

Phone +32 2 282 05-50
info@dsv-europa.de

www.dsv-europa.de
Transparency Register
No. 917393784-31

German Social Insurance
European representative office
50 Rue d'Arlon
B-1000 Brussels, Belgium



Deutsche Sozialversicherung
Europavertretung

Public consultation of the EU Commission on the Green Paper on Ageing: Promoting intergenerational solidarity and responsibility from January 17, 2021

German Social Insurance contribution on 21.04.2021

The German Federal Pension Insurance, the German Social Accident Insurance, the National Association of Statutory Health Insurance Funds, the national associations for statutory health and longterm care insurance funds and the Social Insurance for Agriculture, Forestry and Horticulture have all joined forces to form the "German Social Insurance – European working group" in view of their common European policy interests.

This association represents the interests of its members vis-à-vis the EU bodies and other European institutions, and it will advise the relevant actors with regard to the context of current legislative projects and initiatives.

Health and long-term care insurance, pension insurance and accident insurance, being part of the statutory insurance system, provide effective protection against the consequences of major life risks.

I. Preliminary remarks

The leading organisations welcome the fundamental debate on the challenges and opportunities of ageing – launched by the European Commission in its Green Paper on Ageing. They would like to participate in the debate through this opinion. The contributions are restricted to the questions that are relevant to the institutions responsible for statutory accident insurance, pension, health and long-term care insurance.

II. Comments



Laying the foundation (Chapter 2 of the Green Paper)

1. How can policies promote life-long healthy and active ageing for all from early childhood? How can children and young people be helped to be better equipped for the prospect of longer life expectancies? What kind of support can the EU provide to member states?

It is the responsibility of all Member States and the EU to organise a healthy livelihood for all of its citizens. Maintaining the health of the population and enabling long lives in good health are subject to a variety of factors. Therefore the EU Commission should pursue the "Health in all policies" approach, on which its cancer plan also relies.

Health must be maintained and promoted from an early age. In line with the approach based on the course of life, health should be promoted through early lifelong measures and frameworks should be put in place to prevent health threats.

The acquisition of safety and health expertise should be promoted in cooperation with educators and the institutions responsible for education, starting with children, adolescents and young adults and it should be integrated into all forms of initial, advanced and continuing vocational training, i.e. it should become an integral part of curricula and training programmes. Social security institutions can also make their contribution. For example, in Germany the statutory accident insurance institutions are taking action through their "Promoting early education with safety and health" or "Good healthy schools" or "Healthy universities" concepts. The health insurance funds are participating in partnerships in health-promoting projects and programmes for the integrated promotion of education and health in day-care centres, schools and universities, focusing on preventative behaviour and environment-related orientation.

2. What are the main obstacles to lifelong learning? At what stage of life might the removal of these barriers contribute most to making lifelong learning possible? How should this question be specifically addressed in rural and remote areas?

Lifelong learning is one aspect of meeting the challenges posed by demographic change. It starts as early as the first years of life. An important foundation for social learning as well as learning experiences regardless of origin is found in the pre-school educational institutions as part of the living environment approach. The phase of life from 1 to 5 years is very formative not only for the following years of schooling but for the entire life. In the case of chronic illness and disability, rehabilitation for children and adolescents can help them to better manage their health problems and develop resources for everyday life. This also increases the chance of being able to actively participate in work / life later on. With a view to lifelong learning in the context of prevention and rehabilitation, the expansion of digital services is gaining in importance in addition to cooperation in municipal structures.



Expertise, especially in terms of safety and health, but also with regard to digitisation and new media, must be continuously developed.

Learning preferences and learning requirements are very heterogeneous and some employees learn more within the context of work than outside of it. One challenge may be for employees to adopt new learning strategies and mechanisms in order to relearn how to "learn".

Accordingly, learning opportunities should be conceived within the framework of a work design that promotes performance, learning and health, ideally with the participation of those concerned.

The digitisation of the working world brings new challenges for all employees. Compared to the generation of "digital natives", it could be assumed that older people have less access to basic skills when dealing with digital media. However, employees of all ages have to adapt and, in some cases, completely relearn in the rapidly changing working world. The development of digital literacy depends less on age than on digital affinity. Therefore it is primarily the quality and suitability of teaching and learning that influences whether workers can perform their tasks competently and reliably in the long-term.

