation costs in that institution.

## Article 102

A beneficiary of rights, attorney-in-fact, social welfare centre or an institution for senior and infirm citizens from Article 101 of this Act shall report to the Institute every change which occurs in personal or actual circumstances, influencing the right or the scope of using that right.

## Article 103

(1) The central organisational unit of the Institute shall conduct supervision and inspection *ex officio* regarding procedures or resolutions in administrative matters in which a decision was rendered which cannot be appealed, or which can neither be appealed nor can administrative proceedings be initiated.

(2) In the process of supervision and control from paragraph 1 of this Article, the central organisational unit of the Institute shall verify all facts influencing the acquisition, exercise, loss and re-establishment of rights to pension insurance and from pension insurance.

## V - PENSION INSURANCE RECORDS

### Article 104

(1) The Institute shall keep, in accordance with provisions stipulated by this Act, pension insurance records of insurees, of tasks from Article 38 of this Act, of beneficiaries of pension insurance rights and of persons liable to pay contributions.

(2) Information from paragraph 1 of this Article shall be recorded in pension insurance records in the manner and procedure determined by the Institute in a general act.

(3) The records on the time spent by insurees in certain jobs at the Ministry of Defence, the Ministry of the Interior and the Ministry of Justice shall be kept by these bodies.

### Article 105

(1) The information also entered into the Register is the information about:

1. insurees and persons who are not insured, but whose qualifying periods were established by a decision,
2. persons whose period spent in insurance by the date the Republic of Croatia acceded to the European Union is registered in their employment record,
3. persons who have acquired pension insurance rights (beneficiaries),
4. persons obliged to pay pension insurance contributions.

(2) The Institute shall lay out methodology principles and code tables necessary to keep the Register, upon consulting the Central Bureau of Statistics.

### Article 106



- (1) The Institute shall be obliged to verify the accuracy and completeness of the information entered into the Register which form the basis for granting pension insurance rights.
- (2) The information entered into the Register in the manner specified by this Act may only be subsequently changed if found to be inaccurate.
- (3) The Institute shall ensure the confidentiality of the information entered into the Register in the manner specified by law and a general act adopted by the Institute.

#### Article 107

- (1) The information contained in the Register shall be used for the purposes of acquiring pension insurance rights and implementing this insurance, as well as for other purposes as specified by law and a general act adopted by the Institute.
- (2) The Institute shall be obliged to issue the insuree with a certificate on the information entered into the Register, at his or her request. This certificate shall be a public document.
- (3) An insuree who considers information from the certificate to be incorrect and incomplete shall be entitled to request the Institute to provide the missing information or to correct inaccurate information and issue a new certificate, within 15 days from the date the insuree received the certificate.

#### Article 108

- (1) Those obliged to pay contributions shall provide the Institute with the information prescribed by this Act and a general act adopted by the Institute, using the prescribed forms.
- (2) The central register of insurees, the Tax Administration and other competent institutions shall submit information to the Institute, as prescribed by special regulations.
- (3) Those obliged to pay contributions shall make it possible for the Institute to verify the information provided.
- (4) If the employer or a person liable to pay contributions fails to provide the information in question within the prescribed time limit, the Institute shall undertake measures in accordance with the provisions of this Act.
- (5) In the process of controlling the beneficiaries' information or the granting of rights from pension insurance, a person liable to pay contributions shall, upon request from the Institute, submit information regarding insurance periods and its basis on a prescribed form.
- (6) Persons liable to pay contributions from paragraph 1 of this Article shall be liable for the accuracy of information for insurees employed by legal and natural persons, which were submitted and assumed from bodies from paragraph 2 of this Article.

#### Article 109

- (1) For the purpose of determining the accuracy of information and facts on which pension insurance rights of insurees depend, the employer or the person liable to pay contributions



shall permit the Institute to control business records, financial documentation and other records.

(2) If the Institute determines irregularities while conducting the procedure from paragraph 1 of this Article, it shall issue minutes and submit them to the Tax Administration.

(3) The procedure and means of control from paragraph 1 of this Article shall be established by the Institute in a general act.

#### Article 110

The status of an insuree, qualifying periods, salaries, insurance bases, salary compensations and other matters shall be established on the basis of documents issued pursuant to the law or by certificates issued on the basis of prescribed records.

#### Article 111

Territorial jurisdiction for keeping the Register shall lie with regional organisational units of the Institute and, in particular:

1. for insurees employed with employers – according to the employer's seat or the seat of his or her branch office,
2. for self-employed insurees, insurees who are craftsmen and insurees who are sole traders entered into the appropriate register – according to the place of registration or performance of self-employment activity,
3. for insurees employed abroad – according to the insuree's residence or the residence which the insuree had before going abroad,
4. for unemployed persons – according to the central office of the competent employment service,
5. for farmers – according to the insuree's residence,
6. for seafarers in international navigation – according to the employer's seat or his or her branch, and for seafarers in international navigation whose employer is a foreign person – according to residence,
7. for insurees with extended insurance - according to the insuree's residence,
8. for insurees who are company management board members, executive directors and co-operative managers - according to the company seat or the co-operative seat,
9. for seasonal agricultural workers – according to the employer's seat or the seat of his or her branch, the employer's residence or the residence of the seasonal agricultural worker,
10. for beneficiaries of rights – the organisational unit of the Institute where the insuree acquired a pension insurance right or the organisational unit of the Institute which makes pension payments,

11. for a worker employed by a foreign employer working in the Republic of Croatia – according to the residence address.

#### Article 112

(1) The information necessary to keep the Register shall be provided by contribution payers within the following time limits:

1. information about the beginning of operation, operation termination and changes in persons liable to pay contributions' operation – within 24 hours from the beginning or termination of operation, on the date a decision on entry into or deletion from an adequate register becomes enforceable, and within 24 hours from the change in the persons liable to pay contributions' operation,

2. information about the beginning of insurance, termination of insurance or changes during insurance, as well as changes of information – within 24 hours from the beginning of employment or insurance or the finality of the decision on the insuree's status and insurance basis, and within 24 hours from the termination of employment or insurance, or a change during insurance,

3. information about disabled workers with the right to occupational rehabilitation – on the date when the decision on granting that right or the termination of that right becomes enforceable.

(2) The Institute shall accept the report forms from paragraph 1 of this Article and shall confirm its receipt.

(3) Information on the report forms shall be verified by the Institute and entered into the pension insurance records within three working days from the receipt date.

(4) By way of derogation from paragraph 1 of this Article, when the employer's seat is located outside of the Republic of Croatia in a European Union Member State, the term for actions listed in paragraph 1, items 1 and 2 of this Article shall be 60 days.

#### Article 113

(1) The information provided on report forms shall be entered into the Register on a digital medium for storage and safekeeping purposes.

(2) Instead of originals, electronic copies of report forms are stored, which ensures that a reproduction is identical with the original.

(3) Report forms from paragraph 1 of this Article and certified copies of the report forms from paragraph 2 of this Article shall constitute public documents.

#### Article 114

(1) The documents serving to establish and keep the Register shall be stored for at least thirty years following the date when rights were granted on the basis of these documents, and for at least ten years of the death of the beneficiary or of the termination or loss of these rights.

(2) The information in the Register relating to the persons who have not acquired any rights from pension insurance shall be stored for at least forty years following the last entry of the information into the Register.

(3) The documents referred to in paragraphs 1 and 2 of this Article shall also be considered to include the information stored on electronic media at the Institute.

#### Article 115

After the expiration of the time limits referred to in Article 114 of this Act, an expert commission of the Institute shall select and extract the registry material in accordance with the regulations on the protection of the archival and registry material.

### VI - PROCEDURE FOR GRANTING THE RIGHT TO PENSION INSURANCE AND RIGHTS FROM PENSION INSURANCE

#### *1. Jurisdiction*

#### Article 116

(1) Pension insurance rights shall be granted by the Institute pursuant to this Act.

(2) The regional organisational unit of the Institute decides on pension insurance rights in the first instance.

(3) the central organisational unit of the Institute decides on pension insurance rights in the second instance.

