

IMPORTANT NOTE:
For reasons of clarity and economy,
throughout the text the word "he" shall
refer to all persons concerned, except
when otherwise specified.

PENSION AND INVALIDITY INSURANCE ACT (ZPIZ-(1))

PART I

GENERAL PROVISIONS

Article 1

(Arrangement of pension and invalidity insurance system)

The pension and invalidity insurance system in the Republic of Slovenia shall cover:

- a compulsory pension and invalidity insurance scheme on the basis of intergenerational solidarity;
- compulsory and voluntary supplementary pension and invalidity insurance schemes; and
- a pension and invalidity insurance scheme on the basis of personal pension savings accounts.

Article 2

(Purpose of the Act)

- (1) The present Act shall regulate the compulsory pension and invalidity insurance system on the basis of intergenerational solidarity (hereinafter referred to as: compulsory insurance).
- (2) The present Act shall also regulate supplementary pension and invalidity insurance of persons insured under compulsory insurance.
- (3) The pension and invalidity insurance system on the basis of personal savings accounts shall be regulated by a special law.

Article 3

(Basic principles)

- (1) On the basis of employment and contributions and according to the principles of reciprocity and solidarity, compulsory insurance shall guarantee to insured persons the rights in the case of old age, invalidity, death, physical impairment and the need for constant assistance and attendance.

- (2) Compulsory insurance shall be based on the liability of the state and the employers for its operation, as well as on personal liability of the insured.
- (3) In the cases specified hereunder, persons who fail to meet the conditions for compulsory insurance may also join compulsory insurance on a voluntary basis.

Article 4
(Nature of rights)

- (1) The rights under compulsory insurance shall be as follows:
 - a. the right to pension:
 - old-age pension,
 - invalidity pension,
 - widow/widower's pension,
 - survivor's pension,
 - partial pension;
 - b. the rights under invalidity insurance:
 - the right to occupational rehabilitation,
 - the right to invalidity benefit,
 - the right to reassignment and part-time work,
 - the right to other benefits under invalidity insurance,
 - the right to travel allowance;
 - c. supplementary rights:
 - the right to assistance and attendance allowance,
 - the right to disability allowance,
 - the right to pension support;
 - d. other rights:
 - the right to transitional allowance,
 - the right to maintenance allowance;
 - the right to holiday bonus or the right to lump-sum yearly bonus.
- (2) In addition to the rights under compulsory insurance, the present Act shall also regulate the right to state pension.
- (3) In addition to the rights under compulsory insurance, insured persons who join compulsory insurance shall also be secured the rights under supplementary pension insurance.

Article 5
(Characteristics of rights)

- (1) The rights under compulsory insurance shall be inalienable personal rights which can be neither assigned nor inherited. The cash amounts due and not disbursed prior to the recipient's death shall be inherited.

- (2) The rights under compulsory insurance shall not be subject to the statute of limitations, with the exception of unpaid amounts of pensions due and other cash benefits in the cases specified hereunder.
- (3) The rights under compulsory insurance may not be revoked, reduced or restricted, save in the cases specified hereunder.

Article 6
(Responsibilities of the state)

- (1) The state shall guarantee for the operation and development of compulsory insurance by means of:
 - fixing the rate of contributions,
 - imposing compulsory payments of contributions on the employers and the insured,
 - setting the rules which govern compulsory membership in insurance, the mode of assessment, payment and collection of contributions, and the conditions for recognition, assessment and enjoyment of the rights,
 - arranging the system of personal data records and supervising the securing of individual rights.
- (2) The state shall guarantee for payment of pension benefits to the beneficiaries under compulsory insurance according to the present Act also in the event that the expenditures of the Pension and Invalidity Insurance Institute of Slovenia should exceed the income from compulsory insurance contributions. In that case, the difference shall be covered from the national budget and/or from other sources.
- (3) The state shall determine the rules of operation of supplementary pension insurance, supervise the operations of supplementary pension insurance carriers and guarantee for the rights under compulsory supplementary insurance.

Article 7
(Compulsory membership in insurance)

- (1) Compulsory insurance shall cover the nationals of the Republic of Slovenia and foreign nationals, provided they fulfil the conditions stipulated by the present Act or by a relevant treaty.
- (2) The insurance relationship shall be formed on the basis of the present Act by establishment of a legal relationship which serves as a basis for compulsory insurance.

- (3) The employer or any other person liable to enrol shall notify the insurance carrier of the establishment of a legal relationship as per the preceding paragraph with a compulsory enrolment in membership of insurance.
- (4) The insured and the employers shall be obliged to submit the data required for assessment, calculation and payment of contributions as well as supervision and collection of contributions. Records established for supervision of payment of public charges shall constitute an integrated system.
- (5) An insured person shall be granted the rights under compulsory insurance solely on the basis of payment of contributions, unless specified otherwise for particular cases in the present Act.
- (6) Unless specified otherwise in the present Act, the rights under compulsory insurance shall be proportional to the insured person's salary or other income and paid contributions.

Article 8 (Definition of terms)

In the present Act, the individual terms shall have the following meaning:

Unemployed person: an insured person who is a recipient of unemployment benefit, and an insured person with three years missing by the fulfilment of conditions for retirement, whose contributions for pension and invalidity insurance are paid by the Employment Office of the Republic of Slovenia (hereinafter referred to as: the Employment Office).

Employee: a natural person employed in accordance with the regulations on employment relationships.

Partial pension: an old-age pension payable to an employed person (hereinafter referred to as: an employee) who continued or re-entered part-time employment after retirement, in proportion to reduction of full working hours.

Employer: a legal entity or a natural person employing the employees in accordance with the regulations on employment relationships.

Years of service: an insurance period not taking into account the purchased periods of studies and military service or added qualifying period.

Disabled worker: an insured person who has been granted one of the rights under invalidity insurance.

Added qualifying period: a period during which an insured person was not covered by insurance but which is taken into account in determination of the pension qualifying period for the acquisition of the right to old-age pension.

Assistance and attendance allowance: a cash benefit granted to a beneficiary who is unable to independently perform all or a majority of basic vital necessities.

Purchased period: a period specified in the present Act, during which an insured person was not covered by compulsory or voluntary pension and invalidity insurance, but which is taken into account in the insurance period on condition of payment of contributions.

State pension: a benefit granted, on completion of a specified age, to persons specified hereunder, who have not completed the minimum insurance period required for entitlement to pension and who fulfil the conditions stipulated hereunder.

Survivor's pension: a pension benefit granted to family members of a deceased pensioner or a deceased insured person who has completed the specified pension qualifying period, provided they fulfil the conditions stipulated hereunder.

Disability allowance: a cash benefit to which an insured person is entitled in case of physical impairment.

Invalidity pension: a pension benefit to which an insured person is entitled at the onset of invalidity, provided he fulfils the conditions stipulated hereunder.

Farmer: a person subject to payment of taxes from agricultural activity, members of a farm holding and other persons who, in the Republic of Slovenia, independently engage in agricultural activity as their sole or principal occupation in accordance with the provision of Article 16 hereof.

Minimum salary: the minimum amount of salary for full-time work according to the minimum salary regulations.

Minimum pension rating base: the minimum pension rating base for assessment of a pension in case the insured person was insured on the basis of salaries or rating bases which do not enable assessment of a pension providing the pensioner with appropriate social security.

Maximum pension rating base. the maximum pension rating base for assessment of pension regardless of the amount of salaries or insurance rating bases.

Personal pension savings account: an account for payments on the basis of which the balance on the account of a member of the fund in the insurance period is calculated and/or his pension benefit is assessed on retirement.

Salary: a benefit acquired from employment, which serves as a basis for calculation of contributions for compulsory insurance.

Occupational pension: a benefit under compulsory supplementary insurance.

Pension: a regular monthly benefit which ensures financial and social security to a recipient for the case of old age, invalidity or death of an insured person.

Pension rating base: a monthly average of salaries and insurance bases in a particular period which is revalued, pursuant to the present Act, to the level on the last calendar year preceding the retirement.

Pension qualifying period: an insurance period and a special qualifying period, which serve as a basis for determination of the conditions for entitlement to pension and for fixing of the percentage for assessment of pension.

Full pensionable age: the age which provides an insured person with assessment of pension in the amount depending solely upon the completed pension qualifying period.

Special qualifying period: periods hereunder taken into account in the pension qualifying period regardless of payment of contributions.

Increase of pension: an increase of pension assessed with respect to the completed pension qualifying period, due to deference of retirement after the completed full pensionable age.

Contributions: amounts payable in favour of an insured person to compulsory, compulsory supplementary or voluntary supplementary insurance and are taken into account in determination of the rights under insurance;

Calculation period: a period between the occurrence of invalidity and a certain age, taken into account in assessment of invalidity pension as a fictitious period;

The self-employed: persons who engage in an independent gainful activity as per Article 15 hereof as their sole and principal occupation and thereby generate income equal to at least the minimum salary.

Old-age pension: a pension benefit to which an insured person is entitled on completion of a certain age, provided he fulfils the conditions stipulated hereunder.

Regular schooling: a period in which a person attends schooling under the publicly recognized system of undergraduate or postgraduate education and in which he is not covered by compulsory insurance.

Foreign national: a person considered to be a foreign national according the Aliens Act.

Occupational pension recipient: a natural person who is a recipient of occupational pension in accordance with the present Act and the pension insurance scheme,

Pension recipient: a person who, in accordance with the present Act or the relevant treaty, is entitled to enjoyment of an old-age pension (including early pensions or pensions of employees whose insurance period was increased by a bonus and have retired at an early age, pensions of the National Liberation War veterans (World War II), administrative and extraordinary old-age pensions), an invalidity pension or a survivor's pension.

Apprentice: an insured person who, on the basis of a concluded contract of apprenticeship, partakes of a vocational training with the employer and has attained at least 15 years of age.

Pension support: A cash benefit granted to a pensioner with a pension qualifying period shorter than 40 years (males) and 38 years (females) who meets the requirements with respect to the income ceiling and whose pension is lower than the rating basis for assessment of supplementary rights.

Widow/widower's pension: a pension benefit appertaining to the surviving spouse and, provided he/she fulfils certain conditions, also to the divorced spouse or the extra-marital partner of the deceased insured person or pension recipient, if he/she fulfils the conditions stipulated hereunder.

Insurance period: a period in which the insured person was covered by compulsory or voluntary pension and invalidity insurance and periods for which contributions have been paid.

Insurance rating base: a rating base for payment of contributions for an insured person who does not receive a salary.

Insured person: a person covered by compulsory or voluntary pension and invalidity insurance pursuant to the present Act.

Insurance for the restricted scope of rights: insurance exclusively for the purpose of acquisition of the right to old-age, invalidity, widow/widower's or survivor's pension and for the acquisition of the right to assistance and attendance allowance in the event of blindness, which can be opted for by the insured as per Article 34 hereof who pay contributions from a base lower than the minimum base as per Articles 209 and/or 210 hereof, but is not lower than the guaranteed salary.

Reduction of pension: a reduction of pension assessed with respect to the completed pension qualifying period, due to retirement prior to the completed full pensionable age.

Article 9 (Financing)

- (1) Compulsory insurance shall be covered by the insured, the employers and the Republic of Slovenia. It shall also be financed from the Capital Fund of the Pension and Invalidity Insurance and other sources pursuant to the present Act.
- (2) Supplementary insurance shall be financed by the insured and/or the employers.

Article 10

(Compulsory insurance carrier and provider)

- (1) Compulsory insurance carrier and provider shall be the Institute of Pension and Invalidity Insurance of Slovenia (hereinafter referred to as: the Institute), which holds the status of a public institution.
- (2) The Institute is a legal entity. The seat of the Institute is in Ljubljana.

Article 11

(Supplementary insurance carriers)

- (1) A carrier of compulsory supplementary pension insurance shall be the Supplementary Pension Insurance Fund of the Republic of Slovenia.
- (2) Carriers of voluntary supplementary pension and invalidity insurance shall be pension funds, unless stipulated otherwise by law.
- (3) A pension fund is a legal entity with its seat in the territory of the Republic of Slovenia, which organizes supplementary insurance according to the present Act.
- (4) The name of the pension fund shall comprise the words "pension fund". No other legal entity shall be permitted to use these words.

Article 12

(Procedure)

- (1) The rights under compulsory insurance shall be asserted with the Institutes in accordance with the General Administrative Procedure Act, unless specified otherwise in the present Act.
- (2) Legal protection of rights is ensured by law.

SECOND 2

INSURED PERSONS

1. Compulsory insurance

Article 13

(Persons employed in Republic of Slovenia)

- (1) Compulsory insurance shall cover persons employed in the territory of the Republic of Slovenia.

- (2) Compulsory insurance shall cover elected or appointed holders of a public or any other office in the bodies of legislative, executive or judicial authorities in the Republic of Slovenia or in the local self-government bodies, provided their office is salaried.
- (3) Compulsory insurance shall likewise cover persons employed in the service of an employer with a seat in the Republic of Slovenia, who have been posted abroad, in the event they are not insured under compulsory insurance according to the regulations of the country they were posted to, unless specified otherwise in a relevant treaty.
- (4) Compulsory insurance shall also cover foreign nationals employed with international organizations and institutions as well as foreign diplomatic and consular agencies in the territory of the Republic of Slovenia, if such insurance has been specified by a treaty.
- (5) Compulsory insurance shall cover persons who engage in work against remuneration within any other legal relationship. An elected holder of a foundation, a co-operative, a public authority, a chamber, an insurance fund, a private company, a mutual insurance company, a private pension fund, an elected representative or an official of a local community, or a non-professional mayor shall likewise be deemed to be a person engaged in work within another legal relationship.

Article 14

(Nationals of the Republic of Slovenia employed with foreign nationals)

Compulsory insurance shall cover nationals of the Republic of Slovenia who are:

- employed in the Republic of Slovenia with foreign or international organizations and institutions or foreign consular and diplomatic agencies, unless specified otherwise in a relevant treaty;
- employed abroad, provided they had been insured in the territory of the Republic of Slovenia immediately preceding their departure abroad, and/or their permanent residence immediately preceding their departure abroad had been in the Republic of Slovenia, and they are not insured under compulsory insurance with a foreign insurer during that period;
- employed with a foreign employer in a country where they are insured under compulsory insurance, but no treaty on social insurance has been concluded with that country, or they are unable to enforce their rights to pensions and/or disability allowances specified in the present Act, and/or are unable to enjoy the same outside the said country, provided they had been insured in the territory of the Republic of Slovenia immediately preceding their departure abroad, and/or their permanent residence immediately preceding their departure abroad had been in the Republic of Slovenia.

Article 15
(The self-employed)

- (1) Compulsory insurance shall cover persons who, as their sole and principal occupation in the Republic of Slovenia:
- as independent contractors, engage in gainful activity according to the Companies Act, including natural persons who are considered to be craftsmen or private traders pursuant to the legislation applicable prior to enactment of the Companies Act;
 - contributing their personal labour, engage in artistic or any other cultural activity or an activity in the field of media, and are, in accordance with law, entered in the Register of Independent Activities, if such a Register is stipulated;
 - engage in an independent activity in the field of health care or social security: medical, clinical or specialist psychological activity, private veterinarian or any other private activity in the field of health care, social security or pharmacy in accordance with law;
 - engage in clerical or any other religious office;
 - have their own private practice as lawyers or notaries public in accordance with law;
 - engage in any other permitted activity as their sole or principal occupation.
- (2) Compulsory insurance shall cover executives and partners whose income tax rating base is at least equal to the amount of the minimum salary, unless they are covered by compulsory insurance on other grounds.

Article 16
(Farmers)

- (1) Farmers and members of farm holdings as well as other persons who engage in agricultural activity in the Republic of Slovenia as their sole or principal occupation, shall be insured under compulsory insurance, provided that upon entry of application for insurance they:
- are not under the age of fifteen and are in a general state of health which allows them to pursue the agricultural activity as ascertained by the Occupational Medical Service, and
 - have a minimum of cadastral income or any other income from a farm holding per each insured member of such holding, equal to the amount of the minimum salary.
- (2) A cohabitation, joint production and shared consumption of all the members of a farm holding regardless of their family ties shall be considered as a farm holding, provided that at least one of its members pursues agriculture as his sole or principal profession.
- (3) Income subject to tax on agricultural activities and income from other activities such as poultry and livestock breeding, apiculture, fisheries and other

agricultural activities shall be considered as other income from a farm holding within the meaning of the first paragraph of this Article.

- (4) The minister responsible for labour shall, in agreement with the minister responsible for agriculture, fix the minimum level as per the second indent of the first paragraph of this Article.

Article 17
(Sole or principal occupation)

- (1) Self-employed persons and farmers shall be deemed to engage in an independent activity as their sole occupation, unless they are employed, unless they engage in an activity other than the activity on grounds of which they are insured, and unless they are attending regular schooling.
- (2) The insured shall be deemed to be engaged in an independent activity as their principal occupation, if they are employed half-time or less than half-time and are not attending schooling.
- (3) The insured who are insured on the basis of more than half-time and less than full-time employment may also be insured for the remaining time up to full-time employment on grounds of provisions regulating insurance of the self-employed and farmers.

Article 18
(Exemption from insurance)

- (1) Irrespective of the provisions of the preceding Article, a self-employed person or a farmer may assert an exemption from compulsory insurance with the Institute, provided that the monthly tax rating base for the activity he is engaged in is lower than the amount of one half of the minimum salary in the period of the last six months prior to his assertion of exemption from insurance.
- (2) The provisions of the preceding Article notwithstanding, a pensioner who has attained the age of 63 years (males) or 61 years (females) may assert an exemption from compulsory insurance with the Institute even in the event that he exceeds the limits from the preceding paragraph, but:
 - he does not pursue the activity solely by himself since he employs at least one worker who engages in this activity;
 - he had, up to his assertion of his right to pension, pursued the same activity in the same scope for at least 6 months, but had been insured on grounds of paid employment.
- (3) The procedure for assertion of exemption from insurance shall be determined by the minister responsible for labour after having considered a prior opinion of the minister responsible for finance.

Article 19
(Exemption from compulsory insurance of foreign nationals employed
in the Republic of Slovenia and nationals of the Republic of
Slovenia employed with foreign nationals)

- (1) Insured foreign nationals as per Article 13 hereof and their employers, as well as insured persons per Article 14 hereof employed with foreign nationals may request the Ministry responsible for labour to grant them an exemption from compulsory insurance pursuant to the present Act, if the legal regulations of the other state apply to them.
- (2) The procedure for exemption from insurance shall be determined by the minister responsible for labour.

Article 20
(Apprentices)

Compulsory insurance shall include pupils in apprenticeship who learn the trade at their employer's on the basis of a contract of apprenticeship and who have attained at least 15 years of age.

Article 21
(Top sportsmen and chessplayers)

- (1) Compulsory insurance shall include top sportsmen and chessplayers - members of sports organizations and chess clubs in the Republic of Slovenia if they are not insured under compulsory insurance on any other basis and have attained at least 15 years of age.
- (2) The title of top sportsman or chess-player shall be awarded, according to law, to a national of the Republic of Slovenia who has accomplished a top sports achievement of international value.

Article 22
(Unemployed insured persons)

Unemployed persons who are recipients of unemployment benefit and persons whose contributions for pension and invalidity insurance are paid by the Employment Office until they have fulfilled conditions for entitlement to pension, shall be insured under compulsory insurance.

Article 23
(Parenthood)

Compulsory insurance shall cover that one of the two parents - beneficiaries of parental allowance according to parenthood regulations who takes care of the child during the first year of its life, unless he or she is insured under compulsory insurance on other grounds, if his permanent residence is in the Republic of Slovenia and if the child is a national of the Republic of Slovenia.

Article 24
(Prisoners)

Compulsory insurance shall cover nationals of the Republic of Slovenia who work full time while serving a prison sentence in the territory of the Republic of Slovenia.

Article 25
(Compulsory insurance base in case of multiple legal relationships)

If a person fulfils the conditions for membership in compulsory insurance on the basis of several legal relationships simultaneously, he shall be insured under compulsory insurance according to the basis which is, in the present Act, listed before the other bases for his membership in the insurance scheme.

Article 26
(Special insurance cases)

- (1) Persons insured for the case of invalidity, physical impairment or death as a result of an employment injury or occupational disease shall be the following:
 - pupils and students in the course of practical lessons, production work or vocational practice and technical training excursions;
 - children and adolescents with disturbances in their physical and mental development, engaged in practical lessons in training organizations or in obligatory practical work;
 - persons engaged in voluntary practical work after completion of schooling, regardless of whether they receive remuneration for such practical work or not;
 - persons who have asserted exemption from insurance pursuant to Article 18 hereof;
 - military war invalids, civilian war invalids and other disabled persons engaged in occupational rehabilitation and/or training during practical work and exercises;
 - pupils and students engaged in undergraduate and postgraduate studies during work through authorized students' hiring service organizations;
 - persons serving a prison sentence who are not according to the present Act, and minors under disciplinary measure of detention in a reformatory, during work, vocational training and engagement in activities permitted by law.
- (2) Persons referred to in the last indent of the preceding paragraph shall be likewise insured under compulsory insurance for the case of invalidity as a result of an off-the-job injury, which occurred due to Force Majeure.

Article 27

(Invalidity insurance of persons who engage in an independent activity)

- (1) A person engaged in a gainful activity and entered in the Register of Independent Contractors, but not insured according to Article 15 hereof, shall be insured on a compulsory basis for the case of invalidity, physical impairment or death resulting from an employment injury or occupational disease which occur during engagement in the said activity.
- (2) An insured person pursuing an activity against remuneration within another legal relationship shall be insured on a compulsory basis for the case of invalidity, physical impairment or death resulting from an employment injury or occupational disease which occur during engagement in the said activity.
- (3) A person engaged in an agricultural activity and not insured according to Article 16, the fourth indent of the first paragraph of Article 26 or the sixth indent of the first paragraph of Article 34 hereof, may take up the insurance for the case of invalidity, physical impairment or death resulting from an employment injury or occupational disease which occur during engagement in the said activity.

Article 28

(Special cases of insurance for the case of organized activity)

Persons not insured on any other basis shall be insured on a compulsory basis for the case of invalidity, physical impairment or death as a result of an employment injury, when:

- they participate in organized work operations, rescue operations, or in protection and rescue operations in case of natural and other disasters;
- as the participants of youth camps in the Republic of Slovenia, they take part in the performance of tasks and assignments at such youth camps;
- they carry out the assignments within military service or conscientious objectors' service, national defence, civil defence, monitoring and information service, general rescue services or communications units as well as in defence and protection training;
- they assist the police and the authorized officials of government authorities in implementation of assignments in the field of protection of the constitutional system, personal security of citizens and security of property, keeping of public peace and quietude, prevention and detection of criminal offences as well as in detection and arrest of offenders and protection against breaches of inviolability of the state borders;
- they carry out the assignments of the police as members of ancillary units of police;
- in answer to summons by national and other competent bodies, they hold a public or any other office or civic duty;

- they participate in sports or chess events as sportsmen or chess players, trainers or organizers within the framework of organized sports or chess activities;
- as members of operational units of fire brigades of the voluntary fire-fighting organizations, they carry out assignments such as fire-fighting, protection and rescue in case of other accidents, training, introduction of fire prevention measures in fire-hazardous locations and public events, assignments in public presentations and manifestations including fire-brigade exercises and public lessons on fire safety;
- as members of mountain rescue service or divers organization, they perform the assignments of lifesaving and averting or prevention of dangers which represent a direct menace to life or property, and partake of organized training for the said tasks.

Article 29
(Passive insurance)

Any person who was insured under the compulsory insurance shall remain insured for the case of invalidity and physical impairment which has occurred as a result of illness or off-the-job injury after cessation of employment or characteristics which served as the basis for compulsory insurance, provided that such person has, on occurrence of invalidity or physical impairment, fulfilled the conditions of the pension qualifying period for the acquisition of rights, or provided that such person is a recipient of old-age or invalidity pension.

Article 30
(Duration of insurance)

Unless otherwise specified hereunder, duration of insurance shall cover the period between the commencement of the legal relationship which serves as the basis for compulsory insurance, and the cessation of such legal relationship.

Article 31
(Suspension of compulsory insurance)

Compulsory insurance shall be suspended in the period of:

- unpaid leave of absence exceeding 30 days,
- suspension of employment contract,
- temporary suspension of the legal relationship which serves as the basis for compulsory insurance.

Article 32
(Credited non-contributory periods without suspension of compulsory insurance)

Insurance of persons employed in the Republic of Slovenia, nationals of the Republic of Slovenia employed with foreign nationals, the self-employed and farmers shall not be suspended in the periods when:

- they receive sickness benefit or family member care allowance;
- they receive parental leave benefit, child care benefit, parental allowance;
- they participate in military exercises, defence training or training for work in ancillary units of police or are active in protection, rescue and relief units.

Article 33

(Duration of compulsory insurance of the self-employed)

Compulsory insurance of the self-employed shall commence:

- on the date of entry in the Register of Independent Contractors or any other register stipulated for a specific activity, and/or on the date of receipt of licence for engagement in an independent activity, and shall cease on the date of submittal or suspension of such a licence or the date on which the prohibition of activities becomes effective.
- for lawyers and notaries public, on entry into the membership of the lawyer's or notaries' public chamber, and shall cease on termination of such membership;
- for partners in private companies, on the first day of the calendar year following the year for which the income from participation in such private company, exceeding the annual minimum salary, was declared, and cease on the last day of membership in the company;
- for managerial staff of private companies who are not members of compulsory insurance on another basis, on the date of entry in the register, and cease on the date of cancellation from the said register;
- for persons engaged in independent cultural activities, on the date of entry in the Register of Independent Cultural Workers, and shall cease on the date of cancellation from such register;
- in other cases, on the date of commencement of engagement in an independent activity, and shall cease on the date of cessation of engagement in such activity.

2. Voluntary membership in compulsory insurance

Article 34

(Voluntary membership in insurance)

- (1) Nationals of the Republic of Slovenia who have attained 15 years of age and are not insured under compulsory insurance may be insured on a voluntary basis according to the present Act for the period during which they:
- take an unpaid leave of absence;
 - have their employment contract suspended;
 - pursue undergraduate or postgraduate studies;

- are engaged in military service or in conscientious objectors' service or are being trained for ancillary police units;
 - take care of a child under the age of 7 or a disabled person incapable of independent living and work, or a recipient of assistance and attendance allowance;
 - are engaged in independent agricultural activity and do not meet the conditions of the second indent of the first paragraph of Article 16 hereof;
 - are registered as job-seekers in one of the records of the Employment Office; the Employment Office shall inform the Institute of cancellation of a registration from the employment records;
 - reside abroad as spouses or extra-marital partners of insured persons posted abroad for work or training;
 - are employed in sheltered workshops;
 - are engaged in further vocational and professional training or specialization after cessation of compulsory insurance;
 - are employed part-time; in this case, however, the insurance shall cover only the difference up to the full-time employment.
- (2) Persons from the third, the seventh and the ninth indent of the preceding paragraph may join the insurance scheme also in the event that they are recipients of survivor's pension.
- (3) Regardless of the provision from the first paragraph of the present Article, a national of the Republic of Slovenia may, within a period of six months after cessation of compulsory insurance, join the insurance scheme on a voluntary basis, if he was insured under compulsory insurance for at least five years out of the period of last ten years.
- (4) A foreign national may be insured under voluntary insurance schemes as above if this is provided for in a relevant treaty.
- (5) Before insuring the person from the first paragraph of this Article, the Institute may direct him to a prior medical examination in order to determine whether he is capable for work according to the employment regulations.
- (6) Costs of examination from the preceding paragraph shall be borne by the Institute.
- (7) Insured persons from the first, third and fourth paragraph of the present Article may also take up insurance according to a base which is lower than the base from Article 210 hereof, but which is at least equal to the guaranteed salary. In the event that, prior to the onset of insurance case, they have been insured only for a restricted scope of rights for more than one half of the total pension qualifying period, they shall not be entitled to assessment of pension from the lowest pension rating base, to transitional allowance and maintenance allowance, to pension support, to partial pension, to the rights on grounds of invalidity of category III, to disability allowance, to assistance and attendance allowance and to holiday bonus.