The maintenance of employability should be supported throughout the working life by appropriate design concepts whilst taking the changing performance capacities into consideration. Continuing education efforts should be increased for all age groups and all formal educational backgrounds. It is important that the needs and requirements of older employees are also taken into account and that they are not excluded on the basis of stereotypes / age discrimination. Managers can play a decisive role in this.

Making the most of our working lives (Chapter 3 of the Green Paper)

3. Which innovative policy measures to improve labour force participation, especially that of older workers, should be considered in more detail?

In line with the approach based on the course of life, framework conditions for the prevention of accidents, illnesses and work-related health hazards should be created through effective preventive measures and early health promotion throughout the working life. Appropriate safety and health expertise must be built up, maintained and promoted.

Maintaining the employability of ageing workforces, designing flexible and inclusive labour markets and promoting untapped potential in terms of participation in employment and productivity is crucial.

Safe and healthy workplaces are important for people's well-being and healthy ageing since work is an essential part of the lives of most people. A working environment must be created that meets their professional needs and will enable them to participate in the labour market for a long time. The organisation and design of work, geared to the phase of life and age, e.g. through working



time models, workplace design adapted or adaptable to age, and health and further training programmes, will play a decisive role in the motivation, health and maintenance of employability.

Therefore, vocational qualifications and lifelong learning are needed to acquire and maintain skills and to successfully manage transitions in the labour market. In this context, workers are entitled to a high level of health and safety protection at work in line with the European Pillar of Social Rights.

Preventive approaches to safeguarding employability include behaviour and environment-oriented measures that will be present during the entire working life. The aim is to maintain the employability of the working population for as long as possible through targeted prevention. Prevention and care services appropriate to old age must be coordinated and geared to people's needs.

Preventive services with a focus on exercise, nutrition and stress reduction with the aim of maintaining employability are becoming increasingly important in middle-aged and advanced work life when employees might experience their first health restrictions. However, medical and occupational rehabilitation measures might be indicated by any functional limitations that have already manifested themselves, e.g. as a result of acute events or chronic illnesses that have impaired participation in the labour market. In the company context, company functionaries/stakeholders have a gatekeeper and key function here in order to advise employees on company health management, company disability management, prevention and services for participating in medical and occupational rehabilitation and this will actively contribute to maintaining employability. Preventive services should always take precedence over rehabilitation and pension services.

All measures that contribute to the reintegration into the labour market of employees who have temporarily withdrawn from working life for health reasons are also helpful.

Employees, who are exposed to severe physical and/or psychological stresses in their jobs, are not always able to continue working in these jobs until they retire. Employees affected by an occupational disease should be offered the prospect of changing their occupation at an early stage. Good concepts are needed from the accident insurance institutions which take into account the practical feasibility of changing an occupation. The "new" occupation should have fewer or different burdens but be at a similar level of qualification and hierarchy as far as possible. In this context, the transparency of employment systems and the financing of career changes, taking into account existing tools such as retraining measures accompanied by transitional financial allowances, are also important.

The career transition guide developed by the Institute for Work and Health of the German Statutory Accident Insurance can support the search for a suitable alternative occupation.

In this context, health burdens should be identified at an early stage using qualifying tools in order to enable employees to remain in employment until



retirement. A pioneering step in this direction would be to refer companies, as well as individuals, to programmes for reducing initial health impairments and for participating in the working life. The identification of focal points of need and priority target groups for preventive workplace management at company level can also be supported by anonymised data from health, accident and pension insurance providers (regarding incapacity to work and accidents as well as early retirement).

Financial incentives to continue working beyond the earliest possible retirement age can also be improved. This includes the possibility of receiving a partial pension in addition to gainful employment.

Finally, it is important to involve people who cannot be reached through a work-related environment. This applies to the non-active population, the unemployed or people who have quit the working life.

New opportunities and challenges in retirement (Chapter 4 of the Green Paper)

7. What services and favourable framework conditions would need to be created or improved in order to ensure the autonomy, independence and rights of older people and to enable their participation in society?

The participation of older people in social and community life is an integral task for the society as a whole. The main aim is to support the meaningful transition of older people from the working life. A stimulating, health-promoting living environment and age-appropriate housing options can contribute to healthy ageing.