#### *2. Establishing the right to insurance*

#### Article 117

(1) The right to pension insurance shall be established by recognition of the status of an insuree.

(2) The status of an insuree shall be granted by the Institute on the basis of an application for insurance filed by a contribution payer or by an insuree who is obliged to pay contributions on his or her own.

(3) By way of derogation from paragraph 2 of this Article, the registration pursuant to Article 14, paragraph 1 of this Act shall be submitted by a parent performing parental duties, and pursuant to Article 14, paragraph 3 of this Act by the competent social welfare centre.

(4) Persons without the status of an insuree, insured under specific conditions from Articles 19 to 21 of this Act, shall have the right to insurance established when an insured event occurs, giving rise to a pension insurance right.

#### Article 118

(1) Persons from Article 17 of this Act shall be granted the status of an insuree in the year in which they receive other income, once pension insurance contributions are paid in full.

(2) The status of an insuree and insurance periods from paragraph 1 of this Article shall be established according to Articles 30 and 31 of this Act, based on information regarding bases which were used for the calculation and payment of contributions, submitted to the Institute by the Central Register of Insurees and the Tax Administration within the Ministry of Finance.

#### Article 119

(1) A person in respect of whom the contribution payer fails to file an application for insurance or deregistration may request the Institute to render a decision granting or terminating his or her status of an insuree.

(2) When an insuree referred to in Articles 10, 11, 12 and 13 of this Act fails to file an application for insurance within 30 days of the date when the insurance obligation was created, the Institute shall *ex officio* render a decision granting him or her status of an insuree.

#### Article 120

When the Institute does not grant the status of an insuree on the basis of an application for insurance or if it grants this status on another basis, it shall render a decision about it.

#### Article 121

The status of an insuree shall terminate when the circumstances on the basis of which the insuree concerned acquired this status cease to exist, whereas in case of an insuree referred to in Articles 11 and 13 of this Act it shall also terminate upon the acquisition of the right to a pension.

### 3. Establishing rights from insurance

#### Article 122

(1) The proceedings for granting pension insurance rights shall be initiated at the request of insured person, unless otherwise specified by this Act.

(2) When a right to pension is granted, the information on qualifying periods, salary, insurance bases and other facts which may affect the acquisition and establishment of this right shall be taken from the Register.

(3) Witness statements may not be used as the only evidence for establishing the facts referred to in paragraph 2 of this Article.

#### Article 123

(1) The proceedings for granting pension insurance rights shall be initiated at the request of the insuree or insured person, unless otherwise specified by this Act.

(2) During employment or another status which represents an insurance basis pursuant to this Act, the procedure for granting rights based on a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity, may be initiated also upon proposal of the selected medical doctor – general practitioner (hereinafter: medical doctor) or the insuree himself or herself, upon completion of treatment or health rehabilitation, respectively.

(3) Provisions from paragraphs 1 and 2 of this Article shall also apply in the process of redetermining pension insurance rights due to changes in the remaining working capacity.

(4) The procedure of control examination from Article 126, paragraphs 1 and 2 of this Act shall be initiated by the Institute *ex officio*, while expert evaluation shall be conducted by an authorised expert examiner in the first instance, and by an authorised senior expert examiner in case of expert evaluation during an appeal of an Institute's decision.

(5) In the process of granting old-age pension, if the insuree continues to work up to half of the full time, the employer shall submit a report on changes which occurred during insurance.

#### Article 124

(1) An application for pension insurance rights by applying European Union regulations on the coordination of social security systems or an international agreement on social security shall be considered properly submitted once the Institute receives complete information for the granting of those rights from a competent foreign insurance holder.

(2) By way of derogation from the General Administrative Procedure Act, when the person who initiated the procedure or is engaged in the administrative dispute for realisation of pension insurance rights is abroad, that person shall not be mandated to appoint an attorney-in-fact with residence in Croatia to receive documents on his or her behalf.

#### Article 125

(1) When the medical doctor who treated the insuree considers the treatment and medical rehabilitation complete, and that a reduction of working capacity with the remaining working capacity, or a partial or complete loss of working capacity occurred, he or she shall prepare the entire medical documentation and submit it to the Institute, along with his or her findings.

(2) First-instance expert evaluation in the procedure for establishing a reduced working capacity, or the remaining working capacity, a partial or complete loss of working capacity and physical damage of the insuree and a complete loss of working capacity of a family member, shall be performed, based on medical documentation from paragraph 1 of this Article, by an authorised expert examiner from the Medical Expertise Centre within the Institute, about which he or she shall issue his or her findings and opinion.

(3) Based on the findings and opinion of the authorised expert examiner, the Institute shall render a decision on the existence or non-existence of a reduced working capacity with the remaining working capacity, or the partial or complete loss of working capacity, and on other facts on which rights from this Act depend.

(4) When the insuree submits an appeal to the decision from paragraph 3 of this Article, the expert evaluation shall be performed by an authorised senior expert examiner from the Medical Expertise Centre within the Institute.

(5) The findings and opinion of the authorised expert examiner or the senior expert examiner from paragraph 4 of this Article which establishes a specific fact from paragraph 2 of this Article shall undergo mandatory revision before rendering a decision on the right.

(6) When necessary, before issuing his or her findings and opinion, the authorised expert examiner may request additional medical examination from the Medical Expertise Centre within the Institute or the selected medical doctor, as well as a verification of medical documentation enclosed to the application.

(7) The Medical Expertise Centre within the Institute shall conduct the verification of medical documentation, including when a final sentence establishing the existence of a criminal act exists, concerning the expert evaluation or revision of the findings and opinion regarding the reduced or complete loss of working capacity which was the basis for granting rights from this Act, as well as in cases of a statute of limitations for initiating criminal proceedings, or if the perpetrator died or is unknown, which fact was established by the State Attorney's Office or another body authorised to conduct criminal proceedings.

#### Article 126

(1) It shall be established in the the findings and opinion provided by the authorised expert examiner in the case of determining a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity from Article 39, paragraphs 1 to 4 of this Act, that a control examination must be performed no later than three years from the date a reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity occurred. A new control examination and the term for its completion may be established during initial control examination.

(2) A disability pension beneficiary based on a complete loss of working capacity, who obtains the status of an insuree pursuant to this Act, with the exception of insurees from Article 17 of this Act, shall be encompassed by mandatory control examination.

(3) In the procedure of supervision and control, the ministry in charge of the pension system and the Medical Expertise Centre of the Institute may perform control examinations *ex officio* in regards to the rights obtained on the basis of a reduced working capacity or a partial or complete loss of working capacity, physical damage or a complete loss of working capacity of family members, for as long as those rights are exercised. They shall issue their findings and opinion upon completion of the procedure.

(4) The Institute shall render a decision on the basis of the findings and opinion from paragraph 3 of this Article.

(5) If a beneficiary of rights does not report for control examination from paragraph 1 or 3 of this Article having been properly summoned, and has no valid excuse for doing so (illness, death of a family member, unpostponable trip or another justified reason), the payment of pension or monetary claims from pension insurance shall be suspended from the first day of the month following the date on which a decision on payment suspension was rendered.

(6) The payment of suspended pension appropriations from paragraph 5 of this Article shall resume on the first day of the month following the month in which control examination was performed, and shall be paid for no more than twelve months retroactively.

(7) By way of derogation from paragraph 1 of this Article, in case a complete loss of working capacity is established based on medical documentation submitted by a foreign pension insurance holder who did not require mandatory control examination of the disability pension beneficiary, it may be determined that the beneficiary in question is exempt from control examination.

#### Article 127

Pursuant to this Act, the Government of the Republic of Croatia shall establish the manner and procedure of expert evaluation in pension insurance.

#### Article 128

(1) In the process of establishing a right of an insuree or an insured person, the date the reduced working capacity with the remaining working capacity, or a partial or complete loss of working capacity, or a physical damage occurred, respectively, shall be the date when the authorised expert examiner provided his or her opinion following the examination, pursuant to Article 125, paragraph 2 of this Act or of the opinion of the authorised senior expert examiner from Article 125, paragraph 4, respectively. By way of exception, the onset of a reduced working capacity, a partial or complete loss of working capacity, or a physical damage before the examination may be established on the basis of medical documentation from the previous period.