- (8) Irrespective of the provision of the preceding paragraph, the blind and immobile insured persons as per Article 138 hereof shall be entitled to assistance and attendance allowance.
- (9) An insured person or a pensioner who has been insured for a restricted scope of rights for a predominant part of the total insurance period prior to becoming entitled to pension, shall not be entitled to assessment of pension from the lowest pension rating base, to pension support, to assistance and attendance allowance, except in the case of blindness, to the rights on grounds of invalidity, except for invalidity pension, and to holiday bonus.

PART III

ACQUISITION AND ASSESSMENT OF RIGHTS

Chapter I

General terms

Article 35 (Cases insured)

The insured cases which serve as a basis for acquisition of the rights under pension and invalidity insurance shall be as follows:

- old age;
- invalidity;
- need for constant assistance and attendance;
- physical impairment;
- death.

Chapter II

Old-age pension

Article 36 (Minimum conditions for acquisition of the right to old-age pension)

- (1) An insured person shall acquire the right to old-age pension when he has attained 58 years of age, if he has completed a pension qualifying period of 40 years (males) or 38 years (females).
- (2) An insured person shall acquire the right to old-age pension when he has attained 63 years of age (males) or 61 years of age (females), if he has completed a pension qualifying period of 20 years.

- (3) An insured person shall acquire the right to old-age pension when he has attained 65 years of age (males) or 63 years of age (females), if he has completed an insurance period of at least 15 years.

Article 37

(Lowering of pensionable age limit by virtue of children)

- (1) The pensionable age limit from the preceding Article shall be lowered for each born or adopted child with the citizenship of the Republic of Slovenia, unless specified otherwise in a relevant treaty, if the insured person provided the child with upbringing and care for at least five years. The pensionable age limit shall be lowered by eight months for a single child, by 20 months for two children, and by 36 months for three children. The pensionable age limit shall be further lowered by 20 months for each further child.
- (2) The parents shall mutually agree which of them shall assert the lowering of the pensionable age limit for each individual child. If no agreement is reached, the parent who, for the predominant part, asserted his right to the parental leave shall be the one entitled to the lowering of the pensionable age limit. If none of the parents availed of the parental leave or they have availed of it equally, it is the insured woman who shall be entitled to the lowering of the pensionable age limit.
- (3) In the cases as per the preceding paragraphs, the minimum pensionable age from the preceding Article shall be lowered to 56 years of age at the most for women and to 58 years of age for men.

Article 38

(Lowering of pensionable age limit by virtue of employment prior to 18 years of age)

A woman who became a member of compulsory insurance scheme prior to attaining 18 years of age, the pensionable age limit as stipulated in the first paragraph of Article 36 hereof shall be lowered for the entire period of duration of compulsory insurance prior to her attained 18 years of age, but no lower than to 55 years of age.

Article 39

(Pension rating base)

- (1) Old-age pension shall be assessed on the basis of the monthly average of salaries an insured person has received, i.e. the insurance bases according to which his contributions were calculated, in any one of the successive 18 years of insurance following 1 January 1970, whichever is the most favourable for the insured person (hereinafter referred to as: the pension rating base).
- (2) The insurance year shall be considered to be a calendar year during which an insured person received a salary or a salary compensation for at least 6

months of insurance, and during which contributions calculated from the insurance base were paid for at least six months.

- (3) Regardless of the preceding paragraph, the pension rating base shall not be calculated on the basis of salaries, salary compensations or insurance bases in the calendar year in which the insured person is asserting his right to pension.
- (4) Calculation of the pension rating base shall be made using salaries or bases according to which the contributions have been paid, reduced by taxes and contributions calculated and paid from salary according to the average rate in the Republic of Slovenia.
- (5) Average rates of taxes and contributions from the preceding paragraph shall be determined and published by the minister responsible for finance.
- (6) The minister responsible for labour shall prescribe the methodology for determination of salaries to be taken into account in the calculation of the pension rating base.

Article 40

(Assessment of pension rating base to insured persons who have failed to complete at least one year of insurance)

- (1) An insured person who has failed to complete at least one year of insurance period since 1 January 1970, but had completed at least one year of insurance period between 1 January 1966 and 31 December 1969, shall have the salary and the insurance bases after 1 January 1966 taken into account, regardless of the provisions of the first paragraph of the preceding Article hereof.
- (2) An insured person who has not completed at least one year of insurance period since 1 January 1966 shall have the pension assessed from the pension rating base in the amount of an average base salary, which would be assigned to him both with respect to his actual professional qualifications in the last year of his insurance with the Institute, as determined pursuant to the collective branch agreement or the general collective agreement for 1995, revalued to the calendar year preceding the year in which the insured person asserted his entitlement to pension.
- (3) The rating base as above shall be increased with respect to the insurance period completed in an individual insurance year.
- (4) An insured person whose salary, salary compensation or insurance base cannot be ascertained, shall likewise have the pension rating base assessed using the method from the preceding paragraphs.
- (5) The minister responsible for labour shall publish the amount of average base salaries and the method of increase in the rating bases as per the third paragraph of the present Article.

Article 41
(Compensations to be taken into account)

- (1) In calculation of the pension rating base, the following compensations shall be taken into account:
 - salary compensations paid according to the regulations on employment relationships and regulations on employment and unemployment insurance, with the exception of salary compensations according to the regulations on employment relationships for employees redundant for operative reasons;
 - salary compensations under invalidity insurance received by the insured person due to work at another job, salary compensations for the time of occupational rehabilitation as per the second paragraph of Article 89 hereof, invalidity benefits and partial invalidity pensions, provided the insured person was a member of a compulsory insurance scheme in the period of enjoyment of the said rights.
- (2) Insured persons who were receiving salary compensation for the period of temporary absence from work according to the health insurance and regulations on employment relationships, the parental leave regulations, the unemployment insurance regulations and the regulations on employment relationships for redundant employees, salary compensation for the period of occupational rehabilitation as per the first paragraph of Article 89 hereof, shall, for the time in which they were receiving such compensation, have their pension rating base calculated according to the salary or the base from which contributions were paid in the calendar year prior to the commencement of the period in which they were receiving compensation.
- (3) Where the salary which serves for calculation of the pension rating base includes the salary from the preceding year, the salary or the base for assessment of these compensations shall be revalued with the revaluation coefficient equal to that employed in the case of salary which served for calculation of the pension rating base for assessment of compensation.
- (4) An insured person who, in the calendar year prior to the commencement of compensation payments, was receiving neither salary, salary compensation under invalidity insurance nor compensation pursuant to the second paragraph of this Article, shall have the pension rating base calculated on the basis of salary in the current year.

Article 42
(Benefits not to be taken into account in calculation
of the pension rating base)

Benefits not to be taken into account in calculation of the pension rating base shall be as follows:

- non-contributory benefits, except benefits under invalidity insurance according to the present Act;
- remuneration for work performed out of the scope of regular work of an insured person (e.g. overtime work which exceeds statutory restrictions, participation in examination boards, holding of lectures beyond the scope of regular work);
- allowances and reimbursements of material costs (daily allowance, mileage allowance, field service allowance, separation allowance, luncheon allowance, travelling expenses, transport to work);
- vacation bonuses;
- loyalty bonuses;
- benefits in kind, except when they constitute a component part of the salary according to the employment contract and are subject to payment of contributions;
- severity grants or transitional allowances, benefits due to retirement or preliminaries to retirement;
- income in the form of shares, bonds and other securities;
- bases from which contributions for purchase of the pension qualifying period were paid.

Article 43

(Calculation of salary for full-time work)

- (1) In order to ascertain the pension rating base, the salary earned by an employee in the course of an individual insurance year on the basis of part-time work shall be calculated to the average amount which corresponds to the salary earned on the basis of full-time work.
- (2) The amount which corresponds to the salary based on full-time work for an individual insurance year shall be calculated so that the total amount of the salary which serves for calculation of the pension rating base, and which was received by the employee for a year of insurance, is divided by the number of hours when he was employed part-time. The amount obtained in this way shall be multiplied by the annual number of full-time working hours with the employer as stipulated by law and the collective agreement. Such an amount shall be considered as the salary which serves for calculation of the pension rating base.

Article 44

(Taking into account of income from overtime work)

- (1) For the purpose of establishing the pension rating base, the income from overtime work shall be taken into account for at the most as many hours above the full-time work as permitted according to the regulations on employment relationships and on condition that the relevant contributions have been paid.
- (2) For the purpose of establishing the pension rating base, the salary which the employee has received for work with any other employer, provided such work had been performed in accordance with the employment regulations, shall be taken into account in its entirety, on condition that the relevant contributions have been paid from this salary.

Article 45

(Taking into account of insurance bases)

An insured person who is not a recipient of a salary, whose pension rating base has not been determined in accordance with Articles 39 through 44 hereof and who has not been a recipient of the salary compensation, shall have his pension rating base calculated from the amount which served as a basis for payment of contributions for compulsory insurance, reduced by taxes and contributions paid out of salaries, according to the method set out in the fourth and fifth paragraph of Article 39 hereof.

Article 46

(Pension rating base for employees posted abroad)

Employees posted abroad by employers, who continue to be insured with the Institute for the duration of such a period, shall have the pension rating base calculated from the salary which serves as a basis for payment of contributions for compulsory insurance, reduced by taxes and contributions, according to the method set out in the fourth and fifth paragraph of Article 39 hereof.

Article 47

(Revaluation of salaries from the previous years)

- (1) Salaries earned in previous years, which shall be accounted for in establishment of the pension rating base, shall be revalued with the revaluation coefficients so as to correspond to movement in average salaries and pensions in the calendar year preceding the year in which the insured person is asserting the right to pension.
- (2) The revaluation coefficients shall be newly determined every year in such a way that the average salary per employee in the state, paid out for October 1990 and increased by the percentage of all pension adjustments according to the regulations applicable up to enactment of the present Act and according to Article 150, effected from 1 January 1991 to the end of the calendar year preceding the year of coming into effect of revaluation coefficients, is divided

by the amount of average salary per employee in the state, obtained in the years which are taken into account for calculation of the pension rating base.

- (3) The average salary per employee in a calendar year shall be calculated in such a way that the average gross salary per employee as identified according to official statistical data, is calculated with the average rate of taxes and contributions in the calendar year, for which it is being calculated.
- (4) The level of average rates of contributions and taxes applicable in a calendar year shall be identified and published by the minister responsible for finance.
- (5) In agreement with the minister responsible for finance, the minister responsible for labour shall stipulate the methodology for calculation of salaries from the third paragraph of the present Article and shall fix and publish revaluation coefficients from the second paragraph of the present Article.

Article 48 (Minimum pension rating base)

- (1) The minimum pension rating base shall be assessed in the amount of the lowest pension rating base applicable in the last month prior to enactment of the present Act.
- (2) The amount of the minimum pension rating base shall be published by the Institute.
- (3) The amount of the minimum pension rating base fixed according to the first paragraph of the present Article shall be thereupon subject to changes as to the level and the time limits in which the adjustments are made, pursuant to Article 150 hereof.
- (4) Old-age pension shall be assessed from the minimum pension rating base if old-age pension calculated according to the completed pension qualifying period from the pension rating base of an insured person together with corresponding adjustments fails to reach the amount of old-age pension for the same pension qualifying period assessed from the minimum pension rating base.

Article 49 (Maximum pension rating base)

- (1) The maximum pension rating base shall be the amount four times higher than the minimum pension rating base.
- (2) The amount of the maximum pension rating base shall be determined and published by the Institute.

- (3) Old-age pension shall be assessed from the maximum pension rating base if old-age pension calculated according to the completed pension qualifying period from the pension rating base of an insured person together with corresponding adjustments exceeds the amount of old-age pension for the same pension qualifying period assessed from the maximum pension rating base.

Article 50

(Determination of percentage for assessment of old-age pension)

- (1) Old-age pension shall be assessed from the pension rating base in a percentage determined according to the completed pension qualifying period. The percentage for an insured person with an insurance period of 15 years shall amount to 35% (males) or 38% (females) of the pension rating base, whereupon it shall be increased by 1.5% for each completed year of pension qualifying period.
- (2) In the event that a pension qualifying period of less than a full year but of at least six months' length has been completed, the percentage for assessment from the preceding paragraph shall be increased by 0.75%.

Article 51

(Assessment of pension for an insured person with pension qualifying period longer than full years of service)

- (1) In assessment of old-age pension, the years of service exceeding 40 years (males) or 38 years (females) an insured person has completed by the attained 63 years of age (males) or 61 years of age (females) shall be subject to the following mode of evaluation:

Year above the full years of service:		
Males	Females	Value of each specific year
41st year	39th year	3%
42nd year	40th year	2.6%
43rd year	41st year	2.2%
44th year	42nd year	1.8%
45th year and each following year	43rd year and each following year	1.5%

- (2) If the extended years of service concern a period of less than one year, but six months at the least, this period shall be, in assessment of old-age pension, evaluated to a half of the value specified in the preceding paragraph of this Article.
- (3) Should an insured person assert his entitlement to old-age pension after attaining 63 years of age (male) and 61 years of age (female), the years of

service above the full years, which he has completed by the time he attained 63 years of age (male) and 61 years of age (female), shall, in assessment of old-age pension, be evaluated according to the first paragraph of this Article, while each further year of service, completed after attaining the said age, shall be credited in the amount of 1.5% of the pension rating base.

Article 52
(Full pensionable age)

- (1) The full pensionable age required for assertion of the right to old-age pension which provides for a pension in the amount which depends solely on the completed pension qualifying period, shall be 63 years of age for a male and 61 years of age for a female.
- (2) The full pensionable age of an insured person, male or female, as per the preceding paragraph shall be lowered under the conditions and in the way specified in the first and second paragraph of Article 37 hereof.
- (3) Where the full pensionable age specified in the preceding paragraph applies to a woman who had joined compulsory insurance before she reached 18 years of age, such age shall be lowered by the entire period of compulsory insurance prior to attained 18 years of age.
- (4) The provisions of the preceding paragraphs notwithstanding, full age may not be lower than 60 years of age (males) or 58 years of age (females).

Article 53
(Reduction and increase of old-age pension)

- (1) An insured person who has failed to complete 40 years (males) or 38 years of years of service (females), and acquires the right to old-age pension prior to completion of the full pensionable age from the preceding Article, shall have the pension, which is assessed with respect to the completed pension qualifying period and the pension base, reduced for each missing month of age by the completed full age, in the following manner:

AGE IN YEARS	PERCENTAGE OF REDUCTION PER MONTH
58	0.30%
59	0.25%
60	0.20%
61	0.15%
62	0.10%
63	0.00%

- (2) An insured person who has fulfilled the conditions for entitlement to old-age pension and continues his membership in the insurance scheme after attaining

63 years of age (males) or 61 years of age (females) shall have the pension, which is assessed with respect to the completed pension qualifying period and the pension base, increased for each month of insurance after attaining the said age, in the following manner:

Age on retirement		Percentage of increase per month
Males	Females	
from 63rd to 64th year	from 61st to 62nd year	0.3%
from 64th to 65th year	from 62nd to 63rd year	0.2%
from 65th to 66th year	from 63rd to 64th year	0.1%
66 years and above	64 years and above	0.0%

- (3) Reduction or increase of pension according to the preceding paragraphs shall be of a permanent nature.

Article 54

(Old-age pension not subject to reduction for insured persons with full years of service)

- (1) An insured person who has attained 58 years of age and completed 40 years of service (males) or 38 years of service (females) shall have the pension assessed in the amount which depends solely upon the completed pension qualifying period, without reduction due to retirement prior to completion of full pensionable age.
- (2) For a woman who has completed 38 years of service, the condition of 58 years of age shall be lowered by virtue of children under conditions as per Article 37 hereof to 56 years of age at the most.
- (3) For a woman who has completed 38 years of service and was a member of the compulsory insurance scheme prior to 18 years of age, the condition of 58 years of age shall be lowered under conditions as per Article 38 hereof to 55 years of age at the most.

Article 55

(Old-age pension not subject to reduction in special cases)

- (1) An insured person who has fulfilled the minimum conditions for entitlement to old-age pension, shall be entitled to old-age pension without reduction due to retirement prior to attainment of full age, provided:
- the employment of the insured person was terminated due to bankruptcy or any other form of cessation of employer's operations and, in the opinion of the Institute, no other employment is available for him;
 - his employer has, for economic reasons which would jeopardize the existence of a large number of jobs, elaborated a financially appraised redundancy

programme in accordance with regulations on employment relationships and collective agreements, such redundancy programme including at least five redundant employees in the case of large employers and at least five redundant employees or at least 30% of the total workforce in case of small employers;

- he suffers from full invalidity according to the present Act;
- his employment was terminated on grounds of a programme according to which the employer is liable to employ a younger unemployed person at his job in accordance with conditions regulated by a special law;
- he is unemployed and was registered in one of the records kept by the Employment Office as a job-seeker for at least 12 months in the course of the last 24 months. The period of 24 months shall be extended by the time of the insured person's participation in the employment programme to which he was directed by the Employment Office.

(2) In the cases referred to in the second indent of the preceding paragraph of this Article, an insured person shall be entitled to old-age pension not subject to reduction if:

- in the procedure of determination of redundancies, the corresponding programme had been first submitted to the Employment Office in writing by the employer,
- on the basis of the submitted redundancy programme, the Employment Office has ascertained that no other jobs for the employees concerned are available either with their present or any other employer.

(3) A blind insured person whose employment was terminated due to the fault of the employer and cannot be provided with any other job, shall be entitled to old-age pension without reduction due to retirement prior to attainment of full pensionable age. The insured person is entitled to a pension in the amount at least equal to the base for assessment of supplementary rights.

(4) A commission comprised of representatives of the ministry responsible for labour, the ministry responsible for economic affairs, the Employment Office of the Republic of Slovenia, the Institute of Pension and Invalidity Insurance, the Labour Inspectorate of the Republic of Slovenia, the trade unions and the employers shall decide upon the entitlement from the second paragraph of this Article.

(5) The decision of the commission from the preceding paragraph shall be final and without appeal. In issuing the decision on the assessment of pension, the Institute shall be bound by the decision of the commission as per the preceding paragraph.

(6) The government of the Republic of Slovenia shall appoint a commission as per the fourth paragraph of this Article and stipulate the procedure of its work.

(7) Costs of work of the commission shall be borne by the Institute.

Article 56
(Minimum pension)

An insured person who is entitled to old-age pension pursuant to the provisions hereof, shall be guaranteed the minimum pension in the amount of 35% of the minimum pension rating base.

Article 57
(Rating base for assessment of supplementary rights)

- (1) The rating base for assessment of supplementary rights as per Article 4 hereof shall be determined in the amount of the minimum pension for full pension qualifying period, applicable in the last month prior to enactment of the present Act.
- (2) The amount from the preceding paragraph shall be adjusted in the same way as the pensions set out in the provisions of Articles 150 and 151 hereof.

Article 58
(Partial pension)

- (1) An insured person who has fulfilled the conditions for entitlement to old-age pension may acquire the right to partial pension, if he is employed on a half-time basis at the most.
- (2) Partial pension shall be assessed in the amount of one half of the old-age pension he would be entitled to on the date of assertion of partial pension, according to the completed pension qualifying period, the pension rating base and age, whereupon such partial pension shall be subject to adjustments as all other types of pension.
- (3) After cessation of enjoyment of partial pension, the insured person may require:
 - payment of the adjusted amount of old-age pension, established on assessment of partial pension, or
 - an increase of old-age pension, established on assessment of partial pension, on a percentage basis, in accordance with the actually completed insurance period in the period of his enjoyment of partial pension and with his age on the date of assertion of increase on a percentage basis, or
 - reassessment of old-age pension, taking into account the actually completed insurance period and salary in the period of his enjoyment of partial pension, as well as his age on the date of assertion of such reassessment.

**Chapter III
Right to state pension**

Article 59
(State pension)

- (1) A person with permanent residence in the Republic of Slovenia who is not entitled to pension according to the present Act, under a foreign public pension insurance scheme or according to other regulations, and whose own income does not exceed the income ceiling specified for entitlement to pension support hereunder, shall be granted the right to state pension, provided he:
- has completed 65 years of age;
 - was residing in the Republic of Slovenia for at least 30 years between the age of 15 and 65.
- (2) State pension as per the preceding paragraph shall amount to 33.3% of the minimum pension rating base.

Chapter IV
Rights arising out of invalidity

1. General provisions

Article 60
(Definition of invalidity)

- (1) Pursuant to the present Act, invalidity shall be ascertained if due to changes in health condition which cannot be reversed by treatment or by measures of medical rehabilitation and have been ascertained pursuant to the present Act, the capacity of an insured person to secure or keep a job or to advance in career has been reduced:
- (2) Invalidity shall be classified according to the following categories:
- Category I - if an insured person has lost the capacity to engage in organized gainful employment or, if he suffers from occupational invalidity, he has lost the remaining capacity for work.
 - Category II - if an insured person's capacity for work in the occupation he was trained for is impaired by 50% or more.
 - Category III - ascertained if an insured person, after prior occupational rehabilitation or without such occupational rehabilitation, has lost the capacity to work full time, but is capable of working at a certain job on a half-time basis at the least, or, if an insured person's capacity for work in the occupation he was trained for is impaired by less than 50% or if he can continue to work in his occupation on a full-time basis, but he has lost the capacity for work at the job he has been assigned to.

- (3) "Occupation he was trained for" shall be considered to be work at a job to which an insured person has been assigned and all the jobs which correspond to his physical and mental capacities and for which he has acquired relevant qualifications, supplementary training and work experience required for particular works in accordance with laws or collective agreements..

Article 61
(Remaining capacity for work)

- (1) The remaining capacity for work shall be ascertained, if an insured person:
- is capable of performing his work on a full-time basis with efficiency which does not incur a worsening of his invalidity, at another job which corresponds to his qualifications and training, or
 - can be trained by means of occupational rehabilitation for full-time work at another job, or
 - can perform certain work for at least one half of the working time.
- (2) The remaining working capacity shall be determined in case of invalidity of category II and III.

Article 62
(Cause of invalidity)

The causes of occurrence of invalidity are as follows:

- employment injury,
- occupational disease,
- illness,
- off-the-job injury.

Article 63
(Employment injury)

- (1) Pursuant to the present Act, employment injury shall be defined as:
- an injury which was sustained as a result of direct and mechanical, physical or chemical effect of short duration, as well as an injury which was sustained as a result of rapid change of body posture, sudden loading of body or other changes in physiological condition of the organism, if such an injury is in causal relation to performance of work or activity on grounds of which the person concerned has been insured;
 - an employment injury inflicted in the way referred to in the preceding paragraph, suffered by an insured person on his regular route from his residence to his job or back, on the way to perform his work assignments and on his way to commence work;

- a disease which is directly and exclusively a result of an unfortunate accident or Force Majeure during performance of work or activity on the basis of which he has been insured.
2. Employment injury shall also be defined as an injury sustained in the manner described in the first indent of the preceding paragraph, suffered by the injured persons under the circumstances described in Articles 26, 27, 28 and 29 hereof.

Article 64

(Injury sustained in respect of assertion of health care)

Pursuant to the present Act, employment injury shall also be defined as an injury sustained in the manner specified in the first indent of the first paragraph of the preceding Article, suffered by the insured person in connection with the right to health protection, provided such an injury is sustained:

- on his regular route from his residence or job to the place of medical examination or treatment, or while returning, or during his sojourn in the place where examination is conducted, if the insured person has been summoned or directed to the said examination by a competent physician, a medical board or the Board of Examiners of the Institute, or in the event he has not been sent out for the examination but is seeking urgent medical help;
- on his regular route from his residence or job to the health organization where he was directed for treatment, or while returning, or during his stay in the health care organization where he is under treatment, such treatment comprising medical rehabilitation as well;
- on his regular route from his residence or job to the place of medical examination or treatment or while returning, if a competent physician, a medical board or the Board of Examiners of the Institute has appointed the insured person to accompany a patient directed to medical examination or treatment to another locality, or during his sojourn at that locality, if the injury is sustained in direct connection with his accompanying the patient;
- on his regular route from his residence or job, or from the place where the insured person was subjected to examination or treatment, to the institution or organization where the insured person is to receive a prosthesis or other orthopaedic aids, prescribed by a competent physician, or while returning, as well as during his stay in such institutions or organizations.

Article 65

(Occupational disease)

- (1) Pursuant to the present Act, occupational diseases shall be specific diseases caused by a long-term direct influence of the work process and of work conditions at a specific job or at work which directly involves activities on the basis of which the diseased person has been insured.

- (2) Occupational diseases and works occasioning the development of such diseases, as well as conditions under which they are deemed to be occupational diseases shall be determined by the minister responsible for labour in cooperation with the minister responsible for health.

Article 66

(General conditions for acquisition of rights on grounds of invalidity)

- (1) Unless otherwise specified in the present Act, an insured person shall acquire the rights on grounds of invalidity of II or category III, if at the onset of invalidity he has not yet attained the age of 63 years (males) or 61 years (females) and:
- is covered by compulsory insurance - regardless of the pension qualifying period completed;
 - is not covered by compulsory insurance - provided that he fulfils the conditions of insurance and/or pension qualifying period laid down in the present Act, required for entitlement to invalidity pension.
- (2) Insured persons from Articles 20, 21, 23, 24, 26, 27, 28, and 34 hereof shall acquire the rights under invalidity insurance only in the event of occurrence of invalidity of category I and II.
- (3) An insured person from Articles 15. and 16. hereof shall acquire the rights under pension and invalidity insurance in the event of occurrence of invalidity of category I and II, while in the event of occurrence of invalidity of category III he shall assert the right to part-time work and the right to partial invalidity pension, provided he fulfils the conditions for acquisition of these rights as stipulated hereunder.

2. Invalidity pension

Article 67

(Conditions for acquisition of invalidity pension)

The right to invalidity pension shall be granted to:

- an insured person who has been afflicted with invalidity of category I;
- an insured person who has been afflicted with invalidity of category II and is not capable of another appropriate job without occupational rehabilitation, to which, however, he is not entitled since he is over 50 years old;
- an insured person who has been afflicted with invalidity of category II or III who is not entitled to appropriate job or reassignment to another job since he has attained the age of 63 years (males) or 61 years (females).

Article 68

(Minimum pension qualifying period)

The insured person from the preceding Article shall acquire the right to invalidity pension if his invalidity is the result of:

- employment injury or occupational disease - regardless of pension qualifying period completed;
- off-the-job injury or illness - provided at the onset of invalidity he has completed the pension qualifying period covering at least one third of the time from his attaining 20 years of age until the development of invalidity (hereinafter referred to as: years of service), where years of service shall be considered as full years.

Article 69
(Young disabled person)

- (1) An insured person who was afflicted with invalidity of category I prior to reaching 21 years of age shall acquire the right to invalidity pension, if at the onset of invalidity he was covered by compulsory insurance or if he has completed at least three months of insurance period.
- (2) An insured person who was afflicted with invalidity after reaching 21 years of age, but prior to reaching 30 years of age, shall acquire the right to invalidity pension, provided that prior to the onset of invalidity he has completed a pension qualifying period which covers at least one quarter of years of service.

Article 70
(Years of service accounted for)

- (1) An insured person with the 1st degree of professional higher education shall have his years of service accounted for from completion of 23 years of age. An insured person with the 2nd degree of (professional or university) higher education shall have his years of service accounted for from completion of 26 years of age.
- (2) The period of military service, conscientious objector's service or training for ancillary police units and the period during which he was registered with the Employment Office as an unemployed person or a job-seeker shall not be accounted for as years of service.
- (3) If the period of studies, the period of military service, conscientious objector's service or training for ancillary police units or the period during which he was registered with the Employment Office as an unemployed person or a job-seeker are accounted for in the insurance period of an insured person, his age limit from the preceding paragraph shall be lowered by the number of months of his insurance period completed according to the present paragraph.