Although preventive services and benefits for participation (medical and occupational rehabilitation) aim, among other things, to maintain the employability and thus, the autonomy and financial independence of the insured, they also contribute to the social and occupational participation of older working people and this will enable them to participate in society. This also includes improving the age-adjusted prevention services, an attitude of recognition and support, and measures for reducing the need for long-term care.

In the event of a need for support or care, services that provide solutions for maximising independent living should be offered. Within the broad spectrum of responsibilities, social long-term care insurance can, as in Germany, perform important functions in outpatient or inpatient basic care, thereby supporting the care of those affected and their families. It is a decisive contribution to maintaining participation in social life despite the need for long-term care, but it is neither a comprehensive insurance nor can it satisfy and meet all needs of a special life situation with often pronounced limitations. Nevertheless, it can still give people choices, as in Germany. The decision as to which benefits in kind are actually claimed or how the cash benefits are used depends on the specific life situation and the individual needs or preferences and it is the responsibility of the person entitled to the benefits to make the choice. The social longterm care insurances



also provide advice and support to those affected and their relatives or caregivers.

9. How can the EU support member states' efforts to ensure greater fairness in social welfare schemes across generations, gender, age and income groups and to ensure that these schemes keep them financially sound?

Solidarity is the bonding for democratic societies and it is supported by the majority of people. A well-balanced system of protection in the event of illness, loss of work, withdrawal from working life and the need for long-term care are important cornerstones of social security. It is necessary to ensure that solidarity enables people to live in dignity through a fair distribution of burdens and that it is widely supported.

Germany has developed a good basis with its pay-as-you-go scheme. This builds on functioning labour markets. Creating the necessary framework conditions for this and meeting demographic and global challenges is a joint task for the EU and its member states.

In the old-age provision sector, the aim must be to distribute additional burdens on the provision systems, e.g. due to demographic developments, as appropriately as possible among contributors, pensioners and the state. Important parameters are the contribution rate, the benefit level and the statutory retirement age. It is essential that the further development of the schemes is supported by the broadest possible social consensus for the financial sustainability (soundness) and social sustainability (acceptance) of pension schemes. This is particularly true with regard to the adjusting screws mentioned above. The EU can support its member states' efforts in this area by providing as much information as possible on developments within the member states and this will promote transparency and the use of best practices.

The design of the solidarity principle in statutory health and long-term care insurance follows these principles:

- young / old, i.e. everyone receives the benefits they need according to their individual needs, regardless of their contribution,
- men / women - men and women pay the same amount of premiums on the same amount of income, although gender-specific expenses are higher for insured women due to pregnancies, births, and life expectancy,
- rich / poor, i.e. everyone pays contributions according to their ability to pay; usually measured by their earned income or wage replacement benefits,
- singles / families - childless persons support families through the non-contributory co-insurance of children or spouses without their own income. Childless persons also pay 0.25 contribution rate points more for social long-term care insurance.

These principles are regularly amended. For example, in Germany the minimum contribution to health and long-term care insurance was significantly reduced



for the self-employed in 2019 in order to avoid excessive financial burden and debt.

10. How can the risks of poverty in old age be reduced and addressed?

The risk of poverty in old age may increase as a result of interrupted or incomplete working careers and the expansion of employment in the low-wage sector. Therefore priority should be given to creating or extending incentives and opportunities to maintain and expand employment and to increase fairly paid job offers as measures for avoiding poverty in old age.

Unlike in other phases of life, there are only limited opportunities for preventing old-age poverty, e.g. through further training or prolonged working hours. Therefore, at this stage, poverty in old age can hardly be avoided, but at best compensated for by transfer payments. Given the sometimes very different historical development paths of old-age provision and political preferences, the member states have found different answers - either in their pension schemes or in their subsidiary, means-tested social welfare schemes. Both are viable ways to compensate for old-age poverty through transfer payments.

11. How can we ensure adequate pensions for those (especially women) who do unpaid work (often care work) for long periods during their work lives?