(2) In the process of establishing a right for an insuree's family member based on a complete loss of working capacity, the date on which the right to survivors' pension is granted shall be taken into consideration when establishing the date the complete loss of working capacity occurred, or the date on which the status of a child with disability with the remaining working capacity was granted.

#### Article 129

(1) The findings and opinion of an authorised expert examiner regarding a reduced working capacity, or a partial or complete loss of working capacity which serves as the basis for granting rights from this Act, shall undergo revision before rendering a decision on the rights of an insuree or an insured person.

(2) The revision of the findings and opinion issued by an authorised expert examiner from paragraph 1 of this Article shall be performed by the ministry in charge of the pension system.

(3) During revision, additional medical processing may be requested from an independent diagnostic centre or the Medical Expertise Centre within the Institute, as well as an examination of the insuree.

(4) The findings and opinion of the authorised expert examiner which require modification following revision, shall be reissued by the expert examiner based on instructions received from revision.



(5) The revision of findings and opinion by the authorised expert examiner from paragraph 1 of this Article shall be performed within 10 days from the date the findings and opinion were issued, and exceptionally within 20 days, counting from the same day, when the insuree's examination and additional medical processing is necessary before rendering an opinion from paragraph 1 of this Article.

#### Article 130

(1) A decision on the granted right to occupational rehabilitation shall be executed by the Institute once it is enforceable pursuant to the General Administrative Procedure Act, by a decision on referral to occupational rehabilitation.

(2) The disposition of the decision from paragraph 1 of this Article shall list the types of work for which a beneficiary of rights may be trained in occupational rehabilitation, the duration of occupational rehabilitation, as well as the employer or institution in which occupational rehabilitation is to take place.

#### Article 131

(1) When the procedure for granting pension insurance rights has established that all conditions for pension were fulfilled, and the adequate amount of pension cannot be determined immediately, the Institute shall render a decision on granting the right to pension, and shall pay the pension advance.

(2) A decision determining the adequate pension amount shall be rendered *ex officio* once all information necessary for determining the pension amount is submitted.

#### Article 132

(1) The decision on granting pension insurance rights shall be implemented immediately, unless otherwise established of this Act.

(2) By way of exception from paragraph 1 of this Article, a decision granting the right to occupational rehabilitation shall be implemented by a referral to occupational rehabilitation once the decision becomes enforceable pursuant to the General Administrative Procedure Act.

(3) The decision on pension insurance rights shall be implemented by the Institute.

### 4. Common provisions

#### Article 133

(1) An appeal may be filed to the central organisational unit of the Institute against the decision regarding the rights and obligations from pension insurance, rendered in the first degree.

(2) An appeal shall not postpone the decision implementation, except in cases determined in this Act.

(3) If an appeal contests the decision from Article 125, paragraph 3 of this Act, rendered on the basis of the findings and opinion of an authorised expert examiner, the central organisational unit of the Institute shall obtain an opinion of an authorised senior expert examiner before rendering a decision on that appeal.

#### Article 134

(1) If, after a decision is made against which there is no legal remedy in the administrative proceedings, new facts emerge or the possibility arises that new evidence may be used, which, either alone or in conjunction with the evidence already introduced or used, could have led to a different outcome had these facts or evidence been presented or used in the previous proceedings, pension insurance proceedings may be re-opened, notwithstanding the conditions and the time limits provided for by the General Administrative Procedure Act. The proceedings shall be re-opened at the request of the party or *ex officio*.

(2) The rights granted by a decision rendered in the re-opened proceedings, under paragraph 1 of this Article, shall be payable as from the first day of the month following the month in which the request to re-open the proceedings was filed or from the first day of the month following the month in which a decision was rendered in the re-opened proceedings which were initiated *ex-officio*.

#### Article 135

(1) When pension is determined pursuant to Article 37, paragraph 7 or Article 59, paragraph 9 of this Act, once due contributions are paid in full, a new decision shall be rendered upon the insuree's request, by determining pension also on the basis of insurance periods for which all contributions were paid.

(2) An insuree shall be entitled to a pension determined in accordance with paragraph 1 of this Article from the first day of the month following the date of submitting the application for redetermining pension.

#### Article 136

(1) The decision establishing the status of an insuree and qualifying periods shall undergo revision.

(2) The revision shall be performed by the central organisational unit of the Institute.

(3) Revision of a decision from paragraph 1 of this Article shall postpone its implementation.

#### Article 137

(1) If an appeal was filed in the first instance against a decision, the revision and appeal shall be resolved by a single decision.

(2) If a revision of a decision against which no appeal was filed is not performed within three months from the date the appeal term expires, it shall be considered that revision was performed and the decision approved.

## Article 138

- (1) In the process of revision a decision can either be approved, modified or revoked.
- (2) The regional organisational unit whose decision was revoked by revision, shall render a new decision, in conformity with the legal interpretation and remarks indicated in the decision revoking the initial decision.
- (3) The new decision from paragraph 2 of this Article shall undergo revision verifying whether it conforms to reasons due to which the previous decision was revoked.
- (4) A decision modifying a decision of the regional organisational unit shall be considered as an administrative act, against which an administrative dispute may be initiated.
- (5) Administrative dispute cannot be conducted against a decision rendered during revision, or based on an appeal if the decision rendered in the first instance was revoked by the decision in question, and the case was reprocessed.

## Article 139

- (1) A final decision on pension insurance rights or rights from pension insurance may be modified by a new decision if the first decision was not in conformity with the law, European Union regulations on the coordination of social security systems or an international agreement on social security, or with a general act of the Institute, unfavourable for the insuree, insured person or pension beneficiary.
- (2) A new decision shall also be rendered when new facts are established, influencing rights of the insuree, insured person or pension beneficiary, which occurred once a final decision was adopted or when the administrative court took a legal position more favourable for the parties.
- (3) Rights established in a new decision, rendered in accordance with paragraphs 1 and 2 of this Article, shall be granted from the first day of the month following the date of the decision, provided the procedure was initiated *ex officio*, or from the first day of the month after submitting the application of the insuree, insured person or pension beneficiary.

## Article 140

- (1) Applications and other submissions, decisions, certificates and other documents in the process of granting pension insurance rights, as well as lawsuits and court rulings in administrative disputes, shall be exempt from all administrative and court fees.
- (2) Upon request of natural or legal persons, the Institute may provide information from the records it keeps, in accordance with data protection regulations and by charging for the information provision expenses. The amount of charge shall be determined by a general act of the Institute.

# VII - INTERNAL ORGANISATION OF THE INSTITUTE

## Article 141

(1) The Institute shall be a public institution to which regulations on institutions apply, unless otherwise specified by this Act.

(2) The Institute shall be a legal person with rights, obligations and responsibilities established by this Act and by its Statute.

(3) The Institute seat shall be in Zagreb.

#### Article 142

(1) Institute operations shall be public.

(2) The Institute shall report to the Croatian Parliament about its work at least once a year.

#### Article 143

(1) The Institute shall conduct its operation in the following organisational units:

- central organisational unit,
- regional organisational units.

(2) The central organisational unit of the Institute shall be the Central Service, with its seat in Zagreb.

#### Article 144

(1) The Institute's Statute shall be adopted by the Steering Committee, and endorsed by the Government of the Republic of Croatia.

(2) The Statute shall particularly establish:

- the scope and names of organisational units,
- rights, obligations and responsibilities of management bodies,
- the performance of professional and administrative, legal and similar tasks, and
- other issues prescribed by law, significant for the Institute operation.

(3) The Statute and other general acts of the Institute establishing the rights and obligations of insurees and beneficiaries of rights shall be published in the Official Gazette.

#### Article 145

(1) The Institute shall have public authority in resolving on the rights and obligations from pension insurance.