Article 71
(Newly developed invalidity)

- (1) In the event that previously determined invalidity of the insured person suffering from invalidity of category II or III has worsened or a new case of invalidity has occurred due to illness or off-the-job injury in such a way that he fulfils the conditions for entitlement to a new right, he shall be granted such right if on the date of occurrence of a change or new invalidity he fulfils the conditions for acquisition of such right, with respect to age and insurance and/or pension qualifying period as laid down hereunder.
- (2) The periods during which the unemployed were receiving the corresponding unemployment benefit on grounds of invalidity specified hereunder shall not be counted as years of service for the purpose of fulfilment of conditions of insurance or pension qualifying period.
- (3) An insured person suffering from category II or III of invalidity resulting from employment injury occupational disease, shall, on grounds of appearance of changes in invalidity or occurrence of new invalidity in the cases referred to in the first paragraph of this Article, be granted a new right regardless of the pension qualifying period completed.

Article 72
(Pension base for assessment of invalidity pension)

- (1) Invalidity pension shall be assessed from the pension rating base calculated in the same manner as the pension rating base for assessment of old-age pension.
- (2) Invalidity pension acquired on grounds of an insurance period shorter than the period in which, pursuant to Articles 39 and 40 hereof, the amounts of salary and insurance bases serve for calculation of pension rating base for assessment of old-age pension, shall be assessed from the pension rating base, calculated on the basis of amounts of salary and insurance bases which served as the basis for his insurance in the course of the insurance period, except for the calendar year in which the right to invalidity pension is asserted.
- (3) An insured person who has not been insured save in the year in which he is asserting the right to invalidity pension, shall have his invalidity pension assessed from the pension rating base specified in the second paragraph of Article 40 hereof.

Article 73
(Pension rating base for assessment of invalidity pension in special cases)

In case of persons suffering from invalidity which occurred in the period of duration of insurance according to the first indent of the first paragraph of Article 25, Article 27 and/or the second indent of Article 28 hereof, the average salary of persons

employed in the state, disbursed in the last month prior to granting of the right to invalidity pension, for which the official statistical data in the month of the onset of invalidity. shall be taken into account as the pension rating base for assessment of invalidity pension.

Article 74

(Assessment of invalidity pension in the event of employment injury or occupational disease)

Invalidity pension for the case of invalidity caused by employment injury or occupational disease shall be assessed, without reduction related to age on retirement, from the pension rating base in the same amount as old-age pension for at least 40 years (males) and 38 years (females) of the pension qualifying period.

Article 75

(Assessment of invalidity pension in the event of off-the-job injury or illness)

- (1) Invalidity pension received for invalidity which is the consequence of illness or off-the-job injury shall be assessed, without reduction related to age, from the pension rating base in the percentage specified in Article 50 hereof.
- (2) In case of an insured person who became disabled prior to attainment of 63 (males) or 61 years of age (females), invalidity pension from the preceding paragraph shall be assessed at a minimum amount of 45% (males) or 48% (females) of the pension rating base.
- (3) If invalidity due to illness or off-the-job injury has occurred after completion of 63 years of age (males) or 61 years of age (females), invalidity pension shall be assessed from the pension rating base at least in the amount specified for assessment of old-age pension for 15 years of insurance period.

Article 76

(Taking into account of added qualifying period)

The percentage for assessment of invalidity pension shall be fixed, taking into account the actual pension qualifying period of an insured person and the added qualifying period calculated according to Articles 200 and 201 hereof.

Article 77

(Multiple causes of invalidity)

- (1) If invalidity on grounds of which a disabled worker shall acquire the right to invalidity pension is partly the result of employment injury or occupational disease, and partly the result of off-the-job illness or injury, invalidity pension shall be assessed as a single pension consisting of a proportional part of invalidity pension calculated for employment injury or occupational disease on one hand, and a proportional part of invalidity pension calculated for illness or off-the-job injury on the other hand.
- (2) The proportional parts for assessment of invalidity pension under the preceding paragraph shall be calculated with respect to the extent to which the consequences of employment injury or occupational disease have influenced the invalidity in total, and the extent to which they were affected by the consequences of off-the-job injury or illness.

Article 78

(Assessment of invalidity pension in case of multiple causes of invalidity)

- (1) Invalidity pension to which a disabled worker is entitled as per the preceding Article above shall be assessed so as to separately calculate invalidity pension for the case of invalidity in total being the result of employment injury or occupational disease on one hand, and invalidity pension for the case of invalidity in total being the result of off-the job injury or illness on the other hand.
- (2) A percentage corresponding to the influence of the individual cause of invalidity on invalidity in total shall be taken from each amount calculated in this way. The sum of the amounts obtained in this way may not exceed the amount of pension calculated for the pension qualifying period of 40 years (males) or 38 years (females).

Article 79

(Optional choice of nature of pension)

An insured person, who, on the emergence of invalidity, fulfils the conditions for entitlement to invalidity pension and conditions for old-age pension, may, at his option, assert the right either to invalidity pension or to old-age pension.

3. Occupational Rehabilitation

Article 80

(Purpose and obligation of occupational rehabilitation)

- (1) Occupational rehabilitation is an integral process in which an insured person is provided with professional, physical and psycho-social training required for work in another occupation or at another job, so that he can be appropriately reassigned or employed and reintegrated in the work environment, or training

for the same occupation or job by suitable adaptation of his workplace with appropriate technical aids.

- (2) An insured person who is entitled to occupational rehabilitation shall be obliged to undergo training for appropriate job under conditions and in the manner specified hereunder, as well as in accordance with obligations laid down in the contract as per Article 86 hereof.

Article 81

(Conditions for acquisition of the right to occupational rehabilitation)

The right to occupational rehabilitation shall be granted to an insured person:

- who has been afflicted with invalidity of category II,
- who, on the date of occurrence of invalidity, has not yet completed 50 years of age, and
- who, considering his remaining capacity for work, may be trained for another work on a full-time basis.

Article 82

(Adaptation of premises and working implements
and promotion of employment)

- (1) In the event that occupational rehabilitation for an appropriate job of an insured person afflicted by invalidity requires adaptation of premises and working implements, the Institute shall bear the costs of such adaptation.
- (2) In the event that employment or reassignment of an insured person afflicted by invalidity to another job requires adaptation of premises and working implements, the Institute may, in part or in whole, bear the costs of such adaptation.
- (3) The Institute may earmark a part of the invalidity insurance funds for promotion of employment of unemployed disabled workers.
- (4) The criteria and procedure for assessment of the amount of means as per the preceding paragraph shall be determined by the Institute.

Article 83

(Occupational rehabilitation in special insurance cases)

An insured person as per the first, the second, the third and the sixth indent of Article 26, Article 27 and the second indent of Article 28 hereof, who has partaken of occupational rehabilitation, shall, as a rule, qualify for work requiring qualifications to be acquired at the school which the insured person attended prior to occurrence of invalidity.

Article 84
(Mode of occupational rehabilitation)

Occupational rehabilitation shall be carried out, according to the remaining capacity for work of an insured person,

- by way of partaking in education at appropriate schools and other forms of education,
- by way of practice at an appropriate job with an employer, or in other forms of training for work,
- with the agreement of the insured, by way of off-the-job training.

Article 85
(Inurement to work)

Occupational rehabilitation shall be also considered to cover the period of inurement of the insured person to work for which he has qualified by means of occupational rehabilitation, if this is necessary to enable him to perform another suitable work with standard efficiency.

Article 86
(Occupational rehabilitation contract)

- (1) Form and mode, time-limits of commencement and duration of occupational rehabilitation, detailed conditions of training of an insured person for work, terms and time-limits for conclusion of an employment contract after completed occupational rehabilitation shall be determined in a contract concluded between the Institute, the employer or the Employment Office and the insured person.
- (2) The contract as per the preceding paragraph shall be concluded when the decision on granting the right to occupational rehabilitation has become final.
- (3) The contract as per the first paragraph of this Article shall lay down the mutual rights and obligations of the contractual parties.
- (4) Sheltered organizations and the Employment Office shall participate in occupational rehabilitation, training and employment of the insured.
- (5) Every six months, the insured person and the provider of occupational rehabilitation shall be obliged to report to the Institute on implementation and progress of occupational rehabilitation.

Article 87
(Right to accommodation)

In the event that due to remoteness of the residence of a disabled person from the sheltered organization or from the employer providing occupational rehabilitation, the use of means of transport is absolutely indicated, and, due to his condition of invalidity, the insured person concerned cannot possibly use public means of transport, while no special transportation is available to him, the disabled worker shall be entitled to accommodation at the expense of the Institute.

Article 88

(Obligation of provision of occupational rehabilitation)

- (1) An insured person employed in the Republic of Slovenia shall be entitled to provision of occupational rehabilitation by the employer with whom he was employed at the onset of invalidity; the Institute shall be obliged to provide occupational rehabilitation to other insured persons.
- (2) The Employment Office may cooperate with the Institute and the employers in provision of occupational rehabilitation.
- (3) The costs of occupational rehabilitation shall be borne by the Institute.

Article 89

(Benefit for the duration of occupational rehabilitation)

- (1) In the period between the acquisition of the right to occupational rehabilitation and the completion of occupational rehabilitation, the insured person shall be entitled to cash benefit assessed in the amount of 100% of invalidity pension he would be entitled to on the date of the onset of invalidity.
- (2) In the period between the commencement and the completion of occupational rehabilitation, the insured person on the off-the-job training shall be entitled to a benefit in the amount of 40% of invalidity pension he would be entitled to on the date of the onset of invalidity.

Article 90

(Temporary benefit)

- (1) In the period between completion of occupational rehabilitation and commencement of work at the new job, an insured person with the right to reassignment shall be entitled to a benefit in the amount of 100% of invalidity pension he would be entitled to on the date of onset of invalidity, while after commencement of work at his new job he shall be entitled to benefit in the amount of 20% of such pension.

- (2) If the employment of an insured person from the preceding paragraph was terminated on the basis of the decision of the commission as per Article 103 hereof, or in case he is a member of compulsory insurance as a self-employed person, a farmer or a top sportsman or chess-player, he shall become, after completed occupational rehabilitation or cessation of employment, entitled to a benefit in the amount of 80% of invalidity pension to which he would be entitled on the date of emergence of invalidity.
- (3) If an insured person is a member of the compulsory insurance scheme as an apprentice or an unemployed person, or if he has been insured on the basis of Articles 23, 24, 26, 27, 28, 29, and 34 hereof, he shall become, after completed occupational rehabilitation, entitled to a benefit in the amount of 60% of invalidity pension which he would be entitled to on the day of occurrence of invalidity.
- (4) The benefit as per the second paragraph of this Article shall be payable to an insured person by the date of reemployment. After reemployment he shall be entitled to a benefit in the amount of 20% of invalidity pension to which he would be entitled on the date of emergence of invalidity.
- (5) The benefit as per the third paragraph of this Article shall be payable to an insured person by the date of reemployment, but no longer than for five years. After elapse of five years or after reemployment, he shall be entitled to a benefit in the amount of 20% of invalidity pension to which he would be entitled on the date of emergence of invalidity.
- (6) An insured person as per the first, second and third indent of this Article shall lose the right to the relevant benefit unless he partakes of or completes the occupational rehabilitation, unless he fulfils the obligations from the contract as per Article 86 hereof, or unless he commences to work at a job provided for him in accordance with Article 101 hereof.
- (7) In the case as per the preceding paragraph, an insured person shall be unable to acquire any rights hereunder on grounds of the same invalidity.

4. Right to reassignment and benefit

Article 91 (Right to reassignment)

- (1) The right to reassignment shall be granted to an insured person:
 - after completion of occupational rehabilitation,
 - with the remaining capacity for work, who was afflicted by occurrence of invalidity of category II after completion of 50 years of age,

- with invalidity of category III, if his capacity for work has been reduced by less than 50%, or if he can continue to work full time in his own occupation, but is not capable of working at the job he has been reassigned to.
- (2) An insured person employed in the Republic of Slovenia shall be secured the right to reassignment by the employer.

Article 92
(Benefit for the period of work at another job)

An insured person from the second and third indent of the first paragraph of the preceding Article who is employed at a new job shall be entitled to invalidity benefit pursuant to Article 94 hereof.

5. Right to part-time work and partial invalidity pension

Article 93
(Right to part-time work and partial invalidity pension)

- (1) An insured person afflicted with invalidity of category III shall be, if he is no longer capable of working full-time or without occupational rehabilitation:
- entitled to part-time work, and
 - entitled to partial invalidity pension.
- (2) Partial invalidity pension shall be assessed in the percentage, corresponding to the shortening of full working time, from invalidity pension the insured person would be entitled to on the day of occurrence of invalidity.
- (3) Partial invalidity pension assessed according to the preceding paragraph shall be increased, if the insured person:
- is no longer capable for work at a job to which he has been assigned and is therefore reassigned to another job, by 30%, or
 - has lost his job through no fault of his own and not of his own will, by 40%.
- (4) In the cases referred to in the preceding paragraph, increased partial invalidity pension shall not exceed 80% of invalidity pension he would be entitled to on the day of occurrence of invalidity.
- (5) Partial invalidity pension assessed according to the second paragraph of this Article shall be reduced by 30%, if the insured person has terminated his employment of his own will and through his own fault.
- (6) An insured person as per Articles 22 and 29 shall have partial invalidity pension assessed in the amount specified in the second paragraph of this Article.

- (7) An insured person employed in the Republic of Slovenia shall be secured the right to part-time work by the employer.

6. Right to invalidity benefit

Article 94

(Right to and assessment of invalidity benefit)

- (1) The right to invalidity benefit shall be granted to the insured person who was afflicted with invalidity of category II after completed 53 years of age, or invalidity of category III, if his capacity for work has been reduced by less than 50% or if he can continue to work full-time in his occupation but is not capable of working at the job he has been reassigned to, if:
- he was unemployed and/or not covered by compulsory insurance at the onset of invalidity;
 - he has lost employment independently of his will or through his fault, or
 - he has terminated his employment of his own will or through his own fault, or
 - he has entered employment at another job.
- (2) An insured person who was afflicted with invalidity of category II after completed 50 years of age, shall have his invalidity benefit assessed as follows:
- in cases from the first indent of the preceding paragraph, in the amount of 60% of invalidity pension he would be entitled to at the occurrence of invalidity,
 - in cases from the second indent of the preceding paragraph, in the amount of 80% of invalidity pension he would be entitled to at the occurrence of invalidity,
 - in cases from the third indent of the preceding paragraph, in the amount of 40% of invalidity pension he would be entitled to at the occurrence of invalidity, if he terminated his employment after attaining 53 years of age;
 - in cases from the third indent of the preceding paragraph, if he has not attained 53 years of age, and in cases from the fourth indent of the preceding paragraph, in the amount of 20% of invalidity pension he would be entitled to at the occurrence of invalidity.
- (3) An insured person afflicted with invalidity of category III, if his capacity for work has been reduced by less than 50% or if he can continue to work full-time in his occupation but is not capable of working at the job he has been reassigned to, shall have his invalidity benefit assessed as follows:
- in cases from the first indent of the first paragraph of the present Article, in the amount of 40% of invalidity pension he would be entitled to at the occurrence of invalidity,
 - in cases from the second indent of the first paragraph of the present Article, in the amount of 60% of invalidity pension he would be entitled to at the occurrence of invalidity,

- in cases from the third and fourth indent of the first paragraph of the present Article, in the amount of 25% of invalidity pension he would be entitled to at the occurrence of invalidity.

Article 95
(Option of right to occupational rehabilitation)

- (1) At his request, a disabled worker may be granted the right to occupational rehabilitation instead of the right to reassignment and benefit, the right to part-time work and partial invalidity pension, and the right to invalidity benefit.
- (2) An insured person who has been granted the right to occupational rehabilitation under the preceding paragraph, shall be entitled to all the rights on the basis of and in connection with occupational rehabilitation.

Article 96
(Assessment of benefits under invalidity insurance
from the base as per Article 57)

- (1) In the cases when invalidity pension to which an insured person would be entitled at the occurrence of invalidity fails to attain the amount of pension which would be assessed from the minimum pension basis to an insured person with a pension qualifying period of 40 years (males) or 38 years (females), the benefits referred to in Articles 89, 90, 93 and 94 hereof shall be assessed from the base referred to in Article 57 hereof.
- (2) Persons not covered by compulsory insurance shall have the benefits from the preceding paragraph assessed at least in the amount of the minimum pension from Article 56 hereof.

Article 97
(Employment of unemployed disabled workers)

An insured person who was not covered by compulsory insurance at the occurrence of invalidity and an insured person who lost his job or, through his own fault and of his own will, terminated his employment or compulsory insurance at or after occurrence of invalidity, shall become entitled to partial invalidity pension or corresponding cash benefit according to the present Act, if he was registered with the Employment Office within a period of 30 days after the decision on his entitlement under invalidity insurance has become final, or after cessation of his employment or insurance.

Article 98

(Provision of benefits)

- (1) The Institute shall be responsible for provision, assessment, indexations and effecting of payments of:
 - partial invalidity pension, and
 - cash benefits as per Articles 89, 90 and 94 hereof.
- (2) The provision of the preceding paragraph notwithstanding, the benefit to which an insured person employed in the Republic of Slovenia is entitled to for the period between the acquisition of right to occupational rehabilitation and the commencement of the same, shall be payable and indexed according to the provisions of the present Act by the employer at his own charge; the assessment of such benefit, however, shall be effected by the Institute.

Article 99

(Indexation of partial invalidity pension and cash benefits)

Partial invalidity pension and cash benefits relating to the rights on the basis of invalidity of II and category III shall be indexed in the same way as pensions.

Article 100

(Payments of partial invalidity pension and cash benefits)

- (1) The provisions of Articles 171 and 172 hereof shall be applicable mutatis mutandis to payments of partial invalidity pension and cash benefits as per the first paragraph of Article 98 hereof.
- (2) Partial invalidity pension and cash benefits from the preceding paragraph, which are taken into account in the pension rating base according to Article 41 hereof, shall be calculated by the Institute in the same manner as is applicable to the calculation of salaries by the employer; the Institute shall, however, increase them by the average rate of taxes and contributions.
- (3) Partial invalidity pension and cash benefits from the first paragraph of this Article, which are not taken into account in the pension rating base according to Article 41 hereof, shall be calculated by the Institute prior to payment in the same manner as is applicable to pensions.
- (4) The employer shall effect payments of cash benefits as per the second paragraph of Article 98 hereof in the same manner as payments of salaries.

Article 101

(Obligations of the employer in connection with reassignment of disabled worker)

- (1) An insured person suffering from invalidity of category II or III and employed in the Republic of Slovenia shall be kept in employment by the employer and reassigned to a job suited to his remaining capacity for work and qualifications or training and shall be provided with occupational rehabilitation and part-time work, save for the cases when the employer may terminate his employment pursuant to the present Act.
- (2) In assignment and employment of insured persons afflicted with invalidity and/or in selection of appropriate job, it is necessary to consider:
 - the opinion of the invalidity commission as regards the remaining capacity for work of the an insured person,
 - the provisions of the Employment Relationships Act and collective agreements.
- (3) In the event that an insured person afflicted with invalidity is of the opinion that the proposed job or occupational rehabilitation do not correspond to his remaining capacity for work, the relevant opinion shall be given by the invalidity commission at the request of the employer or the insured person.

7. Termination of employment of disabled worker

Article 102

(Employment and termination of employment on grounds of invalidity)

- (1) The employer may terminate the employment contract concluded with a disabled worker with the remaining capacity for work, if he is incapable of securing a job or part-time work according to the preceding Article.
- (2) The employer may likewise terminate the employment contract concluded with concluded with a disabled worker with the remaining capacity for work, if such disabled worker has, with no justified reason and within specified time-limit:
 - failed to commence occupational rehabilitation or failed to complete it within the specified time,
 - failed to meet the obligations laid down in the occupational rehabilitation contract,
 - failed to begin working at another job specified as per the provision of the preceding Article hereof,
 - failed to begin working part-time.

Article 103

(Commission for establishment of reasons for termination of employment contract)

- (1) In the case of an employer who employs at least 5 persons, the reasons for termination of employment contract on the basis of the first paragraph of the preceding Article shall be determined by a commission composed of:

- a representative of the Institute,
 - a representative of the Labour Inspectorate of the Republic of Slovenia,
 - a representative of the Employment Office,
 - a representative of employers and a representative of trade unions.
- (2) The provision of the preceding paragraph notwithstanding, the commission from the preceding paragraph may, in the case of an employer who employs at least 5 persons, establish the reasons for termination of employment contract on the basis of the first paragraph of the preceding Article, if so proposed by the Institute, the Employment Office, the insured person or the employer.
- (3) The commission referred to in the first paragraph of this Article and its mode of work shall be designated by the minister responsible for labour.
- (4) Decisions of the commission shall be applicable if a majority of its members are present. Decisions of the commission shall be final.
- (5) The costs of work of the commission shall be borne by the Institute.

Article 104

(Rights of a disabled worker in case of termination of employment)

- (1) An insured person whose employment contract has been terminated according to the first paragraph of Article 102 hereof shall assert his rights under unemployment insurance; after expiration of these rights he shall assert his rights hereunder.
- (2) After termination of employment, an insured person whose employment contract has been cancelled according to the second paragraph of Article 102 hereof may not assert any rights hereunder on grounds of the same invalidity.

Article 105

(Worsening of invalidity)

The insured person as per the second paragraph of Article 102 hereof whose already ascertained invalidity has worsened or in whom a new case of invalidity has emerged in such a way that he fulfils the conditions for acquisition of a new right, shall be granted such right if, on the day of occurrence of change or new invalidity, he fulfils the conditions of age and pension qualifying and/or insurance period specified hereunder for acquisition of a new right, regardless of the cause of occurrence of the first invalidity.

Article 106

(Medical check-up)

- (1) An insured person who has acquired a right on grounds of invalidity which occurred prior to his attaining 45 years of age shall be subjected to compulsory medical checks, as a rule carried out every five years, where his invalidity is redetermined.
- (2) An insured person may also be requested to come for a medical check-up after completion of age referred to in the preceding paragraph or prior to expiration of the five-years' period.
- (3) In the course of determination of invalidity it may be found that a medical check-up is not necessary.

8. Reimbursement of travel expenses

Article 107
(Beneficiaries)

- (1) An insured person shall be entitled to reimbursement of travel expenses related to assertion and enjoyment of rights when:
 - he is directed or invited by the Institute to another locality for the purpose of medical examinations and issue of expert opinions;
 - he is directed to another locality for the purpose of occupational rehabilitation.
- (2) The right to reimbursement of travel expenses shall extend to the person appointed to accompany the insured person from the preceding paragraph.
- (3) Reimbursement of travel expenses shall be fixed in the amount of costs of transportation and costs of board and lodging in the time of travelling and residence at another locality.

Article 108
(Fixing of travel expenses)

The Institute shall issue a general act to determine the type and mode of use of means of transport, taking into consideration the state of health of the insured, distance, conditions of travel, mode of claiming reimbursement of travel expenses and the amount of reimbursement of costs of board and lodging for the time of travelling and residence in another locality.

Chapter V

Rights in the event of death of an insured person

1. Conditions on the side of a deceased insured person

Article 109

(Conditions on the side of the deceased insured)

- (1) A widow, a widower or other family members of an insured person shall acquire the right to a pension after the deceased insured person, provided this person:
 - completed at least five years of insurance period or at least ten years of pension qualifying period, or
 - fulfilled the conditions for entitlement to old-age or invalidity pension, or
 - enjoyed old-age or invalidity pension or enjoyed a right on grounds of invalidity.
- (2) If an insured person died due to an employment injury or occupational disease, his family members shall acquire the right to a pension by virtue of the deceased insured person, irrespective of the pension qualifying period completed by him.
- (3) In establishment of conditions for acquisition of the right of the widow, the widower and other family members to a pension by virtue of the deceased insured person, a legally effective decision concerning proclamation of the insured person as missing shall have the same legal effect as death.

2. Widow/widower's pension

Article 110

(Widow/widower's pension)

- (1) A widow/widower of a deceased insured person may assert the right to widow/widower's pension, provided that:
 - he/she has attained 53 years of age by the time of the death of the insured person by virtue of whom he/she is entitled to such right;
 - he/she was wholly incapable for work by the time of the death of the insured person or became wholly incapable for work within a year after his/her death;
 - he/she was, after the death of the insured person, left with a child or several children who are entitled to survivor's pension by virtue of the deceased insured person and whom the widow/widower is liable to maintain.
- (2) A widow/widower who became wholly incapable for work within the period of his/her entitlement to widow/widower's pension according to the third indent of the preceding paragraph of this Article shall retain the right to widow/widower's pension as long as such incapacity is indicated.

- (3) A widow/widower who has not yet attained 53 years of age by the time of death of the insured person, but has attained 48 years of age, shall acquire the right to such pension on attaining 53 years of age.
- (4) In the event that at the time of marriage the deceased insured person has already completed the age as per the first paragraph of Article 36 hereof, the surviving spouse shall acquire the right to widow/widower's pension only in the event that he/she and the deceased person had a common child or in the event that the marriage lasted one year without interruption.
- (5) The provisions of the preceding paragraph shall not be applied in the event that the marriage was dissolved prior to completion of the age as per the first paragraph of Article 36 and re-entered it after the insured person has already completed the age as per the first paragraph of Article 36.
- (6) A widow/widower who has, within the period of his/her entitlement to widow/widower's pension, this entitlement having been acquired under the terms specified in the second or the third indent of the first paragraph of this Article, attained 53 years of age, shall retain a permanent right to widow/widower's pension. In the event of cessation of such right prior to his/her attaining 53 years of age, but after having attained 48 years of age, he/she may reassert this right upon attaining 53 years of age.
- (7) Notwithstanding the conditions laid down in the first indent of the first paragraph and the third paragraph of the present Article, the right to widow/widower's pension shall also be acquired by the widow/widower who, at the time of the death of the insured person, has no attributes of an insured person, provided:
 - he/she has attained 48 years of age by the time of the death of the insured person;
 - he/she has not attained 48 years of age by the time of death of the insured person, but has attained 45 years of age, whereupon he/she shall acquire the right to widow/widower's pension when he/she has attained 48 years of age.

Article 111
(Birth of a child after father's death)

The right to widow/widower's pension shall also be acquired by a widow who gives birth to a child of an insured person within 300 days after the death of the insured person or the pensioner at the latest. She shall be entitled to this right from the time of the death of the insured person.

Article 112
(Enjoyment of widow/widower's pension while the child is engaged in military service, conscientious objectors' service or training for the ancillary police force units)

A widow and/or a widower shall be entitled to a widow/widower's pension according to the terms laid down in the third indent of the first paragraph of Article 110 also for the time when the payments of survivor's pension to the child entitled to such pension are suspended because the child is engaged in military service, conscientious objectors' service or training for the ancillary police force units.

Article 113
(Dissolution of marriage)

- (1) Under the terms laid down in Article 110 hereof, a spouse whose marriage has been dissolved shall be likewise entitled to a widow/widower's pension, provided he/she has been granted the maintenance right by virtue of a court decision or an agreement, and has enjoyed such maintenance by the time of the death of the insured person.
- (2) In the event that the spouse from a later marriage is entitled to a widow/widower's pension, the divorced spouse from the preceding paragraph shall acquire the right to a widow/widower's pension as a co-recipient.

Article 114
(Extra-marital cohabitation)

Under the terms of Article 110 hereof the right to a widow/widower's pension shall also be acquired by a person who spent the last three years prior to the death of an insured person in an extramarital partnership with the said insured person, such partnership being equal to a conjugal community in respect of legal consequences according to the regulations on marriage and family relationships, or who cohabited in such partnership with the insured person for the last year prior to the death of the insured person, as well as had a common child with the insured person at any time.

3. Survivor's pension

Article 115
(Conditions for acquisition of the right to survivor's pension)

- (1) After the death of the insured person from Article 110 hereof, the right to survivor's pension shall be granted to:
 - children (legitimate or illegitimate and adopted),
 - stepchildren, orphaned grandchildren and other orphaned children who were maintained by the insured;
 - parents (father and mother, stepfather and stepmother) and adoptive parents who were maintained by the insured person;

- brothers and sisters who were maintained by the insured person until his death and have no means of subsistence of their own.
- (2) In the cases from the second indent of the preceding paragraph, grandchildren and other children shall also be deemed orphaned, if their parents are alive but wholly incapable of working pursuant to Article 121 hereof.
- (3) The Institute shall determine when an insured person is deemed to have maintained a family member.