On average, women's pensions continue to lag behind those of men. In its report on the effects of demographic change in Europe, the EC rightly points out the causes, which often lie in the poorer employment situation of women. Therefore it is crucial to increase the participation of women in the labour market, especially in full-time or part-time jobs and in professions with higher wage levels. A better work-life balance, supported by high quality and affordable professional services for caring children of all ages, is an essential prerequisite for this. Another goal is to reduce the wage disparity between the genders. The "principle of equal pay for equal work and work of equal value" must be consistently implemented. Moreover, the fact that periods of bringing up children or caring for them are taken into account in the pension contributes to adequate pensions. In Germany, the contributions for this are paid by the state or the long-term care insurance.

12. What role could supplementary pensions play in ensuring an adequate retirement income? How could they be extended across the EU and what role would the EU play in this process?

The pension system in almost all countries consists of several components. Insofar as benefits from several old-age pension schemes are required to secure an adequate livelihood in old age, people must be able to participate in these schemes not only legally but also factually; this also applies to people with low incomes or impaired health. Benefits from supplementary pension schemes - as far as they are needed to ensure an adequate standard of living in old age -



should have a comparable degree of security and reliability as the standard state social security schemes have.

With regard to supplementary pension schemes, an important task of initiatives at European level should be to remove any obstacles to mobility resulting from a transition between different pension instruments. A first step in this direction is the pilot project to set up a ETS (European Pension Tracking Service), which will provide mobile workers with targeted information on pension systems and provide insight into their personal pension situation.

Meeting the growing needs of an ageing population (Chapter 5 of the Green Paper)

13. How can the EU support member states' efforts to strike a balance between budgetary and financial sustainability when it comes to adequate and affordable health and long-term care?

In view of open borders and integrated labour markets, good health and care coverage for all EU citizens is also in Germany's interest. The COVID-19 pandemic demonstrates once again that comprehensive and crisis-resistant health systems also stabilise economies and societies. It is primarily the responsibility of Member States to ensure the functioning of their health systems and the provision of efficient health and long-term care. The role of the EU is to support member states in this process. The independent EU4Health programme proposed by the EC can contribute to this with its focus on prevention, disease monitoring and improved access to health services. In addition, systematic comparisons and exchange of experience between member states can help countries to learn from each other and modernise the long-term care and health systems in Europe.

Across Europe, resources need to be pooled in research on primary prevention of health risks, health and long-term care services and health systems. New opportunities for cooperation are emerging, especially as a result of digitisation. In the case of rare diseases, common diseases such as cancer and dementia, and infectious diseases, German Social Insurance believes that there is considerable potential for European cooperation in the generation, use and evaluation of data. When setting the research agenda at EU level, health and long-term care insurance must be included more actively. The EU's efforts to leverage potential jointly via various programmes - e.g. Horizon Europe - are to be expressly welcomed.

It is also advisable for the EU to step up its efforts in the areas of its original regulatory oversight, such as pharmaceuticals. Ever higher prices for original preparations with often questionable additional benefits or the abuse of incentive systems endanger the fiscal stability of healthcare systems and this leads to therapies not being available or only available to a limited extent in some countries due to excessively high prices. The EU is under great pressure to take action and regulate the price development of pharmaceuticals.



14. How could the EU support member states in addressing common challenges in the field of long-term care? What objectives and actions should be pursued through an EU policy framework, addressing challenges such as accessibility, quality, affordability or working conditions? What considerations should be made for areas with low population densities?

Concepts that support need-based access to prevention, health and long-term care services in line with the population structure of specific regions should assume priority here. For example, the European plan to combat cancer, with its preventive approaches, can help to avoid the development of serious or chronic diseases.

To ensure equal access to health and long-term care services for all population groups, concepts for rural regions in particular should be further developed. To this end, the opportunities of digitisation should be exploited, e.g. by making use of the options for extending the use of telemedicine and digital assistance systems.

15. How can older people take advantage of the digitisation of mobility and health services? How can the accessibility, availability, affordability and safety of public transport be improved for older people, especially those in rural and remote areas?

Here, too, opportunities for the expanded use of telemedicine and digital assistance systems should be exploited in order to improve care for older people, especially those in remote or rural regions. EU initiatives aimed at empowering people to use new technological and digital tools and aids in their daily lives are helpful. This will require special programmes and concepts that are suitable for older people who have grown up without the digital self-image of younger generations. It is the task of politics to create the technical conditions for this across the board.