(2) The Institute shall perform the following tasks:

1. tasks related to granting pension insurance rights to insured persons on the basis of generational solidarity,
2. ensure the implementation of European Union regulations on the coordination of social security systems or international agreements on social security,
3. ensure the legality of granting rights to insured persons, and provide them with professional assistance in granting those rights,
4. implement a policy of developing and improving pension insurance based on generational solidarity,
5. perform other tasks related to the implementation and the granting of pension insurance rights on the basis of generational solidarity.

(3) The Institute may contract with a state administration body, a local or regional self-government unit and the Croatian Post that they perform for the Institute consultation tasks, provide information to parties, receive, issue and complete documentation regarding the granting of pension insurance rights.

#### Article 146

- (1) The Institute shall be managed by the Steering Committee as stipulated in this Act, in the Statute and in other general acts of the Institute.
- (2) The Steering Committee shall consist of nine members appointed by the Government of the Republic of Croatia, as follows:
  1. four members upon proposal of the minister in charge of the pension system,
  2. two members upon proposal of pensioners' associations,
  3. one member from among trade unions upon proposal of the Economic and Social Council,
  4. one member from among employers upon proposal of the Economic and Social Council,
  5. one member representing the Institute employees.
- (3) The Steering Committee chairman shall be elected by Steering Committee members among themselves, as stipulated in paragraph 2, item 1 of this Article.
- (4) The term of Steering Committee members shall be four years.
- (5) The scope of authority, authorisations and responsibilities of the Steering Committee shall be established by the Institute Statute.

#### Article 147

- (1) The Institute shall have a director.

(2) The Institute director shall have deputy directors and assistant directors.

(3) The Institute director shall be appointed by the Government of the Republic of Croatia, upon proposal of the minister in charge of the pension system, for a term of four years, and based on a completed public announcement procedure.

(4) Deputy directors and assistant directors of the Institute shall be appointed by the Government of the Republic of Croatia, upon proposal of the minister in charge of the pension system.

(5) The scope of authority, authorisations and responsibilities of the director, deputy directors and assistant directors shall be established by the Institute Statute.

#### Article 148

(1) The Institute may have supervisory, professional and consultation bodies.

(2) The composition, founding and tasks of bodies from paragraph 1 of this Article shall be established by the Statute.

#### Article 149

(1) The Institute shall have a single professional service for conducting professional, administrative, legal, economic and other tasks.

(2) The professional service of the Institute shall be organised in a manner ensuring unhindered, rational and successful completion of the Institute operation, as well as the granting of pension insurance rights in a manner accessible to all persons insured by the Institute.

(3) The Institute shall, in a general act, establish work posts filled through public tenders, the term for which a worker is appointed to a position, the means of announcement, the reasons for discharge before the end of appointed term, and other matters regarding work in those positions.

#### Article 150

The ministry in charge of the pension system shall perform administrative supervision of the Institute.

### VIII - FINANCING

#### *1. Pension insurance revenue and expenditures*

#### Article 151

Pension insurance revenue shall include:



1. mandatory pension insurance contributions on the basis of generational solidarity, whose persons liable to pay contributions are insurees, employers, the Republic of Croatia and other persons liable to pay contributions pursuant to regulations establishing contributions,
2. capitalised contributions of mandatory pension fund members who acquired pension exclusively in mandatory pension insurance based on generational solidarity,
3. revenue from the state budget,
4. own revenue,
5. other revenue and income.

#### Article 152

Pension insurance expenditures shall include:

1. pensions, monetary compensations and other appropriations from pension insurance based on the acquired rights,
2. expenses for occupational rehabilitation,
3. expenses related to assessing a complete loss of working capacity, a partial loss of working capacity, a reduced working capacity and the remaining working capacity,
4. expenses related to the payment of pensions and other appropriations from pension insurance,
5. reimbursement of travel expenses in relation to exercising rights,
6. expenses of insurance implementation and expenses for management bodies of the Institute,
7. contributions for specific categories of insurees for which the person liable to pay contributions is the Republic of Croatia,
8. other expenses.

#### *Reporting on operations*

#### Article 153

- (1) The Institute shall submit a report on its annual operation to the Croatian Parliament by 30 June for the previous year.
- (2) The annual report from paragraph 1 of this Article shall contain information about:
  1. insured persons and the beneficiaries of rights,

2. financial operation for the period from 1 January to 31 December of the previous calendar year.

## *2. Contributions*

### Article 154

(1) Contributions for pension insurance, persons liable to pay contributions, bases and calculation rates, manner of calculation, payment periods and other issues regarding the payment of pension insurance contributions shall be established by a special act.

(2) The pension insurance contribution rate shall be established so as to cover planned expenditures with planned revenue from contributions and from other revenue.

## *3. Revenue from the state budget*

### Article 155

(1) The Republic of Croatia shall ensure funds in the state budget:

1) for covering a share of pension insurance obligations, resulting from acknowledging and establishing pensions under more favourable conditions according to special regulations, as follows:

1.1. pensions or parts of pensions for Croatian veterans from the Homeland War from 30 May 1990 to 30 June 1996, and for survivors' pension or parts of survivors' pensions acquired after the death of those Croatian veterans,

1.2. pensions or parts of pensions for Croatian Homeland Army veterans mobilised from 17 April 1941 to 15 May 1945, and for survivors' pensions or parts of survivors' pensions acquired after the death of those veterans,

1.3. pensions or parts of pensions for National Liberation War veterans from 6 April 1941 to 15 May 1945, and for survivors' pensions or parts of survivors' pensions acquired after the death of those veterans,

1.4. pensions or parts of pensions for former political prisoners, and for survivors' pensions or parts of survivors' pensions acquired after the death of those insurees,

1.5. pensions or parts of pensions for the members of the Croatian Academy of Arts and Sciences, and for survivors' pensions or parts of survivors' pensions acquired after the death of those insurees,

1.6. pensions or parts of pensions for the Croatian Parliament members, and for survivors' pensions or parts of survivors' pensions acquired after the death of those insurees,

1.7. pensions or parts of pensions for authorised officials in internal affairs and the judiciary, and for survivors' pensions or parts of survivors' pensions acquired after the death of those insurees,

1.8. pensions or parts of pensions granted to former Yugoslav People's Army members, and for survivors' pensions or parts of survivors' pensions granted after the death of those insurees,

1.9. in other cases prescribed by law.

2) for supplements or pension increases pursuant to special acts determining those rights,

3) for covering insufficient revenue as a result of introducing mandatory pension insurance based on individualised capitalised savings,

4) for covering insufficient revenue based on the reduced contribution rate for farmers, and

5) for contributions for insurees from Article 14 and Article 27, paragraph 6 of this Act.

(2) The Republic of Croatia shall ensure funds in the state budget for pension insurance rights of pupils and students from Article 19, paragraph 1, item 1 of this Act.

#### *4. Financial operation*

##### *Article 156*

(1) Funds for the Institute operation shall be ensured pursuant to this Act and other legislation.

(2) Funds for financing expenditures from Articles 152 and 155 of this Act and their schedule shall be established by a financial plan of the Institute, constituting an integral part of the state budget of the Republic of Croatia.

(3) By way of derogation from paragraph 2 of this Article, revenue accrued in accordance with Article 160 of this Act may be used for special purposes based on subsequently established activities and/or projects, upon a prior approval of the Ministry of Finance.

(4) In case planned revenue from contributions as stipulated by Article 154 of this Act cannot cover planned expenses financed from contributions, the Republic of Croatia shall ensure the remaining insufficient funds for the Institute from the state budget.

##### *Article 157*

(1) Financial operation of the Institute shall be performed through the account of the state budget of the Republic of Croatia.

(2) By way of derogation from paragraph 1 of this Article, the Institute may use an account in a business bank in the Republic of Croatia for the payment of pensions and other pension insurance appropriations to insurees abroad, opened upon approval of the Ministry of Finance.

#### **IX – INSTITUTE'S ASSETS**

##### *Article 158*

Institute's assets shall be real state, movables, stocks, business shares, securities, claims, money and other assets with which the former republic pension and disability insurance funds and their legal predecessors had the right of disposal or ownership.