Article 116
(Children)

- (1) A child shall be entitled to a survivor's pension by the time he has attained 15 years of age or by the completion of regular schooling, but not longer than by the time he has attained 26 years of age.
- (2) Irrespective of the provision of Article 20 hereof, a child insured under compulsory insurance according to this Article shall be entitled to survivor's pension.
- (3) A child registered with the Employment Office after he has attained 15 years of age, shall be entitled to a survivor's pension until he has attained 18 years of age at the most, on condition that he is registered with the Employment Office and fulfils the obligations under employment regulations.
- (4) A child who has become wholly incapable of working by the age up to which he is entitled to such survivor's pension or by the completion of regular schooling, shall retain the right to a survivor's pension for as long as such incapacity for work is indicated.
- (5) A child who has become wholly and permanently incapable of working after the age until which he is guaranteed the right to a survivor's pension or until the completion of regular schooling, shall acquire the right to survivor's pension if an insured person or a recipient of such right had maintained him by the time of his death.

Article 117
(School certificate)

- (1) A child shall submit evidence of regular schooling every year by means of a school certificate.
- (2) A child who fails to fulfil the requirements for enrolment in the next higher school year on the year of his/her parent's death shall be entitled to a survivor's pension by the following school year.

Article 118
(Suspended schooling)

- (1) In the event that a child has suspended his/her schooling due to illness, pregnancy or childbirth, he/she shall acquire or retain the right to a survivor's pension for the period of sickness and suspension due to pregnancy or childbirth until he/she has attained 26 years of age or more, but not for longer than the time he/she lost due to sickness, pregnancy or childbirth if he/she continued his/her regular schooling prior to the completed 26 years of age.
- (2) In the event that the child has suspended his schooling due to military service, conscientious objector's service, or basic training for ancillary police force units, he shall be entitled, provided he pursues regular schooling, to a survivor's pension after he has attained 26 years of age as well, but not for longer than for the time his regular schooling was suspended due to military service, conscientious objector's service, or basic training for ancillary police force units.

Article 119
(Parents)

- (1) Parents maintained by an insured person by the time of his death shall become entitled to a survivor's pension, provided:
 - they have attained 58 years of age by the time of the death of the insured person, or
 - they were wholly incapable of working at the time of the death of the insured person.
- (2) If within the period of his entitlement to a survivor's pension acquired pursuant to the second indent of the preceding paragraph the beneficiary has attained 58 years of age, he shall retain a permanent right to a survivor's pension.

Article 120
(Conditions to be fulfilled by brothers and sisters)

Brothers and sisters of a deceased insured person who were maintained by him up to the time of his death, shall become entitled to survivor's pension provided they fulfil the conditions specified for the children or conditions specified for the parents of the deceased insured person.

Article 121
(Full incapacity for work)

Full incapacity for work and gainful employment which represents a condition for acquisition of the right to survivor's or widow/widower's pension shall be ascertained, where, in the case of children, such children are incapable of independent living and

working, or, in the case of other persons, where such other persons suffer from invalidity of category I.

4. Assessment of widow/widower's and survivor's pension

Article 122

(Rating base for assessment)

- (1) Widow/widower's or survivor's pension shall be assessed on the basis of old-age or invalidity pension an insured person would have received at the time of his death, or on the basis of the pension a recipient was entitled to at the time of his death, as follows:
 - after the death of the insured person - on the basis of old-age pension the insured person would have been receiving with respect to completed pension qualifying period, or on the basis of invalidity pension the insured person would have been receiving for invalidity, depending upon the cause of death, whichever is more favourable for the beneficiary. If the insured person died as a result of employment injury or occupational disease, the base for assessment of widow/widower's or survivor's pension shall be fixed in the amount of invalidity pension which would have been assessed to the insured person for 40 years (males) and 38 years (females) of pension qualifying period irrespective of age. If the insured person died as a result of off-the-job injury or illness, the base for assessment of widow/widower's or survivor's pension shall be fixed in the amount of invalidity pension which would have been assessed to the insured person with respect to the completed pension qualifying period, taking into account the calculation period and without reduction;
 - after the death of a recipient of old-age pension - from pension the recipient had been entitled to up to the time of his death, or from invalidity pension the recipient would have been receiving had he asserted an invalidity pension instead of an old-age pension, whichever is more favourable for the beneficiary;
 - after the death of a recipient of an invalidity pension - from the pension he was entitled to at the time of his death;
 - after the death of an insured person who enjoyed the rights on grounds of invalidity pursuant to the present Act - from the invalidity pension he would have been entitled to if he fulfilled the conditions for entitlement to invalidity pension at the time of his death.
- (2) The provisions hereof on the minimum and the maximum pension rating base shall likewise be taken into account in calculation of the basis for assessment of widow/widower's and survivor's pension.
- (3) The minimum rating base for the assessment of widow/widower's or survivor's pension is the pension assessed in the amount of at least 45% of the pension rating base, irrespective of age.

Article 123
(Assessment of widow/widower's pension)

- (1) Widow/widower's pension shall be assessed in the amount of 70% of the base for assessment of survivor's pension.
- (2) A widow or a widower entitled to an old-age or invalidity pension in addition to widow/widower's pension may enjoy the pension of his own choice.
- (3) In the cases from the preceding paragraph, widow/widower's pension shall be assessed in the amount at least equal to the rating base from Article 57 hereof.
- (4) The provision of the second paragraph of this Article notwithstanding, a widow or a widower may also receive 15% of the amount of widow/widower's pension in addition to his/her pension, if this is more favourable for him/her, whereby the total payment may amount to a maximum of 100% of the average pension payable in the state in the preceding calendar year.

Article 124
(Assessment of survivor's pension)

- (1) Survivor's pension shall be assessed from the rating base for assessment of survivor's pension in a percentage which depends upon the number of family members entitled to such pension.
- (2) In the event that only the members of the nuclear family (children, adopted children) or only the members of the extended family (stepchildren, grandchildren and other orphaned children, brothers and sisters, parents and adoptive parents) are entitled to survivor's pension, such pension shall be assessed in the following percentage:

For a single member	For two members	For three members	For four or more members
70%	80%	90%	100%

- (3) In the event that both the members of a nuclear family and the members of an extended family are entitled to survivor's pension, such pension shall be granted to the members of the nuclear family according to the preceding paragraph, while the members of the extended family shall receive the remainder of the rating base for assessment of survivor's pension.

Article 125
(Orphan bereaved of both parents)

- (1) Children bereaved of both their parents - insured persons - shall be entitled, in addition to survivor's pension by virtue of one of the parents, to 30% of the pension rating base by virtue of the second parent for each child, but in total a maximum 100% of the rating base for the survivor's pension by virtue of the second parent.
- (2) The total amount of the survivor's pension and a part of the survivor's pension as established according to the preceding paragraph shall not exceed the amount of survivor's pension assessed from the amount of old-age pension of a man for 40 years of pension qualifying period, assessed from the maximum pension rating base asserted at full pensionable age.

Article 126

(Assessment of widow/widower's and survivor's pension)

- (1) If family members fulfil the conditions for entitlement to widow/widower's and survivor's pension, the widow/widower's pension shall be assessed as follows:
 - in a proportional part of survivor's pension assessed from the rating base in a percentage fixed with respect to the number of family members in the second paragraph of Article 124 hereof, who also include the widow or the widower, if both the widow or the widower and the members of the nuclear family are entitled to pensions, or
 - in the amount fixed in the first paragraph of Article 123 hereof, if both the widow or the widower and the members of the extended family are entitled to pension, while the members of the extended family are entitled to the remainder of the rating base for assessment of survivor's pension, or
 - in a proportional part of survivor's pension assessed from the rating base in a percentage fixed with respect to the number of family members in the second paragraph of Article 124 hereof, who include the widow or the widower, if both the widow or the widower and the members of the nuclear family are entitled to pension, while the members of the extended family are entitled to the remainder of the base for assessment of survivor's pension.

5. Transitional allowance and maintenance allowance

Article 127

(Beneficiaries)

A widow or a widower who has not acquired the right to widow/widower's pension after the death of his or her spouse, since he or she has not fulfilled the special conditions laid down in Article 110 hereof, shall be granted the right to transitional allowance or maintenance allowance.

Article 128

(Transitional allowance)

- (1) Transitional allowance shall be granted to a widow or a widower who is not insured pursuant to the present Act.
- (2) Transitional allowance granted to a widow or a widower shall amount to a six months' widow/widower's pension to which he/she would have been entitled if he/she had the right to such widow/widower's pension.
- (3) Transitional allowance payments shall commence on the first day of the month following the death of the spouse and shall be effected in six monthly instalments.
- (4) Transitional allowance payments to a widow or a widower shall cease on the day when he/she fulfils the conditions for old-age, invalidity or widow/widower's or survivor's pension, or on the day when he/she joins an insurance scheme pursuant to the present Act, or if he/she contracts a new marriage or lives in extra-marital cohabitation.

Article 129
(Maintenance allowance)

- (1) A widow or a widower is entitled to maintenance allowance after the cessation of transitional payments, provided he/she has registered with the Employment Office within 30 days after the date of exhaustion of the right to transitional allowance, and provided he/she fulfils the conditions for acquisition of the right to pension support with respect to his/her means.
- (2) The right to maintenance allowance shall also apply to a widow or a widower who has lost the right to widow/widower's pension because he/she has not yet attained 53 years of age, provided he/she has registered with the Employment Office within 30 days after the date of the loss of the right to widow/widower's pension.

Article 130
(Assessment of maintenance allowance)

- (1) Maintenance allowance shall equal the amount of widow/widower's pension, but shall not exceed the amount of the rating base as per Article 57 hereof.
- (2) A widow or a widower shall be entitled to maintenance allowance for up to 24 months after the cessation of payments of transitional allowance or widow/widower's pension.
- (3) A widow or a widower shall lose the right to maintenance allowance in the cases referred to in the fourth paragraph of Article 128 hereof as well as in the event that he/she ceases to fulfil the conditions for entitlement to pension

support with respect to his/her means and in the event that he/she has ceased to fulfil conditions laid down in the employment regulations.

Article 131
(Payments and indexation)

Indexation and payments of transitional allowance and maintenance allowance shall be effected in the same way as pensions.

Chapter VI
Pension support

Article 132
(Definition of pension support)

- (1) In order to secure their social security, recipients of old-age, invalidity, widow/widower's and survivor's pension with permanent residence in the Republic of Slovenia, whose pension does not attain the amount of the rating base as per Article 57 hereof, shall be entitled to pension support if they - their family members included - do not avail of any other income that would be sufficient for subsistence.
- (2) The amount of pension support to old-age and invalidity pension shall depend on the completed pension qualifying period, while the amount of pension support to widow/widower's and survivor's pension shall depend on the number of recipients as well.

Article 133
(Income ceiling)

- (1) The total income of a pension recipient and of his family members shall also include, within the meaning of the preceding Article, all income of the pension recipient and of his family members from employment, income from independent activity, income from assets and other income subject to taxes, as well as pensions and pension supports, disability allowances for military invalids received from abroad, disability allowances and other benefits under the regulations on military and civilian war invalids, benefits from voluntary insurance, benefits from old-age insurance for farmers, maintenance allowances and other benefits, in the means testing, except income which is, according to special regulations, not subject to means-testing.
- (2) Assistance and attendance allowance shall not be included in the total income of a pension recipient and of his family members.
- (3) Notwithstanding the provisions of the first paragraph of the preceding Article a pension recipient shall not be able to acquire the right to pension support if, despite the evidenced low income, social security of the pension recipient and

his family members living in shared household is not endangered because the assets owned by the pension recipient and the assets of his family members exceed SIT 3.6 million.

- (4) The assets referred to in the preceding paragraph shall not take into account the ownership of shares or capital shares of companies or co-operatives up to the amount of SIT 2 million, an apartment or a residential house which serves as a residence of an insured person and his family members, and agricultural land and forests with cadastral income up to the amount determined as the basis for joining compulsory pension or invalidity insurance pursuant to the regulations on pension and invalidity insurance.
- (5) At any time the Institute may request from an insured person to submit evidence and data stating the financial standing referred to in the first paragraph of the present Article. In the event that the pension recipient fails to submit the requested evidence or data within the specified time limit, which shall not be shorter than eight days, the pension support shall not be granted or shall be cancelled.
- (6) The minister responsible for labour shall determine which assets are to be taken into consideration according to the third paragraph of the present Article and which method of establishment of value and revaluation of the assets from the third Article is to be employed, and once a year adjusts the amount of shares or capital shares of companies or co-operatives referred to in the fourth paragraph of the present Article to the growth of inflation.
- (7) More detailed conditions for the acquisition and enjoyment of the right to pension support shall be determined by the Institute.

Article 134

(Family members to be considered in means testing)

- (1) Family members whose income constitutes the total family income, provided that they share a permanent residence, shall be deemed to be the pension recipient, his spouse or the person living in extra-marital cohabitation with the recipient, the legal successor to a farm on which the pension recipient has his permanent residence, as well as dependent children and other dependent family members maintained by the recipient.
- (2) Where pension for the case of an insured person's death is concerned, a survivor's pension, all co-recipients of survivor's pension and parents of a child who is a recipient of survivor's pension shall be deemed to be family members in addition to persons from the preceding paragraph, provided that the condition of the joint permanent residence has been fulfilled.

Article 135

(Assessment of pension support to old-age pension)

Pension support to old-age pension shall be assessed on the basis of the difference between the pension and the amount of the rating base as per Article 57 hereof (hereinafter referred to as: the base for assessment of pension support) and shall amount to 60% of the base in a pension recipient with the length of pension qualifying period of 15 years or less. The amount of pension support shall increase by 2% for each subsequent completed year of the pension qualifying period. It shall not, however, exceed 100% of the above mentioned difference.

Pension qualifying period	Percentage of the pension rating base
15 years	60
16 years	62
17 years	64
18 years	66
19 years	68
20 years	70
21 years	72
22 years	74
23 years	76
24 years	78
25 years	80
26 years	82
27 years	84
28 years	86
29 years	88
30 years	90
31 years	92
32 years	94
33 years	96
34 years	98
35 years	100

Article 136

(Assessment of pension support to invalidity pension,
widow/widower's pension or survivor's pension)

- (1) Pension support to invalidity pension, granted by virtue of off-the-job injury or illness, shall amount to at least 70% of the pension support rating base in a pension recipient with a pension qualifying period up to 20 years.
- (2) The level of pension support shall increase by 2% for each subsequent completed year of the pension qualifying period; it shall not, however, exceed 100% of the rating base.

- (3) Pension support to invalidity pension, assessed in proportionate parts, according to the cause of the occurrence of invalidity, shall be assessed pro rata.
- (4) The basis for the assessment of pension support shall be the difference between the total amount of the assessed pension and the amount of the base as per Article 57 hereof. The total amount of pension support shall not exceed the amount of the difference between the assessed pension and the amount of the base as per Article 57 hereof.
- (5) Pension support by virtue of the diseased insured person shall be assessed from the difference between the base for assessment of pension by virtue of the diseased insured person and the amount of the base as per Article 57 hereof, and shall be equal to 70% of such difference in case of one pension recipient, 80% in case of two, 90% in case of three and 100% of such difference in case of four or more pension recipients.
- (6) Pension support according to the preceding paragraph shall be assessed to a child who, in addition to the survivor's pension by virtue of one of the parents, is also entitled to a part of this pension by virtue of the other parent. The part of the survivor's pension by virtue of the second parent shall be accounted for in the total income of a pension recipient and of his family members, which affect the right to pension support.
- (7) If some of the co-recipients of pension for the case of the death of an insured person fulfil the conditions for pension support, while the others do not, this allowance shall be fixed and apportioned as if all of them satisfied the requirements, whereupon the portions of pension support fixed in this way shall be paid only to those recipients who fulfil the relevant conditions.
- (8) If the members of both nuclear and extended family are entitled to pension for the case of the death of the insured person and all of them fulfil the conditions for pension support, the part of such pension support which belongs to the members of the nuclear family shall be assessed according to paragraph 5 of this Article, while the members of the extended family shall be accorded the remainder up to the full amount of the rating base as per Article 57 hereof.

Chapter VII

Assistance and attendance allowance

Article 137 (Beneficiaries)

The entitlement to assistance and attendance allowance shall be accorded to the recipients of old-age, invalidity, widow/widower's and survivor's pension with permanent residence in the Republic of Slovenia who are in need of constant outside assistance and attendance to satisfy their vital necessities.

Article 138
(Beneficiaries - active insured persons)

- (1) The right to assistance and attendance allowance shall also appertain to insured persons who have entered employment or begun to perform an independent professional activity as blind or partially sighted insured persons defined in the second group of definition of blindness (hereinafter: the partially sighted) as well as to insured persons who become blind during employment or performance of an independent professional activity, as well as immobile insured persons who have been employed in accordance with their working capacity, but not less than one half of the full working time, unless they have the right to assistance and attendance allowance on other grounds.
- (2) The persons referred to in the preceding paragraph shall retain the right to assistance and attendance allowance even after the termination of their employment, if their employment was terminated through no fault of their own and not of their own will.
- (3) An insured person insured in whom the ability to move has been reduced by at least 70% shall be considered as immobile.
- (4) The right to assistance and attendance allowance shall also appertain to persons who have lost their sight as pension recipients.
- (5) The right to assistance and attendance allowance shall also appertain to blind persons who are insured under health insurance through another person insured with the Institute or a pensioner.
- (6) An insured person in whom the mobility has been reduced by at least 70% and who is not employed, shall become entitled to assistance and attendance allowance even if he has acquired the right to occupational rehabilitation. The assistance and attendance allowance shall appertain to such insured persons as from the day of commencement of occupational rehabilitation.

Article 139
(Performance of vital necessities)

- (1) Assistance and attendance are indispensable for a pension recipient to be able to perform all his essential needs when, due to permanent changes in his state of health, he cannot satisfy the vital necessities because he is not able to move by himself around the apartment and outside it either by his own effort or with the assistance of orthopaedic appliances, is unable to feed himself without assistance, dress and undress, put on and take off his shoes, take care of his personal hygiene, and perform other basic tasks indispensable for survival.

- (2) Assistance and attendance are indispensable to a pension recipient for performance of the majority of his vital necessities when, due to permanent changes in his state of health, he is unable to satisfy the majority of his vital necessities as above, or when he requires permanent supervision as a more seriously mentally handicapped psychiatric patient in domestic care.

Article 140

(Establishment and determination of conditions)

- (1) The opinion as to whether a beneficiary requires constant assistance and attendance for performance of all or only a majority of his vital necessities, whether he is blind or partially sighted, or whether or not he requires constant supervision, or whether his ability of movement has been reduced by 70%, shall be issued the national board of examiners or another medical expert of the Institute.
- (2) The criteria of assessment as to whether the ability of movement of an insured person has been reduced by at least 70%, or whether an insured person in need of constant supervision, shall be determined by the Institute.

Article 141

(Assessment of assistance and attendance allowance)

- (1) Assistance and attendance allowance to a beneficiary who requires constant assistance and attendance in performing all his vital necessities, and to blind and immobile persons referred to in Article 138 hereof, shall be assessed in the amount of at least 70% of the amount of the rating base as per Article 57 hereof.
- (2) Allowance for assistance and attendance in performing a majority of vital necessities and for assistance and attendance to the partially sighted shall be assessed at the level of one half of the amount specified in the preceding paragraph.
- (3) For some of the most severely handicapped categories of beneficiaries from the first paragraph of the present Article, the Institute may, by way of a decision, fix an amount of assistance and attendance allowance higher than that fixed in the first paragraph of this Article. The criteria for selection of beneficiaries to the higher amount of assistance and attendance allowance shall be determined by the minister responsible for health.

Article 142

(Right of option)

If a beneficiary acquires the right to assistance and attendance allowance pursuant to the present Act as well as according to other regulations, he may enjoy only the one for which he himself has opted.

Chapter VIII Disability allowance

Article 143 (Physical impairment)

- (1) Physical impairment shall be established if an insured person is affected by a loss, a major injury or a major incapacitation of individual organs or parts of the body, which renders the physical activity of the organism more difficult and demands greater effort in satisfying one's vital necessities irrespective of whether such physical impairment causes invalidity or not.
- (2) An insured person in whom physical impairment occurs during the time of insurance shall acquire the right to cash benefit for this physical impairment (hereinafter referred to as: disability allowance) under the same conditions concerning the pension qualifying period that apply to the acquisition of the right to invalidity pension.
- (3) Types of physical impairment on grounds of which the right to disability allowance shall be acquired, and the percentage of these types of physical impairment, shall be determined by the minister responsible for labour, in consideration of a prior opinion of the minister responsible for health.

Article 144 (Acquisition of right to disability allowance)

- (1) The right to disability allowance shall be granted to an insured person for a physical impairment, which occurred as a result of:
 - employment injury or occupational disease, if at least 30% physical impairment is ascertained, irrespective of the completed pension qualifying period;
 - off-the-job injury or illness, if at least 50% physical impairment is ascertained and if, at the emergence of the physical impairment, the insured person has completed the pension qualifying period required for acquisition of the right to invalidity pension, regardless of whether the physical impairment causes invalidity or not.
- (2) An insured person shall acquire the right to disability allowance irrespective of whether or not he is also entitled to any other right under the present Act.
- (3) An insured person shall not acquire the right to disability allowance for any physical impairment sustained prior to his inclusion into the insurance scheme; in the event, however, that such physical impairment deteriorates while he is

covered by insurance, disability allowance shall be assessed only for the physical impairment represented by such a deterioration.

- (4) By way of exception, an insured person who had, prior to his joining the insurance scheme, injured his eye, ear, arm, leg or any other paired organ, and who has later also damaged the other paired organ, shall acquire the right to disability allowance for physical impairment of both organs.

Article 145
(Degrees of physical impairment)

- (1) With regard to their severity, physical impairments are classified according to the following eight degrees:

Degree	Physical impairment (%)
1st degree	100
2nd degree	90
3rd degree	80
4th degree	70
5th degree	60
6th degree	50
7th degree	40
8th degree	30

- (2) Disability allowance shall be assessed in respect of the degree and cause of physical impairment at the time of its occurrence.

Article 146
(Assessment of disability allowance)

- (1) Disability allowance acquired on grounds of employment injury or occupational disease, shall be assessed from the amount of the base as per Article 57 and shall be equal to:

Degree	Percentage of minimum pension for the full pension qualifying period
1st degree	24
2nd degree	22
3rd degree	20
4th degree	18
5th degree	16
6th degree	14
7th degree	12

- (2) Disability allowance acquired on grounds of off-the-job injury or illness, shall amount to 70% of the amount specified for the physical impairment of the same degree, which is a result of employment injury or occupational disease.

Article 147

(Assessment of disability allowance in case of combined causes of physical impairment)

If the physical impairment on the basis of which an insured person acquires the right to disability allowance is partly a consequence of employment injury or occupational disease, and partly a consequence of off-the-job injury or illness, disability allowance shall be assessed in the total amount according to the established combined degree of physical impairment. The amount of disability allowance shall be determined pro rata in respect of the impact of each individual cause upon the overall percentage of physical impairment.

Article 148

(Deterioration of physical impairment)

- (1) A recipient of disability allowance shall have a subsequent deterioration of physical impairment taken into account in the recognition of a higher degree of physical impairment.
- (2) If physical impairment of an insured person, which had previously been below 30% or below 50%, has deteriorated to such an extent that it is now 30%, 50% or higher, the insured person shall become entitled to disability allowance provided that he fulfils the conditions for this entitlement at the time of the deterioration of physical impairment.
- (3) The new degree of physical impairment shall be established in the cases referred to in the preceding two paragraphs on the basis of a combined physical impairment.

Article 149

(Right of option between disability allowances pursuant to different regulations)

If an insured person is entitled to disability allowance for the same case of physical impairment under the present Act as well as according to other regulations, he may only enjoy the one of the two entitlements for which he himself has opted.

Chapter IX Indexation of Pensions

Article 150

(Mode of indexation of pensions)

- (1) Pensions shall be adjusted in accordance with monthly movement of average salaries per an employee.
- (2) The indexation shall be made with respect to growth of average salaries indicated since the month on the basis of which the salaries have been taken into account in the former indexation of pensions.
- (3) The indexation shall be made within the same time limit and as frequently as is applicable to the indexation of the salaries of employees who are subject to collective agreements, a special law or a social agreement.
- (4) If no special law or agreement between the social partners has been adopted or concluded in a particular calendar year, the indexation of pensions shall take place in February.
- (5) The indexation of pensions shall come into force on the first day of the month in which such indexation is carried out.

Article 151

(Adjustment of pensions asserted in different periods of time)

- (1) When implementing the first indexation as per the preceding Article in each current year, indexation of pensions asserted in the current year and pensions asserted in the preceding years shall be made in order to ensure equality of pensioners retired in different periods of time.
- (2) The percentage of indexation shall be determined by a comparison between the assessment rate for 40 years of pension qualifying period (male) for the current calendar year and such assessment rate for the preceding year.
- (3) The indexation according to the first paragraph of this Article shall apply to all the asserted pensions which would, with respect to the completed pension qualifying period, exceed the newly asserted ones for the same pension qualifying period.
- (4) The mode of indexation of pensions according to the preceding paragraphs shall be determined by the Institute.
- (5) The indexations of pensions according to the provisions of the present and the preceding Article shall be made by the Institute.

Article 152

(Restriction of adjustment of pensions)

If the growth rate of consumer prices in a particular calendar year exceeds the growth of salaries, the pensions shall, without prejudice to the provision of the preceding Article, be increased by the growth rate of an average salary.

Article 153

(Indexation of holiday bonus or lump-sum yearly bonus)

In each calendar year, holiday bonus or lump-sum yearly bonus shall be adjusted by the rate equal to the rate of adjustment of holiday bonus specified in the collective agreement.

PART IV
RIGHT TO PENSION UNDER MORE FAVOURABLE CONDITIONS

Article 154

(Restriction of introduction of more favourable conditions of retirement according to special regulations)

- (1) By way of exception, individual categories of the insured may, in the cases and in the manner specified in special laws, acquire and assert the right to a pension under more favourable conditions.
- (2) The provisions of the laws referred to in the preceding paragraph, an insured person may not assert old-age pension prior to completion of 55 years of age and 35 years of pension qualifying period (males) or 53 years of age and 30 years of pension qualifying period (females).

Article 155

(Provision of funds for pensions asserted under more favourable conditions)

- (1) The funds for increased liabilities of the pension and invalidity insurance which are incurred due to acquisition and assertion of the rights to old-age pension under more favourable positions shall be provided by the Republic of Slovenia from the budget.
- (2) The funds from the preceding paragraph shall be fixed in the amount of the difference between a benefit recognized and assessed according to general regulations, and a benefit recognized and assessed according to more favourable conditions; this difference shall also include all the contributions from these benefits as well as a proportionate part of the costs of assessment and disbursement of benefits.
- (3) If an insured person fails to fulfil the conditions for acquisition of the right to a pension according to general regulations, the entire funds required for such a pension, including contributions and costs of assessment and disbursement of this benefit shall be provided by the Republic of Slovenia from the budget.

PART V
ACQUISITION, ENJOYMENT AND LOSS OF RIGHTS

Article 156
(Acquisition of rights)

- (1) An insured person shall acquire a right under compulsory insurance on the day when the conditions for acquisition of this right have been fulfilled.
- (2) The necessary condition for obtaining the right to a pension is the cessation of compulsory insurance, except in case of apprentices and persons as per the second paragraph of Article 34 hereof.
- (3) A farmer shall acquire the right to a pension under the present Act upon handing over of the farm to a legal successor, upon selling his farm or letting it on a long-term lease. In the event that on the basis of a public announcement of the offer for sales or leasing of agricultural land or forests the farmer is unable to hand over the farm to his legal successor against the payment of a purchase money or leasehold rent which corresponds to the ascertained value according to the regulations on the pre-emptive right to purchase or lease of agricultural land, the condition of handing-over of the farm shall be considered as fulfilled.
- (4) Detailed requirements for handing over a farm pursuant to the preceding paragraph shall be determined by the minister responsible for agriculture.
- (5) An insured person shall acquire the rights on grounds of invalidity, physical impairment or a need for constant assistance and attendance on the day of the occurrence of invalidity or physical impairment, or on the day of the occurrence of a need for constant assistance and attendance.