#### Article 159

(1) In legal transactions, the Institute shall have unlimited legal and business capacity, and shall be entitled to acquire rights and assume obligations in legal transactions.

(2) The Institute shall be liable with its entire assets for obligations assumed in legal transactions.

#### Article 160

(1) For the purpose of increasing assets, the Institute shall be entitled to create companies, companies for the management of funds, or investment companies, credit and financial institutions and agencies.

(2) Monetary assets (profit) accrued from the operation of legal persons from paragraph 1 of this Article may be used to improve the material status of pensioners.

### X - COMPENSATION OF DAMAGES AND UNJUST ENRICHMENT

#### Article 161

(1) The Institute shall have the right to request the compensation of damages for cash benefits paid from pension insurance, for as long as the payment of these benefits lasts, even though those benefits are insured in pension insurance.

(2) The compensation of actual damages which the Institute is entitled to claim in cases stipulated by this Act shall encompass total benefits amounts and expenses paid from pension insurance, as follows:

1. cash benefits paid on the basis of a granted right to pension in the full amount,
2. cash benefits paid on the basis of a granted right to compensation for a physical damage,
3. occupational rehabilitation costs, as well as monetary compensation related to the exercise of that right.

(3) In its application for the compensation of damages, the Institute may include the entire amount of damages (capitalised damages), or the amount of actual damages per payment (individual benefits), referring to a specific period (e.g. a calendar year).

(4) When the damages consist of the obligation to pay permanent cash benefits of the Institute, that amount of damages may also be requested in the full amount (capitalised damages), and shall be calculated according to the amount of granted pension, and the actuarial tables, adopted by the Institute upon a prior opinion of the ministry in charge of finance. The Institute may request the payment of the full amount of the compensation of damages directly from an insurance company.

## Article 162

(1) The Institute shall be entitled to the compensation of damages from the person who caused the reduced working capacity with the remaining working capacity, a partial or complete loss of working capacity, physical damage or death of an insured person.

(2) If the damage from paragraph 1 was caused by a worker at work or in relation to work, the employer and worker shall be jointly and severally liable.

(3) The employer shall be liable for damage from paragraph 1 of this Article if the damage occurred because safety at work measures in the workplace, or measures for the protection of citizens, respectively, were not implemented.

(4) A pension beneficiary shall submit information upon request of the Institute regarding the circumstances surrounding the injury which caused the reduced working capacity with the remaining working capacity, a partial or complete loss of working capacity, and physical damage or death of the insuree, based on which Institute benefits were granted.

## Article 163

The Institute shall be entitled to the compensation of damages from the employer or an occupational rehabilitation centre, if the damage occurred due to their failure to perform a legal or contractual obligation in regards to the occupational rehabilitation of disabled persons.

## Article 164

(1) The Institute shall be entitled to request the compensation of damages in cases from Article 161 of this Act and directly from insurance companies which insured the owners or users of motor vehicles from liability (original right to the compensation of damages).

(2) If the damage occurred with a vehicle whose owner or beneficiary was not insured from motor-vehicle liability, the Institute shall be entitled to request the compensation of damages directly from the owner or user of the motor vehicle in question.

(3) The Institute shall be entitled to request the compensation of damages directly from the Croatian Insurance Bureau if the damage:

1. occurred with an unknown motor vehicle,
2. was caused by a vehicle with a foreign license plate in the territory of the Republic of Croatia, with a valid international motor-vehicle liability insurance document,
3. was caused by an uninsured vehicle with a foreign license plate.

(4) The Institute shall be entitled to request the compensation of damages even when the damages occurred abroad, pursuant to the legislation, legal regulations of the European Union and international agreements.

(5) Provisions of this Act shall apply to determining the actual damage amount in cases from paragraphs 1 to 3 of this Act.

#### Article 165

(1) The statute of limitations for claims for the compensation of damages shall enter into force once the period determined by the Civil Obligations Act has expired.

(2) The statute of limitations period for compensating damages pursuant to this Act shall begin from the finality date of the decision with which the insuree or the beneficiary was granted a pension insurance right.

(3) The Institute shall be entitled to charge interest on arrears prescribed by law to the amount of the compensation of damages, starting with the first day following the 15-day term from the date of the delivery of the notice to compensate damages to the responsible person.

#### Article 166

(1) A person who obtains pension or another pension insurance appropriation not entitled to, shall return it to the Institute on the basis of having been granted unjust enrichment.

(2) The obligation to return benefits received as unjust enrichment (hereinafter: undue payment) shall exist when:

1. a pension insurance right was obtained contrary to this Act,

2. a pension or another appropriation was paid in an amount larger than due,

3. a pension or another appropriation was paid to a legal or natural person whom it does not belong to.

(3) The Institute shall establish the amount of unduly paid, unduly obtained funds, pursuant to this Article, by a decision in administrative proceedings *ex officio*.

(4) The Institute may settle claims for unduly paid funds from paragraphs 1 and 2 of this Article through offsetting from pension appropriations of the beneficiary.

#### Article 167

(1) The employer shall reimburse the Institute for an unduly paid pension or another appropriation if an insuree obtained a pension insurance right, while the employer did not provide, or provided false or inaccurate information which served as the basis for the granting or loss of rights.

(2) The obligation from paragraph 2 of this Article shall also apply to the insuree with an obligation to submit reports or provide information regarding his or her own insurance.

#### Article 168



(1) The statute of limitations for the right of the Institute to establish that an undue payment occurred, and its right to return an undue payment shall be five years after the day that the statute of limitations began.

(2) The statute of limitations for establishing undue payment shall begin after the year in which the Institute gained knowledge about the undue payment, or about the person who received an undue payment.

(3) The statute of limitations for the return of undue payment shall begin from the finality date of the decision which established that an undue payment occurred.

#### Article 169

(1) The statute of limitations period shall not run during the period in which court proceedings or proceedings with another competent authority are under way for the return of an undue payment.

(2) The statute of limitations period regarding the right to establish or return an undue payment, interest and collection costs shall not run during each official activity of the Institute, with the intention of establishing or returning undue payment, interest and collection costs, of which the insuree was informed.

(3) Once activities from paragraph 2 of this Article have been completed, the statute of limitations period shall continue.

#### Article 170

Appropriate provisions of the Civil Obligations Act shall apply to the compensation of damages and undue payments, or to the grating of unjust enrichment, unless they are contradictory to provisions of this Act.

### XI - INSPECTION

#### Article 171

(1) In the course of inspection, a labour inspector shall, by a verbal decision recorded in the minutes, prohibit an employer for a determined period, until irregularities in operation have been eliminated, and for no less than 15 days if irregularities were established for the first time, or 30 days if irregularities were established for the second and every consecutive time, counting from the first verbal decision date, to continue with operation in supervised business facilities or premises, if he or she has established that the employer hired a worker for whom the employer had not obtained mandatory pension insurance from the first day of employment or for the adequate working hours.

(2) The decision from paragraph 1 shall be implemented by sealing off business premises, plants, machinery and other equipment for work, or in another appropriate manner, without adopting a special act on permitting the decision implementation, within five days from the date the verbal decision recorded in the minutes.

(3) By way of derogation, the measure of prohibiting operation from paragraph 1 of this Article shall not be implemented, and the verbal decision shall be withdrawn, if the employer against whom the measure was put in place, provides evidence to the competent labour inspector that he or she has eliminated irregularities from operation and paid the amount of HRK 30,000.00 to the state budget for each worker from paragraph 1 of this Article.

(4) The employer to whom the verbal decision from paragraph 1 of this Article was issued, may, within 24 hours from the date his or her premises were sealed off, request to have his or her premises unsealed temporarily to immediately remove perishable goods and undertake other safety measures to avoid damages, all in the presence of a labour inspector.

(5) The decision from paragraph 1 of this Article shall not be implemented by sealing off facilities, premises, plants, machinery and other equipment for work in business activities concerning the supply of electricity, thermal energy, gas, steam and air conditioning; water supply, waste collection and disposal, as well as in educational institutions, cultural institutions, healthcare institutions, social services institutions, in mandatory insurance institutions, transport of the deceased; and in the plant and animal production.

(6) The implementation of the decision from paragraph 5 of this Article shall be implemented in another adequate manner.

(7) An appeal against the decision from paragraph 1 of this Article shall not delay its implementation.

## XII - MISDEMEANOUR PROVISIONS

### Article 172

(1) The employer or person liable to pay contributions shall be fined for a misdemeanour in the amount from HRK 5,000.00 to 50,000.00 if:

1. he or she does not report the beginning or termination of operation or changes in operation, or when he or she does so after the term prescribed (Article 112, paragraph 1, item 1),

2. for the purpose of establishing the accuracy of data and facts on which an insuree's pension insurance right depends, prevents the verification of business records, financial documentation or other records (Article 109, paragraph 1),

3. he or she does not report the beginning or termination of insurance or changes during insurance, or when he or she does so after the term prescribed (Article 112, paragraph 1, item 2),

4. he or she enters incorrect information into documentation submitted to pension insurance records (Article 108, paragraph 6).

(2) The responsible person shall also be fined for acts from paragraph 1 of this Article with HRK 1,000.00 to 10,000.00.

### Article 173

A business bank or another person engaged in payment transactions in the Republic of Croatia, and postal services shall be fined in the amount of HRK 10,000.00 to 100,000.00, unless they act as requested by the Institute, as stipulated by Article 97, paragraph 5 of this Act.

#### Article 174

(1) The insuree who is a sole person liable to pay contributions to pension insurance shall be fined for a misdemeanour in the amount from HRK 1,000.00 to 10,000.00 if:

1. he or she does not submit information about the beginning or termination of operation or changes in operation, or when he or she does so after the term prescribed (Article 112, paragraph 1, item 1),
2. he or she does not submit information about the beginning or termination of insurance or changes during insurance, or when he or she does so after the term prescribed (Article 112, paragraph 1, item 2).

### XIII - TRANSITIONAL AND FINAL PROVISIONS

#### Article 175

(1) Persons from Article 10, paragraph 1, items 4 to 6, and Article 11 of this Act shall not have mandatory insurance if they are pension beneficiaries, with the exception of disability pension beneficiaries based on occupational incapacity for work granted until the entry of this Act into force, and disability pension beneficiaries based on a partial loss of working capacity granted pursuant to this Act.

(2) Beneficiaries of old-age pension, early retirement pension, disability pension, survivors' pension, minimum pension, protective pension supplement, supplement for care and assistance, and monetary compensation for physical damage, minimum pension, who acquired those rights based on pension and disability insurance in force until this Act entered into force, shall retain those rights after that date in the equivalent scope, which shall be harmonised with this Act.

(3) Pension beneficiaries from paragraph 2 of this Article shall not receive minimum pension during employment or when engaged in business activities which entail mandatory pension insurance.

(4) Disability pension beneficiaries based on occupational incapacity for work due to disability as stipulated by Article 34, paragraph 1 of the Pension Insurance Act (OG 102/98, 127/00, 59/01, 109/01, 147/02, 117/03, 30/04, 177/04, 92/05, 43/07 – Decision of the Constitutional Court of the Republic of Croatia; 79/07, 35/08, 40/10 – Decision of the Constitutional Court of the Republic of Croatia; 121/10, 130/10 revised text, 61/11, 114/11, 76/12 and 133/13), who acquired those rights based on pension insurance regulations which were in force until the entry of this Act into force, shall retain their rights on that basis following the entry of this Act into force in the same scope, with the application of pension factor from Article 80, paragraph 1, items 4, 5 and 6 of the Act in question.

(5) Disability pension beneficiaries based on occupational incapacity for work as stipulated by Article 174, paragraphs 1 to 3 of the Pension Insurance Act (OG 102/98, 127/00, 59/01, 109/01, 147/02, 117/03, 30/04, 177/04, 92/05, 43/07 – Decision of the Constitutional Court of the Republic of Croatia; 79/07, 35/08, 40/10 – Decision of the Constitutional Court of the Republic of Croatia; 121/10, 130/10 revised text, 61/11, 114/11, 76/12 and 133/13) shall retain their rights on that basis following the entry of this Act into force in the same scope, with the application of pension factor from Article 174, paragraph 3 of the Act in question.

(6) Disability pension beneficiaries based on occupational incapacity for work, who acquired that pension based on Article 174, paragraph 3, items 3 and 4 of the Pension Insurance Act (OG 102/98, 127/00, 59/01, 109/01, 147/02, 117/03, 30/04, 177/04, 92/05, 43/07 – Decision of the Constitutional Court of the Republic of Croatia; 79/07, 35/08, 40/10 – Decision of the Constitutional Court of the Republic of Croatia; 121/10, 130/10 revised text (61/11, 114/11, 76/12 and 133/13), shall have the period of part-time employment included to their insurance periods once the right to that pension was granted, as a double duration of the employment period, but no longer than up to full time and for no longer than twelve months in each calendar year.

(7) Disability pension beneficiaries based on a general inability to work, who acquired that pension pursuant to general regulations before the entry of this Act into force, shall have that right transferred in the same amount, and *ex officio*, to old-age pension once they reach the age from Article 33, or 180 of this Act.

(8) The transfer of disability pensions based on a general inability to work from paragraph 7 of this Act, and beneficiaries of rights from Article 58 of this Act for beneficiaries who will reach the age required by Article 33 or Article 180 of this Act by 31 December 2014, shall be completed within a year counting from the date this Act enters into force.

#### Article 176

(1) The actual pension value in force on 31 December 2013 shall apply in the implementation of Article 88 of this Act when establishing and indexing pensions pursuant to Article 79, paragraphs 1 and 2, and Articles 81 to 87 of this Act.

(2) The actual pension value in force on 31 December 2013 shall apply in the implementation of Article 89 of this Act when establishing and indexing pensions or parts of pensions established or acquired pursuant to special acts under more favourable conditions.

(3) The actual pension value from Article 89 of this Act shall apply to the entire pension when establishing and indexing pensions granted or acquired pursuant to special acts under more favourable conditions, in the period from 1 January to 31 December 2014.

(4) The actual pension value from Article 88 of this Act shall apply when establishing and indexing pensions granted or acquired under more favourable conditions from paragraph 3 of this Article to the part of pensions established pursuant to Article 80, paragraph 3 of this Act from 1 January 2015.

#### Article 177

The amount of obligations from the state budget from Article 155, paragraph 1 of this Act, or the part of pension which pension beneficiaries acquired pursuant to special acts under more favourable conditions shall be established according to Article 80 of this Act until 31 December 2014.

#### Article 178

For beneficiaries whose part of pension was established or granted pursuant to special acts under more favourable conditions, the Institute shall render a decision on parts of the pension they are entitled to on 31 December 2014, within one year from the entry of this Act into force.

#### Article 179

In regards to pensions granted pursuant to the Act on Special Pension Insurance Rights and Rights Pertaining to Unemployment for Employees in Istrian Coal Mines Tupljak d.d. Labin (OG 19/99) and the Act on Old-age Pension Conditions for Workers Occupationally Exposed to Asbestos (OG 79/07, 149/09 and 139/10), the actual pension value from Article 88 of this Act shall be used for establishing and indexing pensions.

#### Article 180

(1) By way of derogation from Article 33, paragraph 1 of this Act, a female insuree shall be entitled to old-age pension once she accrues 15 years of qualifying periods, and

- in the year 2014 – the age of 61 years,
- in the year 2015 – the age of 61 years and 3 months,
- in the year 2016 – the age of 61 years and 6 months,
- in the year 2017 – the age of 61 years and 9 months,
- in the year 2018 – the age of 62 years,
- in the year 2019 – the age of 62 years and 3 months,
- in the year 2020 – the age of 62 years and 6 months,
- in the year 2021 – the age of 62 years and 9 months,
- in the year 2022 – the age of 63 years,
- in the year 2023 – the age of 63 years and 3 months,
- in the year 2024 – the age of 63 years and 6 months,
- in the year 2025 – the age of 63 years and 9 months,
- in the year 2026 – the age of 64 years,

- in the year 2027 – the age of 64 years and 3 months,
- in the year 2028 – the age of 64 years and 6 months,
- in the year 2029 – the age of 64 years and 9 months.