Article 157
(Commencement of payments)

- (1) A recipient shall be entitled to a pension from the first day following the cessation of insurance.
- (2) A person who is not insured at the time of asserting his right to receive a pension, shall receive such pension from the first day of the month following the lodging of the relevant claim and for a maximum of six months in arrears.

Article 158
(Payments of partial invalidity pension and cash benefits)

Partial invalidity pension, cash benefits related to the right to occupational rehabilitation and the right to reassignment as well as invalidity benefit shall be

payable to insured persons in paid employment or to persons insured under compulsory insurance for the days of work and for other days on which they are entitled to the compensation for absence from work pursuant to special regulations.

Article 159
(Payments of partial invalidity pension)

- (1) Partial invalidity pension shall be payable from the date of the commencement of part-time work for as long as an insured person performs part-time work suited to his working capacity.
- (2) Partial invalidity pension assessed under the first indent of the third paragraph of Article 93 hereof shall be payable as of the date of the commencement of part-time work at another job for as long as the insured person performs work with working hours suited to his working capacity.
- (3) Partial invalidity pension assessed under the second indent of the third paragraph and under the fifth paragraph of Article 93 hereof shall be payable as of the first day following the cessation of employment and/or insurance until the insured person has re-entered compulsory insurance.

Article 160
(Payments of partial invalidity pension and invalidity benefit to unemployed insured persons)

- (1) Partial invalidity pension assessed under the sixth paragraph of Article 93, and invalidity benefit referred to in the first indent of the first paragraph of Article 94 hereof shall be payable:
 - to an insured person as per Article 22 hereof as of the first day of the month following the exhaustion of unemployment benefit;
 - to an insured person as per Article 29 hereof as of the first day of the month following the submittal of the claim for recognition of the rights under invalidity insurance and for six months in arrears, but at the most from the occurrence of invalidity.
- (2) The provision of the first paragraph of this Article shall likewise apply mutatis mutandi to the case of the first paragraph of Article 104 hereof.

Article 161
(Payments of invalidity benefit)

Invalidity benefit shall be payable in cases specified in the first and the third indent of the first paragraph of Article 94 hereof as of the date of the cessation of employment and compulsory insurance, until the time when an insured person re-enters employment and/or compulsory insurance, or from the date of the commencement of

work at another job, provided that he is in paid employment and is insured under compulsory insurance.

Article 162

(Payments of partial invalidity pension and benefits to insured persons who lost their employment as a consequence of invalidity)

In the case referred to in the third paragraph of Article 159, Article 160 and Article 161, partial invalidity pension and invalidity benefit shall be payable for the time when the insured person is registered with the Employment Office and fulfils his obligations according to the employment regulations.

Article 163

(Duration of rights on grounds of invalidity)

- (1) The rights acquired on grounds of invalidity and physical impairment shall be retained for as long as the state of invalidity or physical impairment on grounds of which the right has been acquired persists, except in the cases of loss or restriction of enjoyment of the rights provided for hereunder.
- (2) In the event of changes in the state of invalidity or physical impairment, which cause a certain right to cease or change, such right shall cease or change on the first day of the month following the change.
- (3) The provision of the preceding paragraph notwithstanding, a recipient of invalidity pension and a recipient of cash benefits under invalidity insurance payable for the time of unemployment, whose state of health improved to an extent that, in the opinion of the national board of examiners he has regained his capacity to work, shall have his invalidity pension and cash benefits paid until an appropriate employment has been made available to him, provided he has, within 30 days upon receipt of the decision concerning the cessation of entitlement to cash benefits, registered with the Employment Office.

Article 164

(Acquisition of right to widow/widower's or survivor's pension by virtue of a pensioner)

A widow, a widower or another family member who has asserted the right to a widow/widower's or a survivor's pension by virtue of a recipient of old-age or invalidity pension, shall have this pension paid under the conditions of Article 157 hereof as of the first day of the month following the cessation of payments of old-age or invalidity pension to the deceased person.

Article 165
(Apportionment of survivor's pension)

- (1) In the event that only the members of a nuclear family or only the members of an extended family are entitled to a survivor's pension and some of them live separately, such survivor's pension shall be, at the request of beneficiaries, equally apportioned among them.
- (2) In the event that both the members of a nuclear family and the members of an extended family are entitled to a survivor's pension and some of them live separately, such survivor's pension shall be first divided into the part intended for the members of the nuclear family and the part intended for the members of the extended family, whereupon each of the two parts shall be further divided into equal parts according to the number of beneficiaries.
- (3) If the family members are entitled to survivor's pension and widow/widower's pension, the survivor's pension shall be divided into equal parts according to the number of family members.

Article 166
(Change in number of co-recipients)

- (1) If two or more family members are entitled to a survivor's pension, and if one of them has exhausted this right, which means that the payments of survivor's pension to such a person have been discontinued, the remaining family members shall have their survivor's pension reassessed.
- (2) If the family members are entitled to a survivor's and a widow/widower's pension and any of them has exhausted this right, which means that the payments of pension to such a person have been discontinued, the remaining family members shall have their pension reassessed.
- (3) A beneficiary shall be entitled to a pension according to the preceding two paragraphs from the day when the entitlement of one of them to a pension has been exhausted.

Article 167
(Pro rata share of pension)

- (1) Beneficiaries of pensions under international agreements on social security, who receive a pro rata share of pension and at the same time enjoy the rights to other cash benefits under invalidity insurance, shall be entitled to these benefits in the amount corresponding to a proportional part of the pension.
- (2) The provision of the preceding paragraph shall not apply to disability allowance.

Article 168
(Acquisition or loss of right to pension support)

- (1) The right to pension support shall be granted to a recipient of a pension as from the date of the acquisition of the right to pension, if he submits a claim for the entitlement to pension support within six months of the date of serving of the decision on the right to pension.
- (2) If a recipient of a pension has lodged his claim after the expiration of the time limit from the preceding paragraph, or if he has fulfilled the conditions for the right to pension support no sooner than during the period of entitlement to pension, he shall obtain the right to pension support from the date of the fulfilment of the requirements, but for a maximum of six months in arrears from the first day of the month following his submittal of the claim.
- (3) By 31 March of every second calendar year, a beneficiary of pension support shall submit to the Institute the evidence of income and assets affecting the right to this support.
- (4) A beneficiary who fails to submit the required evidence by the time specified in the preceding paragraph, shall lose the right to pension support. In this case the cessation of payments of pension support shall become effective as of 1 May of the same year.
- (5) A recipient of pension who has lost the right to pension support in the case from the preceding paragraph, shall regain it if he subsequently submits the required evidence. In this case, pension support shall be payable to him from the first day of the month following his submittal of evidence.
- (6) In other cases, the right to pension support shall cease as from the first day of the month following the cessation of conditions for enjoyment of the same.

Article 169
(Acquisition of right and commencement of payments of
assistance and attendance allowance)

- (1) The right to assistance and attendance allowance shall be granted to an insured person as from the day when the need for assistance and attendance arises and shall continue as long as such a need exists. Assistance and attendance allowance shall be payable from the first day of the month following the submittal of the claim and for six months in arrears at the most.
- (2) An insured person who has entered employment as a blind person or who has lost sight during the time of insurance shall be entitled to assistance and attendance allowance from the day of entry into employment or from the onset of blindness; allowance, however, shall be payable from the first day of the month following the submittal of the claim and for six months in arrears at the most.

- (3) The provisions of the preceding paragraph shall also apply mutatis mutandis to immobile insured persons entitled to assistance and attendance allowance under the present Act.
- (4) Persons as per the fifth paragraph of Article 138 hereof shall be entitled to assistance and attendance allowance as of the first day of the month following the submittal of the claim.
- (5) Any changes affecting the level or the scope of the right to assistance and attendance allowance shall take effect as from the first day of the month following the occurrence of a change; the new amount, however, shall be payable from the first day of the month following the submittal of the claim and for six months in arrears at the most.
- (6) Assistance and attendance allowance shall not be payable to a beneficiary for the period spent at hospital or in any other residential health institution, if such a period exceeds six months.

Article 170
(Payments of disability allowance)

Disability allowance shall be payable from the first day of the month following the submittal of the claim and for a maximum of six months in arrears.

Article 171
(Payment in monthly amounts and arrears)

Pensions, disability allowances, and assistance and attendance allowances shall be assessed in monthly amounts and paid in arrears.

Article 172
(Payment of overdue monthly amounts)

- (1) The overdue monthly amounts of benefits from the preceding Article which could not be paid due to circumstances induced by a recipient, shall be paid for three years in arrears at the most, calculated from the date of submittal of the claim for payment.
- (2) Cash benefits which have already fallen due, but have not yet been paid at the death of a recipient of a right, i.e. of an insured person, can be inherited and paid to heirs on the basis of submittal of the relevant evidence.

Article 173
(Self-inflicted injury)

An insured person shall not be able to acquire a right, and a disabled worker shall lose an acquired right if he has inflicted invalidity or physical impairment on himself with the aim of becoming entitled to rights hereunder.

Article 174

(Reasons for cessation of right to widow/widower's or survivor's pension)

- (1) A widow or a widower shall lose the right to a widow/widower's pension if he/she has contracted marriage before reaching the age from the first paragraph of Article 36 hereof, except if he/she has acquired or retained this right on grounds of total incapacity for work.
- (2) Under the conditions from the preceding paragraph, a beneficiary who enters an extramarital partnership which is, according to law, equal to conjugal community in legal consequences, shall likewise lose the right to a widow/widower's pension.
- (3) A child shall lose his right to a survivor's pension by virtue of a deceased insured person or shall not acquire it if he has contracted marriage, regardless of whether the marriage was contracted prior to the death of the insured person or beneficiary of the right or after his death, except children who acquired or retained this right on grounds of total or permanent incapacity for work, or if both spouses are attending regular schooling and are not insured under this Act.
- (4) A child who, in the time of regular schooling, engages in military service or in conscientious objectors' service or partakes of training for ancillary police units, shall not receive survivor's pension in that period.

Article 175

(Restoration of right to widow/widower's pension)

The right to widow/widower's pension shall be restored to a widow or a widower who has lost the right to widow/widower's pension according to the preceding Article and has not acquired the right to the same by virtue of his spouse from the new conjugal community, if:

- he/she has, after the termination of the new conjugal community, a child or several children from the first marriage who are entitled to survivor's pension and whom the widow or the widower is liable to maintain, or
- if the conditions for entitlement to widow/widower's pension concerning his/her age have been fulfilled.

Article 176

(Restriction of acquisition of widow/widower's or survivor's pension)

A family member shall not be able to acquire the right to a widow/widower's or a survivor's pension or he shall lose this right if, by a legally binding decision, he has been convicted for a criminal wilful homicide of the insured person.

Article 177

(Right of option between pensions under compulsory insurance)

- (1) An insured person who satisfies the conditions for the acquisition of the right to two or more pensions under compulsory insurance in the Republic of Slovenia, may enjoy only the one he opts for.
- (2) The preceding paragraph shall also apply in the case when an insured person fulfils the conditions for the acquisition of pensions in other countries as well, if he has acquired the rights on the basis of the same pension qualifying periods.

Impact of income after acquisition of right to pension on its enjoyment

Article 178

(Re-entering insurance)

- (1) A pension recipient who re-enters employment in the territory of the Republic of Slovenia or abroad, or who has been elected or appointed for a public or any other function for the performance of which he receives salary or salary compensation, or who commences to engage in an activity on the basis of which he is insured, shall acquire the status of an insured person and shall not receive the pension during this period.
- (2) The provisions of the preceding paragraph notwithstanding, a half of the pension shall be payable to a beneficiary if he is employed for one half of the full working time at the most.

Article 179

(Engagement in activities without impact on enjoyment of pension)

At his request, a pension shall be payable to a recipient of a pension who begins or continues to engage in an independent artistic or any other cultural activity, an activity as a creator of inventions, new body designs, pictures or drawings, or in the cases from Article 18 and 19 hereof; this period of time, however, shall not be taken into account when asserting an increase in percentage of the already asserted pension or a reassessment of his pension.

Article 180

(Reassessment of pension)

- (1) The pension qualifying period and the salary from the reinsurance shall be taken into account in reassessment of pension.
- (2) A beneficiary may request that in place of reassessment, his already asserted pension is increased by a percentage according to the period within the insurance period completed in the time of reinsurance.
- (3) The age at the time of cessation of insurance, from which the time of enjoyment of pension prior to rejoining of insurance is deducted, shall be taken into account in pension reassessment or increase by a percentage.
- (4) An insured person shall be entitled to a pension assessed according to the preceding paragraphs as of the first day of the month following the submittal of the claim and for six months in arrears at the most.

Article 181

(Pension increase by a percentage)

- (1) In the event of a subsequent recognition of a particular period within the pension qualifying period completed prior to assertion of the right to a pension, such period shall be taken into account only for the purpose of increase of the already asserted pension by a percentage.
- (2) An insured person shall be entitled to a pension increase by a percentage as of the first day of the month following the submittal of the claim and for six months in arrears at the most.

Article 182

(Enjoyment of pension taken into account in reassessment according to attained pensionable age)

- (1) In the assessment of pension according to the attained age, an insured person who has asserted old-age pension, shall have the months of his enjoyment of pension deducted from his age at the reassessment of pension.
- (2) The provision of the preceding paragraph shall not apply to the insured who were beneficiaries of invalidity pension or survivor's pension under Article 116 hereof.

Article 183

(Reduction of pension according to supplementary income of pension recipient who has not yet attained full pensionable age)

- (1) A recipient of a pension who has not yet attained the age of 63 years (males) or 61 years (females) and who, in addition to pension, generates income

which is, according to law, taken into account in the income tax rating base in the Republic of Slovenia or abroad, shall have their amount of pension reduced in proportion to the amount of such income.

- (2) Income as per the preceding paragraph shall be deemed to be all personal income according to work contracts and other payments for work with the exception of income from property rights according to tax regulations, income from agriculture and income from activities out of which the income tax was assessed for the last calendar year for which the income tax was assessed.
- (3) The amount of pension shall not be reduced if the average monthly income as per the preceding paragraph does not exceed 55% of the average monthly minimum salary for the calendar year for which the income tax was assessed.
- (4) The amount of pension in the current year shall be reduced:
 - by 5%, if the annual monthly income as per the first paragraph of this Article exceeds 55% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 7%, if the annual monthly income as per the first paragraph of this Article exceeds 80% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 10%, if the annual monthly income as per the first paragraph of this Article exceeds 130% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 13%, if the annual monthly income as per the first paragraph of this Article exceeds 180% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 16%, if the annual monthly income as per the first paragraph of this Article exceeds 230% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 19%, if the annual monthly income as per the first paragraph of this Article exceeds 280% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 22%, if the annual monthly income as per the first paragraph of this Article exceeds 330% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 25%, if the annual monthly income as per the first paragraph of this Article exceeds 380% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 28%, if the annual monthly income as per the first paragraph of this Article exceeds 430% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed;
 - by 31%, if the annual monthly income as per the first paragraph of this Article exceeds 480% of the average monthly minimum salary for the preceding calendar year for which the income tax was assessed.
- (5) Reduced pension shall be payable as of 1 January of the following year after serving of the income tax assessment decision of the Tax Administration of the Republic of Slovenia concerning the income in the period after

commencement of pension payments in respect of which the percentage of pension reduction according to the preceding paragraph is ascertained, or after presentation of the income tax assessment decision of a foreign tax authority.

- (6) More detailed provisions on the pension reduction procedure according to the preceding paragraphs shall be provided for by the minister responsible for labour in agreement with the minister responsible for finance.

Article 184

(Collection of data significant for payments of pensions)

- (1) In order to enable implementation of the preceding paragraph, the Tax Administration of the Republic of Slovenia shall be obliged to inform the Institute of the income and property of tax-payers entered in the registers and records maintained by tax authorities.
- (2) A pension recipient as per the preceding Article who generated income in another state shall be obliged to submit the income tax assessment decision from that state within 15 days after the date of its serving.
- (3) The data as per the first and the second paragraph of this Article acquired by the Institute shall be considered as a tax secrecy according to the tax procedure regulations; they shall be permanently maintained and shall not be forwarded to the third parties.
- (4) Persons who have access to such data shall be liable to safeguard them as a tax secrecy and shall be held responsible in the event of breach of confidentiality according to the tax procedure and tax service regulations as well as in the event of conduct contrary to regulations on personal data protection.

Article 185

(Notification of changes)

- (1) A beneficiary of a right shall notify the Institute of any change in personal or actual circumstances, affecting such right hereunder, its scope or the relevant payments.
- (2) The beneficiary shall lodge the notification according to the preceding paragraph within a period of eight days from the day of the occurrence of a change.
- (3) The employer shall be obliged to inform the Institute, within eight days, of any employment or termination of employment for every worker.

- (4) The Registry Office shall inform the Institute of the death of an insured person within eight days. The Institute may also request from the Registry Office any information on marriages contracted by the beneficiaries of widow/widower's or survivor's pensions.

Article 186
(Remittance of pensions abroad)

- (1) A pension shall be remitted to a foreign country if a beneficiary of rights who is a foreign national and has emigrated permanently, and if a relevant agreement has been concluded with this other country or if this other country recognizes such a right to the citizens of the Republic of Slovenia.
- (2) A beneficiary of rights who is a national of the Republic of Slovenia and has emigrated permanently shall have his pension remitted abroad.
- (3) State pension, pension support, assistance and attendance allowance and disability allowance shall not be payable during the period in which the beneficiary has permanent residence in a foreign country.
- (4) In the cases as per the preceding paragraphs the beneficiary shall, every calendar year, submit an official life certificate to the Institute.

PART VI
PENSION QUALIFYING PERIOD

Chapter I
General Provisions

Article 187
(Pension qualifying period)

- (1) The pension qualifying period, determined as the basis for the acquisition and assertion of rights under compulsory insurance, shall include:
- the period of time covered by compulsory insurance, which is taken into account in the insurance period according to the provisions of the present Act;
 - the non-contributory period, credited to the pension qualifying period of an insured person pursuant to the present Act;
 - the period of time completed prior to the enactment of the present Act, which shall be included in the pension qualifying period of a national of the Republic of Slovenia under regulations in force prior to the until the enactment of the present Act, unless otherwise specified in the present Act or a relevant international treaty.
- (2) In case of a person who is not a holder of the citizenship of the Republic of Slovenia, the time covered by the insurance with the Institute prior to the

enactment of the present Act shall be taken into account in the insurance period, unless otherwise specified in the present Act or a relevant international treaty.

Article 188
(Insurance period)

- (1) The period of time under compulsory insurance in full-time employment as well as the period of time in which a disabled worker entitled to a partial invalidity pension is employed part-time shall be taken into account in the pension qualifying period.
- (2) The period of time under compulsory insurance, in which an insured person was employed part-time due to the care of his child up to the age of three, or due to care of a person with a serious physical impairment or a moderately, seriously or severely mentally handicapped person in accordance with regulations governing the rights related to parenthood, shall likewise be considered as the period of full-time employment.
- (3) The period of time in which an insured person is employed part-time for a duration corresponding to the total number of hours of such employment in a particular year, calculated to full working hours, shall likewise be taken into account in the insurance period.
- (4) The provisions of the first and the second paragraph of this Article shall also apply if full working hours are obtained by work under two or more employment contracts.
- (5) The apprenticeship of pupils shall be taken into account included in the insurance period so that each 12-months' apprenticeship period accounts for six months of insurance period.

Article 189
(Periods out of employment to be included in insurance period)

The following periods of time shall also be taken into account in the insurance period:

- the period of child care in the first year of age, prior to enactment of the present Act, if the mother or the father was not insured on any other basis, provided that the child was a national of the Republic of Slovenia during that period and that his permanent residence was in the Republic of Slovenia;
- the period of occupational rehabilitation of an insured person with the remaining capacity for work;
- the period of occupational rehabilitation of a military invalid, a blind person, a deaf person or a person hard of hearing, a person affected by dystrophy and

similar muscular and neuromuscular diseases, paraplegia, cerebral paralysis, poliomyelitis (infantile paralysis) and multiple sclerosis, extrapyramidal diseases, or a civilian war invalid regardless of whether he was previously insured or not;

- the period of absence from work due to a temporary incapacity for work or a parental leave following the termination of employment or another relationship which formed the basis for pension and invalidity insurance, provided that the insured person received salary compensation in this period;
- the period of time when a priest, a friar, a nun or a person in another religious community was professionally engaged in a religious office in the territory of the Republic of Slovenia and was not enabled to pay contributions for pension and invalidity insurance prior to 1 January 1983, whereby his/her work was not taken into account on any other basis either.

Article 190
(Extended insurance)

Provided that contributions for compulsory pension and invalidity insurance have been paid, the periods of time spent by an insured person, during the time of his employment:

- at professional training or specialisation,
- on unpaid extraordinary leave,
- serving a prison sentence not exceeding 30 days, if he was not covered by compulsory insurance as a prisoner (under Article 24 hereof),
- in custody, if detention is not included in the sentence, and
- while the employer prohibits an insured person to perform work in the event of an extraordinary dismissal,

shall likewise be taken into account in the insurance period.

Article 191
(Condition stipulating payment of contributions)

- (1) The insurance period shall include periods of insurance if stipulated contributions have been paid for these periods.
- (2) If only a part of contributions have been paid for a particular period, a proportional part of the insurance period shall be taken into account in the pension qualifying period.

Article 192
(Taking into account in the insurance period of periods for which contributions have been calculated)

- (1) Notwithstanding the provision of the preceding Article the pension qualifying period shall take into account the years in which, pursuant to the data of the compulsory insurance carrier, the employer has calculated contributions for compulsory insurance from the salary of the insured person, but has failed to pay them to the pension and invalidity insurance irrespective of the effect of measures for collection of contributions.
- (2) If the existence of insurance or the existence of data applying to the insurance periods can be established on the basis of the records of compulsory insurance carrier, it shall be deemed - irrespective of the possibility of establishing the payment of compulsory insurance contributions, or in cases where this cannot be proved due to a bankruptcy or another form of the cancellation of the operations of the employer with whom an insured person was employed, that the compulsory insurance contributions have been paid.

Article 193
(Added qualifying period)

- (1) In addition to the pension qualifying period, the years of completed undergraduate or postgraduate studies, the actual time of mandatory military service or conscientious objectors' service and the time of basic training for ancillary police units shall be accounted for the fulfilment of the conditions for the acquisition of the right to old-age pension, unless these periods have already been included in the pension qualifying period.
- (2) In addition to the pension qualifying period, also the time during which an insured person was registered with the Employment Office as a job-seeker or an unemployed person shall be taken into account for the fulfilment of the conditions for the acquisition of the right to old-age pension, unless these periods have already been included in the pension qualifying period.
- (3) The time of completed studies from the first paragraph of this Article shall be taken into account in its actual duration, but only up to the number of years necessary to obtain a degree according to the rules of an academy, faculty, college or university. When counting the years of schooling, the periods from the first day of the month in which a school year begins (academic year, semester) to the last day of the last month of a study period shall be taken into account, unless these periods have already been included in the pension qualifying period. The period of studies at foreign academies, faculties, colleges or universities shall be taken into account in the establishment of requirements for the acquisition of right, provided that the degree obtained abroad has been recognized, or if the period of studies in a foreign country has been recognized as part of studies at any of the colleges or the university in the Republic of Slovenia.
- (4) An insured person who was covered by compulsory supplementary insurance pursuant to the present Act, shall have one quarter of the period of his membership in compulsory supplementary insurance added to the actual

insurance period for the fulfilment of requirements for the acquisition of the right to old-age pension.

Article 194

(Calculation of insurance period and pension qualifying period)

- (1) The insurance period shall be counted in calendar years, months and days, whereby 30 days are counted as one month and twelve months are counted as one year.
- (2) Pursuant to the present Act, the same periods shall be accounted for in the insurance period only once, except in the cases provided for by the present Act.
- (3) The pension qualifying period shall be taken into account on the basis of the data supplied by the compulsory insurance carrier.
- (4) The insurance periods to be taken into account, which are not recorded at the insurance carrier as such, shall be, unless otherwise specified by law, established at the Institute on the basis of a decision and according to a procedure applicable for the assertion of rights under compulsory insurance pursuant to the present Act.

Chapter II

Purchase of Pension Qualifying Period

Article 195

(Purchase for redundant workers)

In the case of an insured person whose work has become redundant for unavoidable operational reasons or whose employment has been terminated according to the regulations on compulsory settlement, bankruptcy or liquidation, may have five years of insurance period at the most purchased in order to enable him to fulfil the conditions for acquisition of the right to a pension, if:

- he has completed 35 years (males) or 33 years (females) of the pension qualifying period, and the age of 58 years, or
- he has attained the age of 63 years (males) and 61 years (females), and completed 15 years of the pension qualifying period, or
- he has attained the age of 65 years (males) and 63 years (females), and completed 10 years of the pension qualifying period, or
- he is an insured person with whom invalidity hereunder is indicated and has not completed the insurance period necessary for acquisition of the right to invalidity pension.

Article 196

(Purchase for more favourable assessment)

An insured person who has already fulfilled the requirements for the acquisition of the right to old-age pension or a pension recipient may purchase up to five years of the insurance period.

Article 197

(Purchase for assessment of pension without reduction due to retirement prior to completion of full pensionable age)

- (1) On retirement prior to completion of full pensionable age, an insured person may pay a cash amount equal to capitalized deductions due to retirement prior to completion of full pensionable age and thereby becomes entitled to pension payments without the said deductions.
- (2) A collective agreement between the employers and the trade unions may stipulate that in the cases where it is a matter of common interest of the worker and the employer in retirement of workers at some particular jobs (in particular where, for a period of at least 20 years, the pace of work was dictated by the machine, where permanent night-work or permanent three-shift work was introduced and in similar cases of permanent work in special conditions), the employer shall pay the contributions for the purchase as per the preceding paragraph.

Article 198

(Purchase for fulfilment of conditions and pension assessment)

- (1) In the case of an insured person or a pension recipient, on condition that he has paid compulsory insurance contributions, the period taken into account for the completion of the pension qualifying period conditions and the assessment of a pension shall be:
 - the time when he was registered with the Employment Office as a job-seeker or an unemployed person, and
 - the time when he was not covered by insurance due to the care and attendance provided to his child under three years of age,if during that time he was not covered by compulsory insurance.
- (2) The following periods of time shall be accounted for in an insured person's insurance period for fulfilment of conditions and assessment of pension, i.e. a pension recipient, on condition that he has paid contributions for compulsory insurance:
 - the time of completed undergraduate and postgraduate studies, and
 - the time of engagement in military service, conscientious objectors' service or basic training for the ancillary police units,

if during that time he was not covered by compulsory insurance.

- (3) A national of the Republic of Slovenia, on condition that compulsory insurance contributions have been paid, shall have the time following the cessation of insurance with the Institute, when he was employed in a country with which no social insurance agreement has been signed, taken into account in the insurance period.

Article 199
(Determination of coefficients)

The coefficients for fixing of contributions for the purchase of the insurance period and the assessment of the pension without reduction due to retirement prior to completion of full pensionable age shall be determined by the Institute.