(2) In the period from the entry of this Act into force until 31 December 2029, by way of derogation from Article 85, paragraph 3 of this Act, for a female insuree who is granted the right to pension for the first time, the initial factor for determining old-age pension after reaching the age from paragraph 1 of this Article shall be increased for the percentage from Article 85, paragraph 3 of this Act for each month which passed from reaching pension age to the date that right was granted, and for a maximum of five years, on the condition that qualifying periods from Article 85, paragraph 3 of this Act are accrued.

#### Article 181

(1) By way of derogation from Article 33 of this Act, insurees whose insurance periods were calculated with extended duration until 15 July 1999 pursuant to regulations in force at that time, the pension age prescribed for granting old-age pension shall be reduced, depending on the rate of qualifying periods increase, as follows:

1. by one year, for each 6 months of insurance periods which is calculated as 14 months of insurance periods for effectively accrued 12 months,
2. by one year, for each 5 months of insurance periods which is calculated as 15 months of insurance periods for effectively accrued 12 months
3. by one year, for each 4 months of insurance periods which is calculated as 16 months of insurance periods for effectively accrued 12 months,
4. by one year, for each 3 months of insurance periods which is calculated as 18 months of insurance periods for effectively accrued 12 months.

(2) Insurees whose insurance periods were calculated with extended duration in the period from 16 July 1999, the pension age prescribed for old-age pension pursuant to Article 33 of this Act shall be reduced, depending on the rate of qualifying periods increase accrued from 16 July 1999 until the entry of this Act into force, pursuant to Articles 8 and 14 of the Act on Pension Insurance Periods with Extended Duration (OG [71/99](#), [46/07](#) and [41/08](#)).

(3) In the period from the entry of this Act into force until 31 December 2029, a female insuree shall have the pension age for old-age pension reduced on the basis of insurance periods with extended duration, based on the pension age determined by Article 180 of this Act.

(4) Insurees from Article 16, paragraphs 2 and 3 of this Act, shall have their insurance periods with extended duration calculated only in the period from their embarkation to their disembarkation from a vessel, listed in the beneficiary's seaman's book.

#### Article 182



By way of derogation from Article 34, paragraph 1 of this Act, a female insuree shall be entitled to early retirement pension when she reaches:

- in the year 2014 – the age of 56 years and 31 years of qualifying periods,
- in the year 2015 – the age of 56 years and 3 months, and 31 years and 3 months of qualifying periods,
- in the year 2016 – the age of 56 years and 6 months, and 31 years and 6 months of qualifying periods,
- in the year 2017 – the age of 56 years and 9 months, and 31 years and 9 months of qualifying periods,
- in the year 2018 – the age of 57 years and 32 years of qualifying periods,
- in the year 2019 – the age of 57 years and 3 months, and 32 years and 3 months of qualifying periods,
- in the year 2020 – the age of 57 years and 6 months, and 32 years and 6 months of qualifying periods,
- in the year 2021 – the age of 57 years and 9 months, and 32 years and 9 months of qualifying periods,
- in the year 2022 – the age of 58 years and 33 years of qualifying periods,
- in the year 2023 – the age of 58 years and 3 months, and 33 years and 3 months of qualifying periods,
- in the year 2024 – the age of 58 years and 6 months, and 33 years and 6 months of qualifying periods,
- in the year 2025 – the age of 58 years and 9 months, and 33 years and 9 months of qualifying periods,
- in the year 2026 – the age of 59 years and 34 years of qualifying periods,
- in the year 2027 – the age of 59 years and 3 months, and 34 years and 3 months of qualifying periods,
- in the year 2028 – the age of 59 years and 6 months, and 34 years and 6 months of qualifying periods,
- in the year 2029 – the age of 59 years and 9 months, and 34 years and 9 months of qualifying periods

In the period from the entry of this Act into force to 31 December 2030, by way of derogation from Article 85, paragraph 2 of this Act, the initial factor for determining early retirement pension for a female insuree obtaining the right to that pension shall be:

in the year 2014:

- with accrued up to and 32 years of qualifying periods: 0.34% per month,
- with accrued 33 years of qualifying periods: 0.32% per month,
- with accrued 34 years of qualifying periods: 0.30% per month,
- with accrued 36 years of qualifying periods: 0.25% per month,
- with accrued 37 years of qualifying periods: 0.15% per month,
- with accrued 38 years of qualifying periods: 0.10% per month,

in the year 2015:

- with accrued up to and 32 years and 3 months of qualifying periods: 0.34% per month,
- with accrued 33 years and 3 months of qualifying periods: 0.32% per month,
- with accrued 34 years and 3 months of qualifying periods: 0.30% per month,
- with accrued 36 years and 3 months of qualifying periods: 0.25% per month,
- with accrued 37 years and 3 months of qualifying periods: 0.15% per month,
- with accrued 38 years and 3 months of qualifying periods: 0.10% per month,

in the year 2016:

- with accrued up to and 32 years and 6 months of qualifying periods: 0.34% per month,
- with accrued 33 years and 6 months of qualifying periods: 0.32% per month,
- with accrued 34 years and 6 months of qualifying periods: 0.30% per month,
- with accrued 36 years and 6 months of qualifying periods: 0.25% per month,
- with accrued 37 years and 6 months of qualifying periods: 0.15% per month,
- with accrued 38 years and 6 months of qualifying periods: 0.10% per month,

in the year 2017:

- with accrued up to and 32 years and 9 months of qualifying periods: 0.34% per month,

- with accrued 33 years and 9 months of qualifying periods: 0.32% per month,
- with accrued 34 years and 9 months of qualifying periods: 0.30% per month,
- with accrued 36 years and 9 months of qualifying periods: 0.25% per month,
- with accrued 37 years and 9 months of qualifying periods: 0.15% per month,
- with accrued 38 years and 9 months of qualifying periods: 0.10% per month,

in the year 2018:

- with accrued up to and 33 years of qualifying periods: 0.34% per month,
- with accrued 34 years of qualifying periods: 0.32% per month,
- with accrued 35 years of qualifying periods: 0.30% per month,
- with accrued 37 years of qualifying periods: 0.25% per month,
- with accrued 38 years of qualifying periods: 0.15% per month,
- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2019:

- with accrued up to and 33 years and 3 months of qualifying periods: 0.34% per month,
- with accrued 34 years and 3 months of qualifying periods: 0.32% per month,
- with accrued 35 years and 3 months of qualifying periods: 0.30% per month,
- with accrued 37 years of qualifying periods: 0.25% per month,
- with accrued 38 years of qualifying periods: 0.15% per month,
- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2020:

- with accrued up to and 33 years and 6 months of qualifying periods: 0.34% per month,
- with accrued 34 years and 6 months of qualifying periods: 0.32% per month,
- with accrued 35 years of qualifying periods: 0.30% per month,
- with accrued 37 years of qualifying periods: 0.25% per month,
- with accrued 38 years of qualifying periods: 0.15% per month,

- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2021:

- with accrued up to and 33 years and 9 months of qualifying periods: 0.34% per month,

- with accrued up to 34 years and 9 months of qualifying periods: 0.32% per month,

- with accrued 35 years of qualifying periods: 0.30% per month,

- with accrued 37 years of qualifying periods: 0.25% per month,

- with accrued 38 years of qualifying periods: 0.15% per month,

- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2022:

- with accrued up to and 34 years of qualifying periods: 0.34% per month,

- with accrued 35 years of qualifying periods: 0.32% per month,

- with accrued 36 years of qualifying periods: 0.30% per month,

- with accrued 37 years of qualifying periods: 0.25% per month,

- with accrued 38 years of qualifying periods: 0.15% per month,

- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2023:

- with accrued up to and 34 years and 3 months of qualifying periods: 0.34% per month,