Chapter III
Adding-up of Pension Qualifying Period

Article 200
(Calculation period for assessment of rights based on invalidity)

- (1) A calculation period is a fictitious pension qualifying period to be taken into account in the assessment of rights if an insured person has not completed the age of 63 years (males) or 61 years (females) on the day of the occurrence of invalidity.
- (2) If invalidity occurred prior to completed 58 years of age, the calculation period shall be composed of:
- two thirds of the period between the date of the occurrence of invalidity and the date on which an insured person would have attained 58 years of age, and
 - one half of the period between the date when an insured person would have completed 63 (males) or 61 (females) years of age and the date when the insured person would have completed 58 years of age.
- (3) In case that invalidity occurred after completed 58 years of age, the calculation period shall represent one half of the period between the date on which an insured person would have attained 63 (males) or 61 (females) years of age and the date of the occurrence of invalidity.
- (4) The length of the period serving for determination of the calculation period shall be calculated in years and months. A period longer than 15 days shall be considered as one month.

Article 201
(Calculation period for acquisition and assessment of rights based on personal circumstances)

- (1) For the acquisition and assessment of rights, one quarter of the actual insurance period shall be added to the insurance period of an insured person which was spent in employment or other relations on the basis of which they were insured on a compulsory basis as insured persons with a physical impairment of at least 70%, as military war invalids of category I to VI, as civilian war invalids of category I to VI, as the blind, as the deaf, as persons affected by dystrophy and similar muscular and neuromuscular diseases, as persons affected by paraplegia, cerebral paralysis, poliomyelitis (infantile paralysis), multiple sclerosis, and extrapyramidal diseases.
- (2) In case of an insured person from the preceding paragraph, the age limit specified in Article 36 hereof shall be lowered notwithstanding the provision of the third paragraph of Article 37 and Article 38 hereof, and the age limit specified in the first paragraph of Article 52 hereof shall be lowered notwithstanding the provision of the fourth paragraph of Article 52, by one year for every four years covered by insurance.

PART VII PERSONAL DATA REGISTRY AND OBLIGATION OF NOTIFICATION

Article 202 (Information service authority)

- (1) The authority in charge of information service in the field of pension and invalidity insurance shall be the Institute.
- (2) The Institute shall be included in the information system of the Republic of Slovenia.

Article 203 (Personal data records)

- (1) The pension qualifying period, the salary and other facts influencing the acquisition and assessment of rights shall be taken into consideration in asserting the rights under compulsory insurance according to the personal data records of insured persons and beneficiaries of rights under pension and invalidity insurance.
- (2) The data within the meaning of the preceding paragraph shall be, in conformity with this Act, provided by the employers, the self-employed, farmers, top sportsmen and chess-players and persons insured under voluntary insurance, the Employment Office, the ministry responsible for justice, the Health Insurance Institute of the Republic of Slovenia, and the Tax Administration of the Republic of Slovenia.

- (3) Persons from the preceding paragraph shall be obliged to submit, once a year, a certificate of calculated and paid-in contributions to the Institute. The employer shall be obliged to forward a copy of such certificate also to insured persons for whom he is paying employer's contributions.
- (4) The registration and cancellation service for pension and invalidity insurance shall be provided by the Health Insurance Institute of the Republic of Slovenia. The reimbursement of costs of provision of registration and cancellation service shall be regulated by a contract concluded between the Institute and the Health Insurance Institute of Slovenia.
- (5) The personal data registry shall be governed by a special act.

PART VIII PROVISION OF FUNDS

Chapter I Current Financing

Article 204 (Types of revenues)

- (1) Compulsory insurance revenues shall consist of contributions from:
 - the insured persons for pension insurance,
 - the employers for pension insurance,
 - the insured persons for invalidity insurance,
 - the employers for invalidity insurance,
 - the employers for the cases of employment injuries and occupational diseases,
 - for special cases of insurance,
 - for purchase of pension qualifying period.
- (2) Compulsory insurance revenues shall also include:
 -
 - purchase money for land under the Act on Maintenance Protection of Farmers,
 - revenues from dividends, interest and other revenues.
- (3) Compulsory insurance shall also be financed from the national budget.

Article 205 (Types of expenses)

Compulsory insurance expenses shall include:

- pensions, cash compensations and other cash benefits based on the rights acquired;

- costs of occupational rehabilitation,
- costs related to the evaluation of invalidity and physical impairment,
- costs related to the payments of pensions and other pension-related benefits,
- costs of implementation of insurance,
- costs of operations of the managing bodies of the Institute,
- contributions for compulsory health insurance of pension recipients and recipients of benefits under invalidity insurance,
- costs of services of the Institute;
- other expenses.

Chapter II Contributions

Article 206 (Determination and Assessment of Contributions)

- (1) Contributions shall be assessed from the base for payment of contributions.
- (2) Contribution rates for compulsory insurance shall be determined so as to provide the coverage of anticipated expenses by the anticipated revenues from contributions, taking into account other revenues from the second and the third paragraph of Article 204 hereof.
- (3) The contribution rate for the case of employment injury or occupational disease shall be determined in different amounts, by taking into account the level of safe and healthy work, the number of occupational diseases and employment injuries, as well as the rate of incidence of invalidity in the branch or with the employer. More detailed criteria for determination of different rates of contribution shall be provided for by the Institute.
- (4) The rates or the amounts of contributions from the preceding paragraphs shall be determined by law. In the cases from the preceding paragraph of this Article, the law shall determine the minimum and the maximum contribution rates.

Article 207 (Bases for payment of contributions)

Bases for payment of contributions for compulsory insurance shall be as follows:

- for persons employed in the Republic of Slovenia and for nationals of the Republic of Slovenia employed with foreign employers - a salary or salary compensation, except for benefits under invalidity insurance;
- for the self-employed, nationals of the Republic of Slovenia, employed abroad, farmers, top sportsmen and chess-players, and persons ensured on a voluntary basis - insurance bases;
- for apprentices, unemployed persons who are recipients of unemployment benefit, parents and prisoners - the benefit received according to special regulations;

- for unemployed persons whose contributions for pension and invalidity insurance are paid by the Employment Office until the time they fulfil the conditions for entitlement to a pension - the last cash benefit received by the insured person.

Article 208

(Minimum and maximum base for payment of contributions)

- (1) The compulsory insurance contributions for persons employed in the Republic of Slovenia and for nationals of the Republic of Slovenia employed with foreign employers shall be paid from salary and salary compensations for the period of absence from work according to regulations on employment relationships and health insurance, unless otherwise provided for by law.
- (2) Notwithstanding the preceding paragraph, the compulsory insurance contributions for persons employed in the Republic of Slovenia and for nationals of the Republic of Slovenia employed with foreign employers shall also be calculated and paid from any other benefits from employment, inclusive of incentive bonuses and fringe benefits, unless otherwise provided for by a special law.
- (3) The minimum base for calculation of contributions for persons insured under Articles 13 and 14 hereof shall be the amount of the minimum salary.
- (4) The base for payment of contributions for employees who are employed by a domestic salary payer but posted abroad, shall be the salary which is subject to the earned income tax according to a special law.

Article 209

(Determination of insurance base for self-employed insured persons and other insured persons who are not recipients of salary)

- (1) For the self-employed and farmers, the base from the second indent of Article 207 hereof shall be determined according to the achieved profits of the insured person, exclusive of the paid contributions for compulsory insurance of the insured person and the tax base reductions pursuant to the law regulating income tax, as follows:
 - if the achieved base is below the minimum annual salary of persons employed in the Republic of Slovenia, at least in the amount of the minimum pension;
 - if the base is an amount between the minimum annual salary and the average annual salary of persons employed in the Republic of Slovenia, at least in the amount of the minimum pension base from Article 48 hereof, increased by the taxes and contributions from the third paragraph of Article 47 hereof;
 - if the base is an amount between a single and a 1.5 times average annual salary of persons employed in the Republic of Slovenia, at least in the amount 1.5 times higher than the minimum pension base from Article 48 hereof,

- increased by the taxes and contributions from the third paragraph of Article 47 hereof;
- if the base is an amount between a 1.5 times and a double average annual salary of persons employed in the Republic of Slovenia, at least in the amount twice higher than the minimum pension base from Article 48 hereof, increased by the taxes and contributions from the third paragraph of Article 47 hereof;
 - if the base is an amount between a double and a 2.5 times average annual salary of persons employed in the Republic of Slovenia, at least in the amount of a 2.5 times minimum pension base from Article 48 hereof, increased by the taxes and contributions from the third paragraph of Article 47 hereof;
 - if the base is an amount between a 2.5 times and a triple average annual salary of persons employed in the Republic of Slovenia, at least in the amount three times higher than the minimum pension base from Article 48 hereof, increased by the taxes and contributions from the third paragraph of Article 47 hereof;
 - if the base exceeds the amount of a triple average annual salary of persons employed in the Republic of Slovenia, at least in the amount of the maximum pension base from Article 49 hereof, increased by the taxes and contributions from the third paragraph of Article 47 hereof;
- (2) Classification according to the insurance base shall be made on the basis of the latest decision on the assessment of tax on activities or of the latest calculation of tax on activities, or on the basis of the latest income tax assessment, and by taking into account the data on the average and the minimum salary in the year to which the tax on business activities refers.
- (3) The contributions shall be paid from the bases applicable in the current period.
- (4) An insured person may also get insured from the insurance base exceeding the amount of the insurance base under which he has been classified according to the first paragraph of this Article, however, not exceeding the amount of the maximum pension rating base increased by taxes and contributions from the third paragraph of Article 47 hereof.
- (5) When joining the insurance, an insured person shall be insured at least from the amount of the base from the first indent of the first paragraph of this Article.
- (6) If the insured person is of the opinion that the insurance base fails to comply with the expected business result in the current year and that the payment of contributions from the base from the second paragraph of this Article would jeopardize his further operations, he can request the reduction of the insurance base, however, not below the amount of the minimum pension base from Article 48 hereof, increased by taxes and contributions from the third paragraph of Article 47 hereof. The request shall be decided upon by the Institute.
- (7) The insured as per the fifth, sixth, seventh, ninth and eleventh indent of the first paragraph of Article 34 hereof shall pay contributions from the insurance base in the amount of one half of the amount of the minimum pension rating base from Article 48 hereof, increased by taxes and contributions from the third paragraph of Article 47 hereof.

- (8) More detailed provisions on the procedures for classification into insurance bases and on other procedures shall be specified by the minister competent for finance in agreement with the minister competent for labour.

Article 210

(Insurance bases for top sportsmen and top chess players)

Top sportsmen and chess-players as well as persons insured on a voluntary basis shall pay contributions for pension and invalidity insurance from a freely chosen base, however, not below the amount of the minimum pension base as per Article 48 hereof, increased by contributions and taxes at the rates determined according to the third paragraph of Article 47 hereof.

Article 211

(Insurance base for apprentices)

- (1) The base for payment of contributions for apprentices shall be the monthly premium of an apprentice.
- (2) The base from the preceding paragraph may not be lower than one half of the amount of the minimum salary.

Article 212

(Insurance base on other grounds)

For persons as per Articles 23 and 24 hereof, contributions for pension and invalidity insurance shall be paid at least from the amount of the minimum salary.

Article 213

(Insurance base for contributions for specific insurance cases)

For persons insured for specific insurance cases under Articles 26, 27 and 28 hereof, the contributions shall be paid from the bases or at a flat rate specified by the Institute.

Article 214

(Reduction or write-off of contributions)

- (1) The law may provide for the cases, criteria and conditions under which reduced or written-off contributions for certain insured persons under Article 204 of the present Act shall be deemed as paid.
- (2) The contributions for insured persons who are exempt from the payment of contribution of the employer, shall be paid from the budget of the Republic of Slovenia.

Article 215
(Employers' contributions paid by the insured)

The self-employed, farmers, top sportsmen and chessplayers as well as persons ensured on a voluntary basis shall, in addition to contribution payable by the insured person, also pay the employer's contribution, except in the cases provided for by a special law.

Article 216
(Base for insurance of unemployed persons)

- (1) The base for calculation of contributions for unemployed persons shall be the amount of unemployment benefit or the insurance base from which contributions are paid by the Institute.
- (2) The base for unemployed persons whose contributions for invalidity and pension insurance are paid by the Institute until they fulfil the conditions for entitlement to a pension, shall be the last cash benefit received by an insured person and shall be adjusted according to the employment regulations.
- (2) The persons from the preceding two paragraphs shall have only the employer's contribution paid.

Article 217
(Base for payment of contributions for extended insurance)

In the cases under Article 190 hereof, the contribution shall be paid from the salary of an insured person in the last month prior to occurrence of such cases, and revalued with respect to movements of average monthly salaries per employee in the Republic of Slovenia to the level of the month preceding the month for which the contribution is payable.

Article 218
(Base for purchase of the insurance period for redundancies)

- (1) The contribution for purchase of the insurance period under Article 195 hereof shall be calculated so as to multiply the assessed pension which an insured person would be entitled to while taking into account the purchased insurance period on the day of delivery of a purchase decision, by a coefficient indicating the anticipated number of pension payments which the insured person is to receive until the date on which he would be entitled to a pension under the current insurance.

- (2) The amount of contribution from the preceding paragraph shall be increased by the difference between a pension that the insured person would receive while taking into account the actual pension qualifying period and the pension he would be entitled to on the grounds of purchase, multiplied by a coefficient reflecting the pension expectancy.

Article 219

(Contribution for purchase of insurance period for more favourable pension assessment)

The contribution for purchase of the insurance period pursuant to Article 196 hereof shall be calculated by calculating both the pension to which an insured person would be entitled together with the purchased insurance period, and the pension without the purchased insurance period. The difference between the two shall be multiplied by a coefficient indicating the number of months of pension expectancy.

Article 220

(Base for purchase in view of assessment with no reduction due to retirement prior to completion of full pensionable age)

Contribution for assessment of a pension without reduction due to retirement prior to completion of full pensionable age shall be calculated taking into account the principles of actuarial mathematics in such a way that the pension to which an insured person would be entitled, is calculated both with reduction and without it, whereupon the difference between the two is multiplied by a coefficient indicating the number of months of pension expectancy.

Article 221

(Subsequent payment of contributions for inclusion of certain periods into the pension qualifying period)

- (1) The base for payment of contribution for inclusion of periods from Articles 198 and 420 hereof in the pension qualifying period shall be equal to the amount of an average monthly salary of an insured person in the calendar year preceding his submission of the claim, enhanced by the percentage of increase in pensions until the last day of the month in which the claim for inclusion of the above periods in the insurance period has been submitted.
- (2) The base from the preceding paragraph may not be lower than the amount of the minimum pension base for the month in which the claim has been submitted, increased by the average contribution rates and taxes.
- (3) If an insured person has not received a salary for at least six months in the calendar year preceding the submission of his claim, the base referred to in the first paragraph of this Article shall be assessed in the amount of the minimum

pension base applicable in the month of submission of the claim and increased by the average contribution rates and taxes.

- (4) The base for payment of the contribution for inclusion of insurance periods from the first paragraph of Article 198 hereof, for which the contribution has not been paid yet, shall be equal to the amount of the minimum pension base for the month in which the request has been submitted, increased by the average degree of contributions and taxes calculated from the base in the said amount.

Article 222

(Persons liable to pay contributions of an insured person)

Persons liable to pay contributions for pension and invalidity insurance shall be:

- persons insured under Articles 13, 14, 15, 16 and 21 hereof,
- persons insured on voluntary basis,
- the Republic of Slovenia for the cases under Articles 20, 23, and 24 hereof.

Article 223

(Persons liable to pay the employer's contributions)

Persons liable to pay the employer's contributions for pension and invalidity insurance and for the case of employment injury and occupational disease shall be:

- employers - for persons insured under Articles 13 and 14 hereof;
- persons insured under Articles 15, 21 and 34 hereof, who are themselves liable to pay contributions;
- the payer of premiums - for apprentices, according to the Vocational and Professional Education Act;
- the National Employment Office - for persons insured under Article 22 hereof;
- the National Employment Office - for insurance according to the eleventh indent of Article 34 hereof in the event that they were employed on the basis of a special programme according to the employment regulations;
- The Institute of Health Insurance of Slovenia - for the insured who receive salary compensations from this Institute for a period of sickness;
- The Republic of Slovenia - for persons insured under Articles 23 and 24 hereof, for the insured on parental leave, and for farmers exempt from compulsory membership in insurance (the insured from Article 16 and the sixth indent of Article 34 hereof).

Article 224

(Persons liable to pay contributions for the purchase of the insurance period or pension qualifying period)

Persons liable to pay such contributions shall be:

- the employers for contributions for the purchase of insurance period under Article 195 hereof,
- the insured for contributions for the purchase of insurance period under Articles 196, 197, 198, and 420 hereof.

Article 225

(Persons liable to pay contributions for special cases of insurance)

Persons liable to pay contributions for special cases of insurance under the sixth indent of the first paragraph of Article 204 hereof shall be legal entities or natural persons who train or employ these persons, or organizers of activities or campaigns in which these persons participate.

Article 226

(Assignment of contributions to sheltered enterprises)

- (1) Sheltered enterprises, institutions and other organizations for employment of disabled persons which are liable to pay contributions from the first paragraph of Article 204 hereof, shall have the contributions of an insured person and the employer's contributions under this Act, calculated for pension and invalidity insurance of employees, remitted to a special employer's account and shall be utilized as assigned funds for the development of these enterprises or as provided for by law.
- (2) The insured who are exempt from payment of contributions pursuant to the preceding Article shall have their contributions paid from the budget of the Republic of Slovenia.

Article 227

(Payment of contributions)

- (1) Contributions for compulsory insurance stipulated by law shall be paid to the Institute.
- (2) Contributions for compulsory insurance shall be paid according to regulations applicable at the time of maturity of contributions.
- (3) In order to check the correctness of payments of contributions, the Institute shall be entitled to supervise the books of account of persons liable to pay contributions.

Article 228

(Collection of contributions)

- (1) The Tax Administration of the Republic of Slovenia shall supervise calculations and payments of contributions for compulsory pension and invalidity insurance as well as collect, execute and keep appropriate records on paid contributions for individual insured persons.
- (2) The general meeting of the Institute shall, at the proposal of the managing board of the Institute, effect write-off and partial write-off of contributions for compulsory insurance and permit deference, repayment in instalments and repayment of such contributions.
- (3) The method of recovery of overdue contributions, supervision over the payment of contributions and interest on arrears shall be provided for by a special law. The criteria for write-off, partial write-off and repayment of contributions in instalments shall be provided for by the general meeting of the Institute within six months after coming into force of the present Act at the latest.

Article 229

(Temporary deference of payment of contributions)

In exceptional cases when the employer is in the process of financial rehabilitation or compulsory settlement, or where a major number of jobs with an employer is jeopardized, the Tax Administration of the Republic of Slovenia may, at the proposal of the minister responsible for labour, defer the payment of contributions on temporary basis. Interest on arrears shall be suspended for the period of deference of payment of contributions.

Article 230

(Subsequent payment or repayment of contributions)

- (1) In exceptional cases when the Institute has established the liability to pay or repay contributions on retrospective basis and has submitted the relevant decision to the Tax Administration of the Republic of Slovenia for enforcement, the contributions shall be assessed at contribution rates or in absolute amounts applicable on the date of payment.
- (2) The base for assessment of contributions from the preceding paragraph shall be the current monthly salary of an insured person or the insurance base revalued on the day of payment of contributions so that it is increased by the growth of average salaries of the employed from the month to which it applies onwards, or, if the salary or the insurance base applies to the calendar year, from the next January (inclusive) after such year by the month preceding the month of payment of contributions. In the event that no data on the salary of the insured person are available, the base for assessment of contributions shall be the minimum pension rating base, applicable on the day of payment of contribution, increased by taxes and contributions calculated and paid from salaries according to the average rate in the Republic of Slovenia.

- (3) A person liable to pay contributions shall pay the contribution for purchase of the insurance period under Articles 195, 196, 197, 198 and 420 hereof in a lump-sum amount within 15 days upon receipt of decision on assessment of the contribution.

Article 231
(Interest on arrears)

A person liable to pay contributions for compulsory insurance who fails to pay contributions within the prescribed period shall pay interest on the matured amount for all days of default according to special regulations.

Chapter III
Revenues from the national budget

Article 232
(Liabilities of the national budget)

- (1) The Republic of Slovenia shall provide the funds from the national budget for settlement of liabilities of compulsory insurance arising from recognition or assessment of rights from the pension and invalidity insurance under special conditions or due to the default in payment of contributions for the following purposes:
- veterans of NLW and other war veterans, veterans from the Spanish War, national heroes and veterans who have been awarded the Partizanska spomenica 41, family members of the killed or deceased veterans of NLW, victims of war violence;
 - persons whose pension qualifying period includes the time of unjustified punishment for political reasons or unjustified deprivation of freedom;
 - recipients of extraordinary pensions;
 - recipients of state pension;
 - recipients of pension support;
 - recipients of maintenance allowance,
 - employees of the Ministry of Internal Affairs and institutions for enforcement of penal sanctions;
 - recipients of administrative pensions according to laws on internal affairs, on members of parliament, on the government, on defence, on offences, and on judicial functions;
 - recipients of military pensions;
 - recipients of advances on pensions that should have been paid out by an insurance carrier from one of the states established in the territory of former Yugoslavia;
 - recipients of pension supports paid out by an insurance carrier from one of the states established in the territory of former Yugoslavia;
 - victims of the Dachau trials;
 - beneficiaries of a higher amount of pension on the basis of the Redress of Injustice Act;

- extraordinary pensions of workers in coal mines and in asbestos production and processing;
 - retired members of the Craftsmen's Fund who have acquired the right to a pension from this Fund on the basis of the insurance period from the introduction of the insurance under the Fund to 1 January 1983 - up to the amount of the minimum pension;
 - maintenance allowances to former private chimney sweepers;
 - the employer's and the employee's contributions for workers in sheltered enterprises;
 - the employer's contributions for insured persons whose contributions are paid by the Republic of Slovenia;
 - farmers and members of their households whose contribution has been reduced or written-off according to the law on conditions under which the farmers' reduced or written-off contributions are deemed to be paid;
 - a part of a pension recognized in consideration of the periods from Article 189 hereof;
 - a part of a pension granted under consideration of the periods spent in sheltered enterprises which were not subject to contributions according to Article 226 hereof;
 - a part of a pension granted under consideration of the pension qualifying period from the fourth paragraph of Article 193 and the Article 201 hereof;
 - a part of a pension recognized in consideration of Article 55 hereof;
 - a part of a pension from Articles 54 and 56 hereof, and
 - in other cases if so provided for by law.
- (2) The settlement of financial obligations between the Republic of Slovenia and the Institute shall be subject to a special law.

Article 233
(Co-financing from the national budget)

The Republic of Slovenia shall provide the funds from the national budget to cover the difference between the revenues of the Institute from contributions and other sources, and the expenditures of the Institute.

Article 234
(Guarantee for the solvency of the Institute)

Should the Institute lack liquid funds to meet the liabilities for payment of pensions and other obligations and to cover eventual losses, the Republic of Slovenia shall provide the necessary funds from the national budget.

Chapter IV
Financial operations

Article 235
(Management of the Assets of the Institute)

The Institute shall have a transfer account through which the assets for pension and invalidity insurance shall be managed.

Article 236
(Financial plan of the Institute)

- (1) The Institute shall identify its financial transactions in a financial plan. The financial plan shall be drawn up and approved for each calendar year or for a period equal to the one for which the national budget has been adopted.
- (2) The financial plan shall identify the funds from contributions and other sources, as well as the funds for assertion of rights and implementation of insurance and other obligations.
- (3) The financial plan shall identify the funds from the national budget.
- (4) The financial plan shall be adopted by the General Meeting of the Institute. It shall be approved by the Government of the Republic of Slovenia.
- (5) The National Assembly of the Republic of Slovenia shall consider the financial plan of the Institute while considering and adopting the national budget. According to the budget policy, the financial plan of the Institute may be adopted for several years, in compliance with the regulations which govern adoption of the national budget.

Article 237
(Business report)

- (1) The Institute shall prepare a business report for the previous calendar year and submit the same to the National Assembly of the Republic of Slovenia by 31 May of the current year.
- (2) The report from the previous paragraph shall specify the revenues from contributions of the insured and the employers received by the Institute in the previous calendar year for the following groups of the insured:
 - the employees and other persons in dependent relationship in companies, public institutions, in public administration and in other legal entities,
 - self-employed persons,
 - persons employed with independent contractors and with other natural persons,
 - farmers and members of their households,
 - unemployed persons, prisoners, and other groups of the insured,
 - persons insured on voluntary basis.
- (3) The report from the first paragraph of this Article shall also contain other revenues of the Institute, such as:
 - refunds from the national budget for pensions and other rights granted on the basis of special regulations to certain groups of persons under more favourable

- conditions and in higher amounts as compared to persons insured under general regulations;
- co-financing from the national budget,
 - other revenues.
- (4) The report from the first paragraph of this Article shall also specify the expenses of the Institute in the previous calendar year paid for the following purposes:
- old-age, invalidity, widow/widower's and survivor's pensions, farmer's old-age pensions, and military pensions,
 - pension supports to old-age, invalidity, widow/widower's and survivor's pensions,
 - transfers of the Institute's pensions abroad and advances on and pension supports of the insurance carriers from other states in the territory of former Yugoslavia,
 - assistance and attendance allowances, disability allowances, and maintenance allowances,
 - holiday bonus or lump-sum yearly bonus to pensioners,
 - partial invalidity pension, benefits for the time of work at another appropriate job, invalidity benefit, benefits for the time of occupational rehabilitation and benefit for the time of temporary layoff;
 - compensation for co-financing of employment of disabled persons;
 - compulsory health insurance of recipients;
 - expenses of the Institute's services, costs of delivery of pensions by post and registration service, expenses of the Tax Administration of the Republic of Slovenia, and other expenses arising from implementation of insurance.

Chapter V

The assets of the Institute

Article 238 (Assets of the Institute)

The assets of the Institute shall comprise immovable property, substantive and contractual rights, shares or ownership shares, money and other funds legally owned by the Institute.

Article 239 (Legal business of the Institute)

- (1) In legal business, the Institute shall have the right to enter into contracts and to carry out other transactions with the purpose of increasing its assets in conformity with law and by-laws of the Institute.

- (2) The Institute shall be vested with unlimited legal capacity to contract and may acquire rights and assume obligations.
- (3) The Institute shall be liable for obligations assumed in legal business with its entire assets.
- (4) The Institute shall have the right to establish companies, funds and sheltered workshops (industrial facilities for occupational rehabilitation and for prevention of invalidity).

Chapter VI **The Real Property Fund**

Article 240 (Status of the Real Property Fund)

- (1) The Real Property Fund of the pension and invalidity insurance shall be a legal entity established, in particular, with the purpose of managing real property and providing non-profit and social flats for pensioners and other elderly people.
- (2) The share capital of the Real Property Fund shall comprise:
 - apartments, dwelling houses, and other facilities built with the resources of pension and invalidity insurance carriers in the Republic of Slovenia,
 - housing intended for pensioners and NLW veterans,
 - other real property of the Institute,
 - funds from the sale of apartments and dwelling houses on the basis of the Housing Act.
- (3) The Real Property Fund shall be a legal entity operating as a limited liability company with the rights, obligations and responsibilities determined by the present Act and the Companies Act.
- (4) The company name of the Real Property Fund shall be "Nepremičninski sklad pokojninskega in invalidskega zavarovanja d.o.o.(The Real Property Fund of Pension and Invalidity Insurance)".
- (5) The seat of the Real Property Fund shall be in Ljubljana.
- (6) The Real Property Fund shall cover its operating costs with investment income and other resources.
- (7) The Real Property Fund shall have Articles of Association which shall be adopted by the General Meeting of the Real Property Fund.

Article 241 (Supervision)

- (1) The Government of the Republic of Slovenia shall issue its approval to:
 - the Articles of Association of the Real Property Fund;
 - investment policy of the Real Property Fund and its financial plan;
 - annual financial statement of the Real Property Fund and business report;
 - results of operations of the Real Property Fund; and
 - appointment and removal of the Managing Director of the Real Property Fund.
- (2) The ministry responsible for labour shall be invited to take part in all sessions of the General Meeting and the Supervisory Board of the Real Property Fund.
- (3) The minister responsible for labour shall withhold the enforcement of a decision adopted by the General Meeting or the Supervisory Board of the Real Property Fund if he is of the opinion that it is not lawful or that it is not in conformity with the financial plan or the investment policy of the Real Property Fund, and informs the Government of the Republic of Slovenia thereof.

Article 242
(Bodies of the Real Property Fund)

- (1) The bodies of the Real Property Fund shall be the General Meeting, the Supervisory Board and the Managing Director.
- (2) The General Meeting of the Real Property Fund shall be composed of a chairman and 14 members.
- (3) The Supervisory Board shall have five members.
- (4) The Real Property Fund shall be represented and its operations managed by the Managing Director appointed by the General Meeting of the Real Property Fund on the basis of a public bid.
- (5) The General Meeting of the Real Property Fund shall be appointed by the Government of the Republic of Slovenia for a term of office of four years. A half of the members of the General Meeting of the Real Property Fund shall be appointed from among the representatives of the pensioners' organizations. The General Meeting of the Real Property Fund shall appoint the Supervisory Board.

Chapter VII
Capital Fund

Article 243
(Status of the Capital Fund)

- (1) The Capital Fund of pension and invalidity insurance shall be a legal entity established with the purpose of engaging in activities according to the present Act (hereinafter referred to as: Capital Fund).
- (2) The Capital Fund shall be a joint-stock company.
- (3) The Capital Fund shall be subject to the provisions of the Companies Act concerning a joint-stock company, unless stipulated otherwise in the present Act or another relevant law.
- (4) The sole founder of the Capital Fund shall be the Republic of Slovenia.
- (5) The name of the Capital Fund shall be "Kapitalski sklad pokojninskega in invalidskega zavarovanja d.d. (The Capital Fund of Pension and Invalidity Insurance, joint stock company)".
- (6) The seat of the Capital Fund shall be in Ljubljana.
- (7) The Capital Fund shall cover the operating costs by investment income and by other income.

Article 244
(Activities of the Capital Fund)

The Capital Fund shall engage in the following activities:

- management and disposition of securities and other resources acquired in the process of privatisation of companies;
- management of the First Pension Fund in accordance with the law regulating the First Pension Fund;
- management of the Compulsory Supplementary Insurance Fund according to the present Act;
- management of mutual pension funds according to the present Act.

Article 245
(Assets of the Capital Fund)

- (1) The income of the Capital Fund shall consist of interest, dividends and other revenues arising from investment and business operations of the Capital Fund.
- (2) In performance of activities as per the first indent of the preceding paragraph, the Capital Fund shall invest funds in conformity with the regulations on investments of investment funds, applicable to authorized investment companies, whereby up to 10% of all investments may be in form of real property.

Article 246
(Bodies of the Capital Fund)

- (1) The bodies of the Capital Fund shall be the General Meeting, the Supervisory Board and the Managing Board.
- (2) The General Meeting of the Capital Fund shall have 15 members.
- (3) The Supervisory Board shall have 9 members.
- (4) The General Meeting and the Supervisory Board of the Capital Fund shall be appointed by the Government of the Republic of Slovenia.

Article 247
(Managing Board of the Capital Fund)

- (1) The Managing Board of the Capital Fund shall consist of three members.
- (2) At least one of the members of the Managing Board shall possess appropriate professional knowledge and experience required for performance of tasks of management of pension funds.
- (3) The chairman and the members of the Managing Board shall be appointed by the General Meeting of the Capital Fund.

Article 248
(Articles of Association of the Capital Fund)

- (1) In addition to mandatory elements stipulated by the Companies Act, the Articles of Association of the Capital Fund shall also provide for:
 - the conditions to be fulfilled by a candidate for the post of the chairman or a member of the Managing Board,
 - competencies of the chairman and the members of the Managing Board and the mode of representation of the Capital Fund,
 - officials with special powers and responsibilities,
 - method of determination of the investment policy of the Fund.
- (2) The Articles of Association of the Capital Fund shall be subject to approval by the Government of the Republic of Slovenia.

PART IX
PROCEDURE FOR ASSERTION AND PROTECTION OF RIGHTS

Chapter I
General Provisions

Article 249

(Subsidiary application of general provisions on administrative procedure)

For decision-making concerning the rights under compulsory insurance, the provisions of the General Administrative Procedure Act shall apply unless otherwise provided for by the present Act.

Article 250
(Assertion of rights)

- (1) The rights under the compulsory insurance may be asserted with the Institute by a person who was insured with this Institute, also when the rights on the basis of international treaties are concerned.
- (2) The rights in case of invalidity or death due to employment injury shall be asserted with the Institute if an insured person was insured with the Institute at the time of injury.
- (3) The rights in case of invalidity or death caused by occupational disease shall be asserted with the Institute if an insured person was insured with the Institute during the term of illness, or if he was not insured during that time, but his last insurance was nevertheless with the Institute.
- (4) The pension qualifying period, salary and other facts influencing the acquisition and the assessment of entitlement shall be determined in accordance with the provisions of this Act.

Article 251
(Protection of rights)

- (1) An insured person shall be entitled to file an appeal against the decision issued at the first instance.
- (2) In the procedure for assertion of rights on the basis of invalidity, the right to appeal shall also be vested with the employer.

Article 252
(Judicial protection)

- (1) Judicial protection of rights shall be provided by a competent court as provided for by law.
- (2) Judicial protection may be asserted by an insured person within 30 days after the delivery of the decision issued at the appeal instance.

- (3) Judicial protection may also be asserted by the employer if the final decision of the Institute deals with the right of an insured person on grounds of invalidity.

Article 253

(Competence for decision-making on the rights arising from insurance)

- (1) Decisions concerning the rights arising from insurance shall be made:
- at the first instance - by the unit of the Institute in the area of which an insured person asserting the right or a person whose right is being asserted, was last insured (hereinafter referred to as: the regional unit);
 - at the appeal instance - by a special unit at the head office of the Institute (hereinafter referred to as the unit at the head office of the Institute).
- (2) The rights under compulsory insurance asserted on the grounds of international treaties, and the rights on the transfer of pensions shall be subject to a decision made:
- at the first instance - by the unit at the head office of the Institute,
 - at the appeal instance - by the Head of the Institute.
- (3) The decisions from the first and the second indent of the first paragraph and from the first indent of the preceding paragraph shall be issued by the Head of a competent office of the Institute.

Article 254

(Review procedure)

- (1) A first-instance decision on the grounds of which a right under this Act has been granted to an insured person shall be submitted for review to the body of appeal.
- (2) Reviews shall be made ex officio.
- (3) A review shall not stay the enforcement a decision.
- (4) If an appeal has been filed against a decision of the regional unit of the Institute, the review and the appeal shall be decided upon in the same decision.
- (5) A decision passed by the Unit at the Head Office of the Institute according to which the right to a pension has been granted on the basis of a treaty, need not be submitted for review.

Article 255
(Effect of review)

- (1) If the review of a decision which has become final since no appeal was made against it is not carried out within three months of the day when the term of appeal has expired, the review shall be considered as carried out and the decision as upheld.
- (2) During the review procedure, a first-instance decision may be upheld, revised, dismissed or annulled.
- (3) The decision concerning the right under compulsory insurance issued in the review procedure shall be effective on the first day following the month of issue of the review decision.
- (4) A regional unit of the Institute whose decision has been annulled or dismissed during the review procedure shall issue a new first-instance decision as soon as possible, however, not later than within 30 days of receipt of the review decision.
- (5) The new first-instance decision shall be submitted for review. It will be reviewed only to see whether this new decision satisfies the reasons for which the former decision was dismissed or annulled.

Article 256
(Review procedure under invalidity insurance)

- (1) Notwithstanding the provision from the preceding Article, a positive opinion of the first-instance medical board of examiners shall also be submitted for review in procedures for assertion of rights under invalidity insurance. The review shall be carried out by the appeal-instance medical board of examiners.
- (2) During the review procedure, the medical board of examiners may uphold, revise or remand the expert report for repeated procedure to the first-instance medical board of examiners.

Article 257
(Judicial protection in the review procedure)

- (1) Judicial protection shall be provided against a decision issued in the review procedure by which a first-instance decision was revised.
- (2) Judicial protection of rights shall not be possible against a decision issued in the first instance by which the first-instance decision was dismissed or annulled in the review procedure.

- (3) Judicial protection shall not be possible against a decision issued in the appeal instance by which a decision issued in the first instance was at the same time dismissed or annulled in the review procedure.

Article 258

(Establishment of the attributes of an insured person)

- (1) The status of an insured person under the compulsory insurance shall be established on the basis of regulations on the personal data register of insured persons and recipients of rights under pension and invalidity insurance.
- (2) In specific insurance cases pursuant to Articles 26, 27, 28, and 29 hereof, the status of an insured person shall be established when an insurance case arises on the basis of which an insured person shall acquire the rights under compulsory insurance.

Chapter II

Assertion of insurance rights

Article 259

(Initiation of the procedure for assertion of rights)

- (1) The procedure for assertion of rights under compulsory insurance shall be initiated at the request of an insured person, while the procedure for the assertion of the right to a widow/widower's or a survivor's pension shall be initiated at the request of a widow or a widower, a family member or his legal representative.
- (2) The procedure for assertion of rights under invalidity insurance shall also be initiated on proposal of the attending physician of an insured person, or by a medical board. If the procedure for assertion of rights under the invalidity insurance has been initiated on proposal of the physician or the medical board and they both withdraw the proposal, the procedure cannot be dropped if an insured person does not agree with the termination of the same and requests its continuation. If the procedure was initiated on proposal of the physician or the medical board, an insured person or his legal representative cannot submit that the proposal be withdrawn.
- (3) The procedure has been initiated when the Institute receives an application for assertion of right.
- (4) The procedure for assertion of rights under invalidity insurance begins when the Institute receives the complete employment documentation of the insured person and the application with complete medical documentation on the state of health of an insured person and his capacity for work.
- (5) The application for initiation of the procedure for assertion or protection of rights shall be submitted in writing or orally on the record to any unit of the Institute. If

a unit in another region is responsible for taking a decision about the application, the application shall be immediately submitted to the locally competent unit.

Article 260
(Advance payment)

- (1) When it has been established in the course of the procedure that an insured person is entitled to a pension, but it is not possible, however, to determine the level of the pension, or to terminate the procedure at once due to a preliminary issue, an advance payment, assessed on the grounds of collected information, shall be paid out on temporary basis. Advances shall be paid on the basis of an order issued by an authorized person of the Institute. An insured person shall receive a copy of the order.
- (2) Advances from the preceding paragraph shall be index-linked under the same conditions as pensions.

Article 261
(Expert medical bodies)

- (1) Expert medical reports on invalidity, physical impairment, the need for outside assistance and attendance, loss of capacity for work or capacity for work of a widow or a widower or other family members of an insured person shall be delivered by expert medical bodies of the Institute when such a expert medical report is needed for the establishment of rights under insurance asserted by insured persons and their family members.
- (2) The expert medical bodies of the Institute shall also deliver expert reports at the request of foreign insurance carriers and other bodies, communities and persons, if so provided for by international treaties.
- (3) Expert medical bodies of the Institute shall include medical boards of examiners, individual physicians and other professional institutions appointed by the competent body of the Institute.
- (4) In the cases where invalidity is being established, the expert report shall be delivered by a medical board composed of two members - physicians and one member - an expert from the field of pension and invalidity insurance, safety at work, organization of work, industrial psychology or technology, or from another relevant field. During the procedure and prior to delivery of the expert report, the representative of the employer shall also be entitled and obliged to participate in such cases.
- (5) If in the procedure of establishment of invalidity it has been established that an insured person suffers from invalidity of category II, the board of examiners shall deliver the expert report on the form of occupational rehabilitation on the

basis of the opinion of a professional institution from the domain of occupational medicine and occupational rehabilitation.

- (6) In the procedure preceding the issue of a expert medical report, the expert bodies of the Institute shall cooperate with the attending physician of an insured person, with the occupational medical service, and with the specialist medical service and/or institutions for rehabilitation of the disabled, and with the employer.
- (7) The Institute shall determine the organization and the method of operation of medical boards of examiners and other expert medical bodies in by-laws. Such by-laws shall also cover the list of compulsory medical and employment documentation required for issue of expert opinion, and criteria for assessment of invalidity.

Article 262
(Enforceability of decisions)

- (1) An appeal shall not stay the enforcement of a decision on granting the rights under compulsory insurance, unless otherwise provided for by law.
- (2) The decision by which the rights arising from invalidity of category II or III have been granted to an insured person, shall be enforced when it is rendered final in the administrative procedure.
- (3) The decision on the entitlement to invalidity pension shall be rendered enforceable on the date when it is rendered final.
- (4) Decisions concerning the rights under compulsory insurance shall be enforced by the Institute unless the law provides that in certain parts, they should be enforced by the employer or the Employment Office.

Article 263
(The effect of reopening of a case)

A decision issued within the scope of reopening of a case shall take effect as from the first day of the month following the submission of application, or from the first day of the month following the delivery of the decision if the proceedings have been initiated ex officio.

Article 264
(Costs of procedure)

- (1) The costs of the procedure for assertion and protection of rights under compulsory insurance, such as travelling costs and compensation for the loss of earned income of experts who were called in by the competent body of the Institute, shall be borne by the Institute.

- (2) No fee shall be imposed on claims, decisions, appeals, and other applications in the procedure for assertion and protection of rights under the compulsory insurance.

PART X
ORGANIZATIONAL STRUCTURE OF PENSION AND INVALIDITY INSURANCE

Chapter I
The Institute of Pension and Invalidity Insurance of Slovenia

Article 265
(Organizational structure of the Institute)

The Institute shall be organized with the purpose to guarantee efficient management of funds and implementation of:

- compulsory insurance for the case of old age, death, and other rights under compulsory pension insurance,
- insurance for the case of invalidity, physical impairment, the need for constant assistance and attendance, and other rights under invalidity insurance, and
- insurance for transitory allowance, maintenance allowance and the right to holiday bonus or lump-sum yearly bonus.

Article 266
(General Meeting)

- (1) The Institute shall be managed by the General Meeting which shall be composed of 30 members, of whom:
- 8 shall be representatives of trade unions, representative for the area of the state, of whom at least 1 shall be a representative of each association or confederation representative for the area of the state;
 - 8 shall be representatives of the employers' associations;
 - 7 shall be representatives of the Government of the Republic of Slovenia;
 - 7 shall be representatives of pensioners and disabled workers, of whom 1 shall be a representative of the Disabled Workers' Association of Slovenia.
- (2) The General Meeting shall elect the chairman and the deputy chairman from among its members.
- (3) The term of office of the members of the General Meeting shall be four years and the term of office of the chairman and the deputy chairman 16 months, whereby the office of the chairman and that of the deputy chairman shall be held alternatively by the representatives of the groups from the indents of the first paragraph.

- (4) The responsibilities of the General Meeting shall be as follows:
- to adopt the criteria for determination of different contribution rates for the case of employment injury and occupational disease;
 - to adopt the criteria for write-off, partial write-off and repayment of contributions in instalments;
 - to monitor the financial circumstances of pensioners and disabled workers;
 - to adopt activity programmes, financial plan, annual financial statements and business reports of the Institute;
 - to determine the policy of utilization of pension insurance funds;
 - to determine the policy of utilization of invalidity insurance funds;
 - to decide on the measures providing the financial basis of and the possibilities for occupational rehabilitation and employment of the disabled workers;
 - to determine the scope of beneficiaries and criteria concerning the form and the amount of the holiday bonus or lump-sum yearly bonus;
 - to adopt the Articles of Association of the Institute, the by-laws for implementation of insurance and other by-laws of the Institute.
- (5) The General Meeting shall adopt the implementing by-laws regulating the issues of compulsory insurance under this Act that are not explicitly within the competence of the government authorities.

Article 267
(Managing Board)

- (1) The executive body of the General Meeting of the Institute shall be the Managing Board which shall be composed of 13 members.
- (2) The General Meeting of the Institute shall elect 12 members of the Managing Board from among its members for a term of office of four years, so that the Managing Board shall be composed of:
- three representatives of representative trade unions,
 - three representatives of employers,
 - two representatives of pensioners,
 - one representative of disabled persons, and
 - three representatives of the Government of the Republic of Slovenia.
- (3) One member of the Managing Board of the Institute shall be elected by the employees of the Institute.
- (4) The Managing Board of the Institute shall elect from among its members the chairman and the deputy chairman. The term of office of the chairman and the deputy chairman shall be 16 months, whereby the office of the chairman and that of the deputy chairman shall be held alternatively by the representatives of the groups from the first three indents of the second paragraph of this Article.

Article 268
(Managing Director)

- (1) The managing body of the Institute shall be the Managing Director.
- (2) The Managing Director shall organize and manage the work and business operations of the Institute, represent the Institute and act on its behalf, and shall be liable for the legality of operations of the Institute.
- (3) The Managing Director shall be appointed by the General Meeting of the Institute. The appointment of the Managing Director of the Institute shall be subject to approval of the Government of the Republic of Slovenia.

Article 269
(Articles of Association)

- (1) The Institute shall have the Articles of Association.
- (2) The Articles of Association shall lay down the manner of election of members of the General Meeting and of the Managing Board of the Institute, their chairmen and deputies, the formation, competencies, organization, and method of operation of the General Meeting and the Managing Board, organization of services of the Institute, and the position of employees of the Institute, their employment relationships and financial position, and other relevant issues.
- (3) The Articles of Association of the Institute shall be subject to the approval of the Government of the Republic of Slovenia.
- (4) The Articles of Association and the by-laws shall be published in the Official Gazette of the Republic of Slovenia.

Chapter II
Supervision

Article 270
(Supervision)

- (1) Supervision of the legality of operations of the Institute and earmarking of utilization of funds shall be carried out by the minister responsible for labour. Should any irregularities be established in the course of supervision, the minister responsible for labour shall issue a decision stipulating the measures and time-limits for remedial of the same.
- (2) The ministry responsible for labour shall be invited to take part in all the sessions of the General Meeting and the Managing Board of the Institute.
- (3) The minister responsible for labour shall stay the execution of the decision adopted by the General Meeting or the Managing Board of the Institute, if he is of the opinion that such decision is not lawful or that it is not in conformity with

the financial plan of the Institute or the national budget and shall inform the Government of the Republic of Slovenia thereof.

- (4) The Institute shall perform internal professional supervision.

PART XI COMPENSATION FOR INCURRED DAMAGE AND UNJUSTIFIABLY ACQUIRED FUNDS

Article 271

(Liability of an individual for damage incurred to the Institute)

- (1) The Institute shall claim for compensatory damages from any person who has wilfully or through gross negligence caused the invalidity, physical impairment, the need for constant assistance and attendance, or death of an insured person.
- (2) For the damage caused in cases from the preceding paragraph by an employee either at work or in connection with work, liability shall be assumed by the employer.
- (3) The Institute shall also claim compensatory damages under the preceding paragraph directly from the person who has caused invalidity, physical impairment, the need for outside assistance and attendance, or death of an insured person through a criminal act.
- (4) The Institute shall determine the lowest and the highest amount of damages that may be claimed from a natural person from the preceding paragraphs.

Article 272

(Liability of the employer for damage caused to the Institute)

- (1) The Institute shall claim for compensatory damages from the employer if the invalidity, physical impairment, the need for constant assistance and attendance, or death of an insured person occurred due to the fact that suitable security measures for safety and health at work or other measures prescribed or determined for personal safety have not been carried out.
- (2) The Institute shall be entitled to claim for compensatory damages from the employer also in cases where damage was caused because the employment agreement was concluded without the required medical examination with a person who, in medical terms, was not capable of performing certain tasks and assignments, as established subsequently.
- (3) The Institute shall be entitled to claim for compensatory damages from the employer also in the event that damage was inflicted because the employer

failed to provide data or provided false data on the facts underlying acquisition, assessment, or loss of a right.

Article 273
(Exclusion of insurance coverage)

- (1) In cases from the preceding two Articles, the Institute shall be deemed to have suffered damage notwithstanding the fact that the insured event is covered by insurance under this Act.
- (2) The Institute shall have the right to claim for compensatory damages from an insured person who is himself obliged to provide information about insurance, if damage was caused because he failed to provide information or provided false information.
- (3) Jointly liable for compensatory damages shall also be the person who has been as a witness, by legally binding decision, convicted for the criminal act of false testimony, if on the basis of such testimony a certain period in the pension qualifying period has been granted, and if on the basis of such granted period a pension has been asserted to which the person who acquired it had no right, or if a pension exceeding the amount to which he was entitled was granted to that person.

Article 274
(Ascertainment of damages)

- (1) In establishing the right of the Institute to compensatory damages, the provisions of the Obligations Act shall apply unless otherwise provided for by this Act.
- (2) Damages which the Institute has the right to claim in cases from Articles 271 through 273 hereof shall include the costs incurred and total amounts of pensions or other benefits paid by the Institute.
- (3) When the damage incurred relates to the obligation of the Institute to pay out pension or other long-term benefits, the Institute may claim for damages in a total amount. Such amount shall be assessed so that it conforms with the recognized pension or another benefit and the average duration of enjoyment of the pension or another benefit, regardless of the recipient's age.
- (4) In establishing the level of damages under the preceding two paragraphs, the completed pension qualifying period of an insured person shall be taken into account.

- (5) If the Institute ascertains that damage has been sustained, it shall request that the insured person or the employer concerned compensate for the damage within the specified period. If the damage is not compensated within the specified period, the Institute shall submit the claim for damages to the competent court.

Article 275
(Reimbursement of overpayments)

- (1) An insured person to whom an amount of money, to which he was not entitled, has been paid on account of the Institute, shall reimburse it in accordance with the provisions of the Obligations Act.
- (2) The Institute shall set off the overpaid amount from the preceding paragraph with the beneficiary's pension payments.
- (3) The Institute shall issue a decision on determination of overpayment, stating the amount of overpayment and the method of reimbursement of the same.
- (4) An appeal against the decision from the preceding paragraph shall not stay the enforcement of the decision.
- (5) In the event that a person enjoys a pension or any other benefit under the compulsory insurance, the Institute may decide that the overpayment be reimbursed in instalments deducted from the said benefits.

Article 276
(Liability for damages by the Institute)

- (1) The Institute shall be liable for any damage caused to an insured person during or in connection with the performance of its operations in conformity with the provisions of the Obligations Act.
- (2) When the Institute is liable to make cash payment or payment in a higher amount in arrears on the basis of an appeal-instance decision on recognition of right or on the basis of a court decision, and an appropriate first-instance decision failed to be issued due to an act of an insured person, of the applicant, of the employer or another person, the beneficiary shall be paid to the debit of the Institute the damages in the amount of the calculated interest on arrears from the date of maturity of an individual amount to the date of enforcement of the decision.
- (3) If the cause for the issue of an inappropriate or delayed decision is disputable, the Institute shall be entitled to claim for refund of the paid-out damages from the persons responsible.

- (4) The Institute shall pay the damages from the second paragraph of this Article within 60 days from the effected cash payment.

Article 277
(Interest on arrears)

- (1) If the Institute fails to pay the recognized pension benefits within a period of 60 days from the date of enforceability of the decision on recognition of right, it shall be obliged to pay to the recipient the interest on arrears for the matured payments or invite such recipient within the same period to submit the necessary data, or to raise the benefits at the cashier's office of the Institute.
- (2) The interest on arrears shall be assessed as provided for by law from the day following the expiration of the period from the preceding paragraph.

**PART XII
SUPPLEMENTARY PENSION INSURANCE**

**Chapter I
General Provision**

Article 278
(Definition of supplementary pension insurance)

- (1) The present Act shall regulate the forms of compulsory and voluntary supplementary pension insurance services which are contained in the pension and invalidity insurance system pursuant to the second indent of Article 1 hereof.
- (2) The present Act shall not regulate the forms of pension insurance services which, prior to the coming into force hereof, have been provided by the insurance companies under the title of "pension insurance services" and are classified among the life insurance services pursuant to the Decree on classification of individual insurance classes into insurance groups and insurance categories (Official Gazette of RS no 5/95).

**Chapter II
Compulsory supplementary pension insurance**

1. General Provisions

Article 279
(Definition of compulsory supplementary pension insurance)

Pursuant to the present Act, compulsory supplementary pension insurance shall mean collection of contributions from the employers in order to secure, out of the accrued funds, the right to occupational pension and other rights to be enjoyed by the insured persons performing particularly hard work and work harmful to health, and insured persons performing professional activities which cannot be successfully performed after attaining a certain age.

Article 280

(Persons insured under compulsory supplementary insurance)

- (1) Compulsory supplementary insurance shall, under conditions stipulated hereunder, cover insured persons performing particularly hard work and work harmful to health, as well as insured persons performing professional activities which cannot be successfully performed after attaining a certain age.
- (2) Jobs which are particularly difficult and harmful to health, the holders of which will therefore have to join compulsory supplementary insurance shall be ascertained as such in the cases when the following conditions are fulfilled:
 - that there are considerable harmful effects, related to performance of tasks, on the health condition and working capacity of workers, despite the fact that all general and specific precautions, as laid down by the regulations, have been observed, and that other measures which serve to eliminate or mitigate such effects, have been taken;
 - that workers perform work in conditions which are difficult and harmful to health in the direct vicinity of the sources of such harmful effects in an uninterrupted work process;
 - that work in circumstances set out under the preceding two indents is performed as a full-time job, whereby a working week shorter than full working hours as stipulated by law and collective agreements shall likewise be considered as full working hours, provided it has been identified as such due to special conditions of work.
- (3) The list of jobs from the preceding paragraph shall be determined by the minister responsible for labour, with the consent of the relevant trade unions and employers' associations.

Article 281

(Contributions for compulsory supplementary insurance)

- (1) Persons liable to pay contributions for compulsory supplementary insurance shall be the employers.
- (2) Contributions for compulsory supplementary insurance shall enjoy a tax status equal to that of contributions for compulsory pension and invalidity insurance.

Article 282

(Procedure of joining compulsory supplementary insurance)

- (1) The jobs for which the employers shall be liable to pay compulsory supplementary insurance contributions shall be all the jobs to which insurance period calculated with a bonus was applicable on the coming into force of the present Act.
- (2) On the basis of criteria laid down by the Government of Slovenia, a special commission may either supplement the list of jobs from the preceding paragraph with other jobs the holders of which shall be obliged to join supplementary insurance, or else establish that the conditions from Article 280 have ceased to be fulfilled.
- (3) In addition to the jobs specified in the preceding paragraph of this Article, the Act may also include the jobs the holders of which shall be obliged to join supplementary insurance in cases where successful performance of a professional activity is limited to a certain age, since the physiological functions of the body deteriorate due to the nature and severity of work to such an extent that the worker is inhibited in carrying out the same professional activity after attaining a certain age.
- (4) The minister responsible for labour shall appoint a special commission for establishment of liabilities related to supplementary insurance as per the second paragraph of the present Article.

Article 283

(Rights under voluntary supplementary insurance)

- (1) On the basis of voluntary supplementary insurance, the insured shall be entitled to occupational pension. The period of compulsory supplementary insurance shall be taken into account as an added period for acquisition of rights under compulsory insurance as per fourth paragraph of Article 193 hereof.
- (2) Criteria for determination of the amount and form of occupational pension shall be determined in the pension scheme.
- (3) The rights under compulsory supplementary insurance shall be provided in the form of:
 - occupational pension payable to an insured person in monthly amounts from the time of acquisition of occupational pension to the fulfilment of conditions for acquisition of a pension under compulsory insurance;

- reduced occupational pension payable to in monthly amounts from retirement under compulsory insurance by the time of death of the insured person.
- (4) A recipient of an occupational pension may, on acquisition of the right to occupational pension in accordance with the pension scheme also decide upon a different form of payment of occupational pension. In the event that he defers the commencement of enjoyment of occupational pension, the employer shall no longer be obliged to pay him contributions for compulsory supplementary pension insurance.
 - (5) In the period from occupational retirement to retirement under compulsory insurance, a recipient of an occupational pension shall have health insurance and shall have contributions pursuant to the law regulating payment of social security contributions calculated from the monthly payment of occupational pension.
 - (6) An insured person who gets retired as a disabled person shall be entitled to disbursement of purchase value of units of funds on the personal account calculated according to the method specified in the third paragraph of Article 320 hereof.
 - (7) In the event of death of an insured person in the time by his retirement as a disabled worker, the heirs shall be disbursed purchase value of units of funds on the personal account of the deceased insured person, calculated according to the method specified in the third paragraph of Article 320 hereof.