- with accrued 35 years and 3 months of qualifying periods: 0.32% per month,

- with accrued 36 years of qualifying periods: 0.30% per month,

- with accrued 37 years of qualifying periods: 0.25% per month,

- with accrued 38 years of qualifying periods: 0.15% per month,

- with accrued 39 years of qualifying periods: 0.10% per month,

in the year 2024:

- with accrued up to and 34 years and 6 months of qualifying periods: 0.34% per month,

- with accrued up to 35 years and 6 months of qualifying periods: 0.32% per month,

- with accrued 36 years of qualifying periods: 0.30% per month,
  - with accrued 37 years of qualifying periods: 0.25% per month,
  - with accrued 38 years of qualifying periods: 0.15% per month,
  - with accrued 39 years of qualifying periods: 0.10% per month,
- in the year 2025:

- with accrued up to and 34 years and 9 months of qualifying periods: 0.34% per month,
  - with accrued 35 years and 9 months of qualifying periods: 0.32% per month,
  - with accrued 36 years of qualifying periods: 0.30% per month,
  - with accrued 37 years of qualifying periods: 0.25% per month,
  - with accrued 38 years of qualifying periods: 0.15% per month,
  - with accrued 39 years of qualifying periods: 0.10% per month,
- in the year 2026:

- with accrued up to and 35 years of qualifying periods: 0.34% per month,
  - with accrued 36 years of qualifying periods: 0.30% per month,
  - with accrued 37 years of qualifying periods: 0.25% per month,
  - with accrued 38 years of qualifying periods: 0.15% per month,
  - with accrued 39 years of qualifying periods: 0.10% per month,
- in the year 2027:

- with accrued up to and 35 years and 3 months of qualifying periods: 0.34% per month,
  - with accrued 36 years and 3 months of qualifying periods: 0.30% per month,
  - with accrued 37 years and 3 months of qualifying periods: 0.25% per month,
  - with accrued 38 years and 3 months of qualifying periods: 0.15% per month,
  - with accrued 39 years and 3 months of qualifying periods: 0.10% per month,
- in the year 2028:

- with accrued up to and 35 years and 6 months of qualifying periods: 0.34% per month,

- with accrued 36 years and 6 months of qualifying periods: 0.30% per month,
  - with accrued 37 years and 6 months of qualifying periods: 0.25% per month,
  - with accrued 38 years and 6 months of qualifying periods: 0.15% per month,
  - with accrued 39 years and 6 months of qualifying periods: 0.10% per month,
- in the year 2029:

- with accrued up to and 35 years and 9 months of qualifying periods: 0.34% per month,
- with accrued 36 years and 9 months of qualifying periods: 0.30% per month,
- with accrued 37 years and 9 months of qualifying periods: 0.25% per month,
- with accrued 38 years and 9 months of qualifying periods: 0.15% per month,
- with accrued 39 years and 9 months of qualifying periods: 0.10% per month.

#### Article 184

- (1) Persons who do not have an insuree status pursuant to this Act on 1 January 2014, but had the status of an insuree pursuant to former regulations, may be granted rights from pension insurance pursuant to conditions stipulated by this Act.
- (2) Persons to whom European Union regulations on the coordination of social security systems apply and persons insured by a foreign social security holder in a country with which an international agreement on social security was concluded, shall be considered as persons who had an insuree status as stipulated by paragraph 1 of this Article.
- (3) The right to survivors' pension pursuant to this Act may cover family members of persons from paragraphs 1 and 2 of this Article, and family members of pension beneficiaries who acquired that status pursuant to previous regulations, provided they fulfil the conditions for family members prescribed by this Act.

#### Article 185

- (1) Upon application of the pension beneficiary who is a Croatian citizen with a recognised right to pension from 1 January 1992 until the entry of this Act into force pursuant to general regulations from pension insurance of the Republic of Croatia, whose total qualifying periods include insurance periods accrued by 8 October 1991 pursuant to previous regulations establishing the rights of military insurees, the pension in question shall be redetermined by calculating the salary in those insurance periods (personal income and special supplements) accrued in the former Yugoslav People's Army in the amount of 63.22%.
- (2) Pension from paragraph 1 of this Article shall be granted from the first day of the month following the date of submitting the application.



(3) Provisions of paragraphs 1 and 2 of this Article shall not apply to persons who acquired the right to pension based on insurance periods in the former Yugoslav People's Army unrelated to the Croatian pension insurance system, or when the total qualifying periods accrued in the Republic of Croatia were shorter than twelve months.

#### Article 186

(1) Persons whose status of an insuree - farmer was granted pursuant to regulations establishing the pension insurance of farmers from 1 January 1980 until the entry of this Act into force, may submit an application to the Institute to withdraw from that insurance on the day they reached the age of 65.

(2) Forest owners and members of their households entered into the register of forest owners before the entry of this Act into force may be insured pursuant to Article 11 of this Act upon personal request, but no earlier than 1 January 2014.

#### Article 187

(1) The procedure for granting pension insurance rights obtained by 31 December 2013 and the procedure for establishing qualifying periods initiated before 31 December 2013 shall be completed pursuant to regulations in force until that time.

(2) Administrative disputes regarding paragraph 1 of this Article shall be completed pursuant to regulations in force until 31 December 2013.

#### Article 188

By way of derogation from Article 104, paragraph 1, item 5 of the Labour Act (OG 149/09, 61/11, 82/12 and 73/13), an employment contract shall not terminate upon submission of an enforceable decision on disability pension based on a partial loss of working capacity.

#### Article 189

(1) The regulation from Article 127 of this Act shall be adopted by the Government of the Republic of Croatia within three months from the day this Act enters into force.

(2) The Statute of the Institute shall be adopted by the Steering Committee within two months from the day this Act enters into force.

(3) The ordinance from Article 26, paragraph 3 of this Act shall be adopted by the minister in charge of pension insurance within one month, and general acts from Article 54, Article 78, paragraph 1, Article 104, paragraph 2, Article 105, paragraph 2, Article 106, paragraph 3, Article 107, paragraph 1, Article 108, paragraph 1, Article 109, paragraph 3, Article 140, paragraph 2, and Article 149, paragraph 3 of this Act shall be adopted by the Steering Committee of the Institute within two months from the day this Act enters into force.

(4) Until new acts have been adopted, acts adopted pursuant to the Pension Insurance Act (OG 102/98, 127/00, 59/01, 109/01, 147/02, 117/03, 30/04, 177/04, 92/05, 43/07, – Decision of the Constitutional Court of the Republic of Croatia; 79/07, 35/08, 40/10 – Decision of the Constitutional Court of the Republic of Croatia; 121/10, 130/10 – revised text, 61/11, 114/11,

76/12 and 133/13), which was in force until this Act entered into force shall apply, provided they are not contradictory to this Act.

#### Article 190

(1) In the period from the entry of this Act into force until occupational rehabilitation centres have been founded, the occupational rehabilitation from Articles 44 to 55 of this Act shall be ensured by the employer who was the last employer of the insuree before the onset of a reduced working capacity with the remaining working capacity.

(2) When occupational rehabilitation cannot be performed at the employer's premises from paragraph 1 of this Article, the Institute shall ensure occupational rehabilitation in an institution for occupational rehabilitation and employment of disabled persons.

#### Article 191

On the day of entry of this Act into force, the Pension Insurance Act (OG 102/98, 127/00, 59/01, 109/01, 147/02, 117/03, 30/04, 177/04, 92/05, 43/07, – Decision of the Constitutional Court of the Republic of Croatia, 79/07, 35/08, 40/10 – Decision of the Constitutional Court of the Republic of Croatia, 121/10, 130/10 - revised text, 61/11, 114/11, 76/12 and 133/13) shall cease to have effect.

#### Article 192

This Act shall be published in the Official Gazette and shall enter into force on 1 January 2014.

Class: 022-03/13-01/256

Zagreb, 13 December 2013

THE CROATIAN PARLIAMENT

President  
of the Croatian Parliament

**Josip Leko, m. p.**