Article 284

(Pension scheme of supplementary compulsory pension insurance)

- (1) In addition to items listed in the preceding Article hereof, the pension scheme of supplementary compulsory pension insurance shall also include:
 - mode of calculation of occupational pension,
 - minimum guaranteed return on paid contributions,
 - conditions for acquisition of occupational pension,
 - mode of payment of occupational pension,
 - investment strategy of compulsory supplementary pension insurance,
 - amount of contributions for individual jobs.
- (2) Conditions for acquisition of occupational pension shall not differ with respect to sex of the insured person.
- (3) The pension scheme of supplementary compulsory pension insurance shall be subject to actuarial approval by the Office for Insurance Supervision within the Ministry of Finance and to adoption by the minister responsible for labour.
- (4) The state shall guarantee for the rights provided for in pension scheme of compulsory supplementary insurance.

2. Fund Management

Article 285

(Compulsory supplementary pension insurance fund)

- (1) Compulsory supplementary insurance shall be provided by the Compulsory supplementary pension insurance fund (hereinafter referred to as: the Fund) which shall be established on the date of enactment hereof as a mutual pension fund.
- (2) The Fund represents the assets financed by the funds collected by means of payments of premiums of compulsory supplementary insurance or created by way of management of these funds, and is intended exclusively for coverage of liabilities to persons insured under compulsory supplementary insurance.
- (3) The Fund is owned by persons insured under compulsory supplementary insurance, i.e. members of the Fund.
- (4) For the requirements of provision of compulsory supplementary insurance, the fund shall establish and maintain the following records.
 - records of insured persons,
 - records of persons liable to pay contributions.
- (5) The records of insured persons shall include:
 - personal data: name and surname, data on birth, PIN of a national or PIN of a foreign national, address of permanent or temporary residence, citizenship;
 - tax number;
 - data on employment: company, job, salary;
 - data on pension qualifying period;
 - number of insurance document.
- (6) The records of persons liable to pay contributions shall include:
 - name and seat;
 - registry number;
 - tax number.
- (7) As a rule, the personal data shall be obtained directly from an individual to which they apply; the data which apply to employment shall be obtained on the basis the employers' data; the data on the pension qualifying period shall be obtained from the personal data records with the Institute; and the data on the accuracy of calculated contributions shall be obtained from the tax records.
- (8) The data retention period shall be 10 years after the last payment of occupational pension or purchase value of units of funds.

Article 286

(Fund operator)

- (1) The compulsory supplementary insurance funds shall, on its own behalf and for the account of insured persons and other beneficiaries, manage the Capital Fund separately from the rest of the assets of the Capital Fund.
- (2) The operations of the fund management shall cover.
 - collecting the premiums of compulsory supplementary insurance and keeping of personal accounts of insured persons - members of the Fund,
 - management of the assets of the Fund,
 - payment of occupational pensions and/or purchasing of pension annuity.
- (3) The Capital Fund may, by way of a contract, transfer the operations as per the second indent of the preceding paragraph to a company for management which is in possession of an authorization for investment funds management according to the law regulating investment funds and management companies.

Article 287

(Costs of management of the Fund)

- (1) The Capital Fund shall be entitled to reimbursement of enrolment and withdrawal costs as well as to an annual commission for management of the Fund.
- (2) The provision of Article 318 hereof shall apply mutatis mutandis to calculation of the costs and the commission from the preceding paragraph.

Article 288

(Notification and operations of the Fund)

- (1) The employer shall inform the Fund of any new employment and reassignment of an employee to a job for which he is obliged to enter compulsory pension insurance hereunder. In the event that the fund has been notified with a delay, the employer shall pay the due premiums together with interest on arrears from the day of reassignment of the employee.
- (2) In order to fix the amount of and reduced occupational pension, the Institute shall forward to the Fund the data on the date of acquisition of the right to old-age pension and other data which affect the acquisition and enjoyment of occupational pension.
- (3) The provisions of Article 319 and Articles 321 through 327 hereof shall apply mutatis mutandis to the operations of the Fund.

Article 289

(Supervision of operations of the Fund)

- (1) Supervision of the Fund's operations shall be carried out by the minister responsible for labour.
- (2) Correctness of implementation of investments and correctness of valuation of investments shall be supervised and checked by the Securities Market Agency.
- (3) Correctness of operations of the Fond from the viewpoint of tax regulations in the field supplementary pension insurance shall be supervised by the Tax Administration of the Republic of Slovenia.

Article 290
(Business reports of the Fund)

The provisions hereof on business reports and financial statements of the mutual pension fund of voluntary supplementary insurance shall be applicable to the business reports of the Fund.

Article 291
(Other carriers of compulsory supplementary insurance)

- (1) Compulsory supplementary insurance pursuant to the present Act may also be provided by a pension company founded in accordance with this Act, which has been granted the consent of the Government of the Republic of Slovenia.
- (2) The consent as per the preceding Article shall allow for assertion of tax reliefs for compulsory supplementary insurance according to the present Act.
- (3) The application for issue of the consent shall be accompanied by:
 - Articles of Association of the pension company;
 - approved compulsory supplementary insurance pension scheme as per Article 284 hereof,
 - written consents of the employers who are to pay contributions for compulsory supplementary insurance for at least 5000 insured persons,
 - written consents of the representative trade unions in the fields of activities which cover the jobs from the preceding indent,
 - business plan of the Fund including a projection of the fund operations for a three-years' period;
 - names of members of the management board and the supervisory board of the pension company;
 - names of natural persons who are to participate in management of the pension company together with the management board,
 - documentation on the basis of which it is evident that the pension company shall be capable of carrying out the compulsory supplementary pension insurance operations from the viewpoint of personnel, technical competence and organization,

- a contract with a company for management in the cases when the pension company is required to abstain from management of funds for compulsory supplementary insurance.

Chapter III

Voluntary supplementary pension insurance scheme

1. General provisions

Article 292 (Scope of regulation)

- (1) This chapter shall regulate those forms of voluntary supplementary pension insurance in which the persons insured under this type of insurance as well as the employers who pay premiums for voluntary supplementary insurance in favour of insured persons are granted tax relief according to this Act.
- (2) This chapter shall also identify the conditions for the establishment of pension funds and regulate the mode of their operation as well as their management.
- (3) Articles 295 through 301 and the provisions of the first, the second, the third and the fourth paragraph of Article 377 of this chapter shall also apply mutatis mutandis to the Craftsmen's Fund.

Article 293 (Definition of Term)

Pursuant to the present Act, the voluntary supplementary pension insurance scheme represents collecting of funds on personal accounts of persons insured under this form of insurance with the purpose of providing them, upon attaining certain age or in other cases, defined by the pension scheme, with supplementary pensions or other rights stipulated by the present Act (hereinafter referred to as: voluntary supplementary insurance).

Article 294 (Persons insured under voluntary supplementary insurance)

- (1) Voluntary supplementary insurance under this Act can be only be joined by a person insured under compulsory pension insurance or a recipient of the rights thereunder.

- (2) The conditions for the acquisition of rights under voluntary supplementary insurance shall not differ in respect of the sex of the insured person.

2. Pension Scheme

2.1. Common Provisions

Article 295 (Pension Scheme)

The pension scheme shall identify the conditions for the acquisition of rights under voluntary supplementary insurance, the kind and scope of these rights as well as the procedure for their assertion.

Article 296 (Pension scheme subject and contents)

- (1) Voluntary supplementary insurance according to the pension scheme shall cover payments of supplementary old-age pension as per Article 362 hereof. Voluntary supplementary insurance according to the pension scheme may, in addition to payments of supplementary old-age pension, likewise cover payments of early old-age pension as per Article 363 hereof for the period from the acquisition of the right to early old-age pension to the acquisition of the right to pension according to the regulations on compulsory pension insurance.
- (2) Voluntary supplementary insurance according to the pension scheme may, in addition to payments from the preceding paragraph, also cover payments of supplementary invalidity pension as per Article 364 hereof and/or supplementary survivor's pension as per Article 365 hereof.
- (3) The pension scheme shall include:
- conditions for membership in the pension scheme;
 - the amount of premium and the method of calculation of the amount of premium; in the case from the preceding paragraph, the premium shall be broken down to the insurance premium for specific risks;
 - the method and schedule of premium payments and legal consequences in case of default in payment;
 - the provision stipulating that the rights under voluntary supplementary insurance according to the pension scheme are non-assignable, except in the cases laid down hereunder;
 - prohibition of a lien on the voluntary supplementary insurance policy, acquired by the insured person on entering under voluntary supplementary insurance according to the pension scheme, and prohibition of a lien on the rights arising out of property units of the mutual pension fund, entered into the personal account of the insured person.
 - other provisions contained in the general insurance conditions according to the law regulating insurance.

- (4) In connection with insurance as per the first paragraph of this Article, the pension scheme shall include:
- identification of insurance as insurance in which an insured person assumes the investment risk,
 - investment policy,
 - guaranteed returns,
 - the amount of costs charged by the pension scheme provider,
 - conditions for the acquisition of the right to supplementary old-age pension and/or early old-age pension,
 - method of calculation of purchase value,
 - method of calculation of pension annuity,
 - the provision stipulating whether pension annuity is to be paid by the pension scheme provider or the pension scheme provider will conclude an appropriate insurance contract on behalf of and for the account of the insured person,
 - conditions for cessation of insurance prior to the acquisition of the right to supplementary old-age pension and/or early supplementary old-age pension, and the rights of the insured person or the beneficiaries in such cases.
- (5) In connection with insurance as per the second paragraph of this Article, the pension scheme shall include:
- conditions for the acquisition of the right to supplementary invalidity pension and/or supplementary survivor's pension,
 - conditions for cessation of insurance prior to the acquisition of the right to supplementary invalidity pension and/or supplementary survivor's pension, and the rights of the insured person or the beneficiaries in such cases.
 - elements as per the fourth, sixth, seventh and eighth indent of the preceding paragraph.

Article 297
(Pension Scheme Approval)

- (1) The pension scheme on the basis of which tax relief can be granted shall be approved by the minister responsible for labour.
- (2) The application for the pension scheme approval shall be filed by the pension scheme provider.
- (3) If the pension scheme provider has not yet been entered in the court register, the application from the preceding paragraph shall be filed by its founder.
- (4) The minister responsible for labour shall approve the pension scheme if he has established that the pension scheme complies with the present Act.
- (5) The minister responsible for labour shall issue a decision on the pension scheme approval within a period of 60 days as of the date of receipt of the application for approval at the latest.

- (6) The pension scheme from the first paragraph of this Article shall be entered in a separate register according to the present Act.
- (7) The provisions of this Article shall likewise apply mutatis mutandis to all the subsequent revisions of the pension scheme as per the first paragraph of this Article.

Article 298
(Investment risk an guaranteed returns)

- (1) The voluntary supplementary insurance under the pension scheme from the preceding paragraph hereof is a form of voluntary supplementary insurance whereby an insured person assumes the investment risk with guaranteed returns on the paid-in net voluntary supplementary insurance premium and acquires the right to supplementary old-age pension as per Article 362 hereof.
- (2) The net premium of the voluntary supplementary insurance (hereinafter referred to as: the net premium) is the paid-in voluntary supplementary insurance premium reduced by the enrolment costs which belong to the pension scheme provider pursuant to this Act.
- (3) The guaranteed return from the first paragraph of this Article shall be expressed as the annual rate of return which shall be guaranteed for by the pension scheme provider.
- (4) Annual rate of return from the preceding paragraph shall not be lower than 40% of the average annual interest on government securities with the maturity exceeding one year (minimum guaranteed returns).
- (5) Within six months after enactment of the present Act, the minister responsible for finance shall stipulate the rules which apply to the calculation of the average returns on government securities from the preceding paragraph.
- (6) By the 15th day of each month at the latest, the minister responsible for finance shall publish the minimum guaranteed rate of return as per the fourth paragraph of this Article for the preceding month.
- (7) If the voluntary supplementary insurance under the pension scheme also covers payment of supplementary invalidity pension and/or supplementary survivor's pension, the provisions of the preceding paragraphs of this Article, the provisions of Articles 307 through 336 and the provisions of Articles 352, 353, and 356 hereof shall not be applicable to such insurance.
- (8) If the pension scheme provider as per the preceding paragraph is the mutual pension fund, this fund's operator shall:
 - on behalf of and for the account of the insured person, conclude a life insurance policy according to which the insured person or the beneficiary

- acquires the right to supplementary invalidity pension or supplementary survivor's pension, and
- on behalf of and for the account of the insured person, pay the premium for this insurance.
- (9) If the voluntary supplementary insurance under the pension scheme also covers payment of early old-age pension, the provisions of this act which apply to the insurance from the first paragraph of this Article shall be applicable mutatis mutandi to such insurance.

2.2. Pension scheme financing

Article 299

(Voluntary Supplementary Insurance Premium)

- (1) The voluntary supplementary insurance premium is the amount of cash paid by a person insured under voluntary supplementary insurance, on the basis of which he shall acquire the rights under voluntary supplementary insurance in accordance with the present Act.
- (2) The voluntary supplementary insurance premium or a part of such premium in favour of the person insured under voluntary supplementary insurance can also be paid by the employer with whom the insured person is employed or by the legal entity or the government body, with which the insured person professionally holds a certain office (hereinafter referred to as: the employer) in the way and under the terms stipulated by the present Act.

Article 300

(Premium Payments)

- (1) The voluntary supplementary insurance premium shall be determined and payable per a calendar month.
- (2) Notwithstanding the provision of the preceding paragraph, the voluntary supplementary insurance premium may be paid on a lump-sum basis as a semi-annual amount or as a full annual premium, if such mode of payment is stipulated by the pension scheme.

Article 301

(Premium Amount)

- (1) The amount of the voluntary supplementary insurance premium payable under the pension scheme from the first paragraph of Article 297 hereof, which is entitled to tax relief hereunder, shall not be less than SIT 3,000.00 and may amount to a maximum of 24% of compulsory contributions for pension and

invalidity insurance for a person insured under compulsory pension and invalidity insurance according to law; this amount, however, shall not exceed SIT 30,000.00.

- (2) If the pension scheme from the first paragraph of Article 297 hereof stipulates that the voluntary supplementary insurance premium may be paid in semi-annual or annual amounts or in varying monthly amounts, the amount of the annual premium payable under this pension scheme, which serves as a basis for tax relief hereunder, shall not be less than SIT 36,000.00 and may amount to a maximum of 24% of average annual compulsory contributions for the pension and invalidity insurance for a person insured under the compulsory pension and invalidity insurance according to the law; this amount, however, shall not exceed SIT 360,000.00.
- (3) The premium amounts from the first and the second paragraph of this Article shall be adjusted according to the average salary increase in the Republic of Slovenia. The mode of adjustment shall be stipulated by the minister responsible for finance.
- (4) If an amount of the voluntary supplementary insurance premium higher than the amount defined in the first and/or the second paragraph of the present Article is agreed on the enrolment into the pension scheme, the person insured under voluntary supplementary insurance shall be entitled to tax relief only for that part of the voluntary supplementary insurance premium which does not exceed the amount of the maximum voluntary supplementary insurance premium from the first and/or the second paragraph of the present Article.
- (5) In the event that the voluntary supplementary insurance premium is paid by both the employer and the employee, in favour of whom the employer is paying the voluntary supplementary insurance premium which serves as a basis for tax relief hereunder, a cumulative amount of the paid-in premiums shall be taken into account for the determination of the maximum premium amount.
- (6) Should, in the case referred to in the preceding paragraph, the total amount of paid-in premiums exceed the maximum premium from the first and/or the second paragraph of this Article, the employer may assert tax relief only from that part of the paid-in premium which equals the difference between the maximum premium and the premium paid by the insured person.

2.3. Pension scheme financed by employer

Article 302

(Pension scheme financed by employer)

- (1) The employer who fulfils the conditions from the second paragraph of Article 310 hereof (or several employers together) may form a pension scheme for his employees, provided he undertakes to finance this pension scheme by paying,

in part or in full, the voluntary supplementary insurance premium, defined in the present pension scheme, in favour of those employees who have joined this pension scheme (the pension scheme financed by the employer).

- (2) The right to join the pension scheme financed by the employer shall be granted under the same terms to all employees of this employer.
- (3) In order to be granted tax relief in accordance with the present Act, the pension scheme financed by the employer shall cover at least 66% of all the employees of the employer financing the pension scheme.
- (4) Notwithstanding the provision of the second paragraph of this Article, it may be stipulated as a prerequisite for asserting the right to join the pension scheme financed by the employer that the employee shall be employed by the employer financing the pension scheme for a certain period of time which shall not exceed one year.
- (5) Membership in the pension scheme financed by the employer shall not be a prerequisite for employment with the employer.

Article 303

(Formation of pension scheme financed by employer)

- (1) Should the pension scheme financed by the employer stipulate that a part of the voluntary supplementary insurance premium shall also be paid by the employees of the employer financing the pension scheme, this pension scheme shall be formed in conformity with the collective agreement signed between the employer and the representative union organized with the employer.
- (2) In the case that the collective agreement referred to in the preceding paragraph has not yet been signed, the pension scheme of the preceding paragraph shall be formed in conformity with the contract on the pension scheme formation signed by the employer and the employee as contractual parties thereto.

Article 304

(Employees entering into the contract on formation of pension scheme financed by employer)

- (1) The competent body of a representative trade union organized at the employer's shall decide in the name of the employees on the entering into the contract on the formation of the pension scheme financed by the employer.
- (2) In the event that several representative unions are organized at the employer's, these unions shall jointly decide on entering into the contract on the formation of the pension scheme financed by the employer.

- (3) In the event that there is no representative union organized at the employer's, the workers' council, organized in accordance with the law governing the employee participation in management, shall decide on entering into the contract on the formation of the pension scheme financed by the employer.
- (4) In the event that there is no representative union or workers' council organized at the employer's, the entering into the contract on the formation of the pension scheme financed by the employer shall be decided upon directly by the employees at a worker's assembly meeting.
- (5) The decision on entering into the contract shall be adopted by a majority of votes of all employees. The employees shall enter into the contract on the formation of the pension scheme financed by the employer when the decision on entering into the contract is adopted by the prescribed majority.
- (6) The decision of the preceding paragraph shall be confirmed by a notary public in notarial deed. Recorded in this deed shall be the time and place of the workers' assembly, notary public's name, voting results, and the statement of the person presiding the assembly concerning the adoption of the decision, as well as the name of the person authorized to sign the Contract on the formation of the pension scheme financed by the employer.

Article 305

(Employer's entering into the contract on formation of pension scheme financed by employer)

- (1) On the employer's side, the decision on entering into the contract on the formation of the pension scheme financed by the employer shall be made by the management of the company.
- (2) In the event that the contract on the formation of the pension scheme financed by the employer provides that the voluntary supplementary insurance premium, payable by the employer shall be paid from the company's profits, the management shall obtain the consent of the company shareholders' meeting prior to the signature of this contract.
- (3) The shareholders' meeting may give consent referred to in the preceding paragraph if the company's Articles of Association or the relevant social agreement stipulate that part of the profits be allocated for voluntary supplementary insurance.
- (4) The provisions of the preceding two paragraphs of the present Article shall apply to the employees organized as companies with share capital pursuant to the Companies Act.

2.4. Pension scheme providers

Article 306
(Pension scheme providers)

- (1) The pension scheme of the first paragraph of Article 297 hereof shall be implemented by pension funds formed pursuant to the present Act.
- (2) A pension fund may be formed as a mutual pension fund or as a pension company.
- (3) The pension scheme referred to in the first paragraph of Article 297 of the present Act may also be implemented by insurance companies holding the permit to perform life insurance operations in conformity with the law governing insurance.

3. Mutual pension fund
3.1. General

Article 307
(Mutual pension fund)

- (1) A mutual pension fund shall represent property financed by the funds collected by paying in voluntary supplementary insurance premiums or resulting from the management of these funds, and shall be intended for covering liabilities to the persons insured under voluntary supplementary insurance.
- (2) The mutual pension fund shall be owned by the persons insured under voluntary supplementary insurance. With the payment of the voluntary supplementary insurance premium, the insured person shall acquire the ownership of a proportional part of the mutual pension fund.
- (3) The mutual pension fund is not a legal entity.
- (4) The mutual pension fund shall have at least 1000 members.
- (5) The mutual pension fund shall be formed and managed exclusively for the benefit of the persons insured under voluntary supplementary insurance.
- (6) The provision of the fourth paragraph of the present Article shall not be applied during the first year after establishment of the mutual pension fund.

Article 308
(Name of Mutual Pension Fund)

- (1) The name of a mutual pension fund shall comprise a designation proving that a mutual pension fund is concerned.

- (2) The names or firms of other legal entities shall not contain words such as “mutual pension fund” or compound words which could lead to a misleading assumption that a mutual pension fund is concerned.

Article 309
(Types of Mutual Pension Funds)

- (1) A mutual pension fund may be an open-end mutual pension fund or a closed-end mutual pension fund.
- (2) The closed-end mutual pension fund is a mutual pension fund which may only be joined by the persons insured under voluntary supplementary insurance and employed with the employer who has formed the fund.
- (3) The open-end mutual pension fund is a mutual pension fund the membership in which is not conditioned by employment with a certain employer.

3.2. Mutual pension fund formation

Article 310
(Founders)

- (1) The open-end mutual pension fund may be founded by employers (severally or jointly) who fulfil the conditions set out in the second paragraph of this Article and who has formed the pension scheme from the first paragraph of Article 302 hereof.
- (2) The following employers shall be considered to be the ones referred to in the preceding paragraph:
 - a company which is organized as company with share capital and which can be considered as a large company according to the law regulating companies;
 - several companies of the preceding paragraph, which jointly meet the conditions for ranking among large companies according to the Companies Act;
 - a co-operative which is, according to the regulations on keeping of ledgers and drawing up of annual reports, considered as a large company, or several co-operatives, which together meet the conditions for a large company;
 - the Republic of Slovenia;
 - public institutions with (severally or jointly) over 1000 employees.
- (3) The open-end pension fund may be founded by an insurance company or a bank, which fulfils the conditions set out in the first paragraph of Article 315 hereof.
- (4) Irrespective of the first paragraph of this Article, the Republic of Slovenia may create specific pension schemes for specific groups of employees and

establish closed-end mutual pension funds for implementation of such pension schemes.

- (5) The pension schemes from the preceding paragraph shall be stipulated by means of regulations and collective agreements regulating salaries and other benefits for specific groups of employees.

Article 311
(Formation of Mutual Pension Fund)

- (1) If the founder is the employer, it shall form a mutual pension fund by adopting the rules of the mutual pension fund and concluding a contract on the management of the mutual pension fund with an operator from Article 315 hereof.
- (2) If the founder is the operator from Article 315 hereof, it forms the mutual pension fund in such a way that it adopts the rules of the mutual pension fund.
- (3) In order to form a mutual pension fund, the founder shall obtain the authorization of the Securities Market Agency, established in accordance with the law governing the securities market (hereinafter referred to as the Agency).

Article 312
(Request for issue of authorizations for mutual pension fund formation)

- (1) The Agency shall issue the authorization for the mutual pension fund formation on request of the founder, which shall contain:
 - the name of the mutual pension fund;
 - the founder's name and registered office;
 - the expected number of persons to be insured under voluntary supplementary insurance during the first year of the fund's existence, as well as the method of obtaining members;
 - persons liable to pay the voluntary supplementary insurance premium;
 - the amount, method and schedule of effecting the voluntary supplementary insurance premium payment ;
 - the number and date of issue of the decision on the approval of pension scheme to be implemented by the mutual pension fund.
- (2) The founder shall attach the following to the request of the preceding paragraph:
 - an extract from the Court Register;
 - documents proving that he fulfils the conditions set out in the first paragraph of Article 310 hereof, if the founder is an employer,

- authorization of the competent authority proving that he fulfils the conditions for performance of operations related to the pension fund management, if the founder is the operator from Article 315 hereof,
- the latest audited financial statements;
- the pension scheme, approved by a competent authority pursuant to the present Act;
- the rules of the mutual pension fund;
- the contract on management of the mutual pension fund, if the founder is an employer;
- the contract on management of the mutual pension fund in accordance with the provision of the second paragraph of Article 317 hereof,
- the contract concluded with the Central Securities Clearing Corporation in accordance with the provision of Article 325 hereof,
- the contract concluded with the bank in accordance with the provision of Article 327 hereof,
- other documentary evidence of the founders' compliance with the conditions for establishment of a mutual pension fund.

Article 313
(Permit for mutual pension fund formation)

The Agency shall issue an authorization for the formation of a mutual pension fund, provided that the attached documents indicate:

- that the founder fulfils the conditions for establishment of a mutual pension fund,
- that the provisions of the mutual pension fund rules are in accordance with the provisions hereof,
- that the contract on the pension fund management is in accordance with the provisions hereof,
- that the contracts entered into with the Central Securities Clearing Corporation and the bank are in accordance with the provisions hereof.

Article 314
(Rules of mutual pension fund)

(1) The rules of a mutual pension fund shall define:

- the name of the mutual pension fund;
- the founder's name and registered office;
- the conditions for membership in the fund;
- the required document of enrolment in the fund;
- the amount and the method of covering the management costs of mutual pension fund;
- the investment policy of the mutual pension fund;
- the preparation of financial statements of the fund;
- the method of informing the founder or fund members and the supervisory - body of the mutual pension fund operation;

- the procedure of mutual pension fund liquidation;
 - the procedure of revision of the rules of the mutual pension fund.
- (2) The pension scheme shall represent an integral part of the rules of the mutual pension fund.

3.3. Mutual pension fund management

Article 315 (Operator of the mutual pension fund)

- (1) The mutual pension fund can only be managed by:
- an insurance company holding a permit for management of pension funds according to the law governing insurance,
 - a bank holding a permit for performing the operations related to the pension fund management in accordance with the law governing banking
- (2) The mutual pension fund operator may manage:
- an open-end mutual pension fund established by such operator itself,
 - a closed-end mutual pension fund, if the employer who is the founder of this fund, has authorized it for management of the same with a contract on the mutual pension fund management,
 - a closed-end mutual fund established by such operator as the employer.

Article 316 (Scope of operations performed by the operator)

- (1) The management operations of a mutual pension fund comprise:
- collecting the voluntary supplementary insurance premiums, and keeping personal accounts of the insured - the members of the fund;
 - management of the mutual pension fund property;
 - cashing-in or disbursements of the purchase value.

Article 317 (Transfer of Property Management to Another Entity)

- 1) The operator of a mutual pension fund may, under a contract, transfer the operations referred to in the second indent of the preceding Article to a management company holding a permit for the management of investment funds pursuant to the law governing investment funds and management companies.

- 2) In the event that the bank or insurance company manages a close-end mutual pension fund established by it as the employer, it shall transfer the property management operations to a management company as per the preceding paragraph.

Article 318

(Commission and costs of enrolment and withdrawal)

- (1) The operator shall be entitled to recovery of enrolment and withdrawal costs as well as to annual commission for the mutual pension fund management.
- (2) Enrolment costs shall be charged as a percentage of the paid-in premium on its payment.
- (3) Withdrawal costs shall be charged as a percentage of the purchase value from the third paragraph of Article 320 hereof on its cashing-in and/or disbursement.
- (4) Commission for management of the mutual pension fund shall be fixed as a percentage of the average net annual value of assets of the mutual pension fund.
- (5) The minister of finance shall stipulate the maximum allowed percentage of enrolment and withdrawal costs as well as the maximum commission for the mutual pension fund management to which the mutual pension fund operator is entitled.

Article 319

(Keeping of personal accounts and value of a unit of property)

- (1) The property of the mutual pension fund shall be divided in equal units. The value of a unit of property of the mutual pension fund shall be equal to the total net value of property of the mutual pension fund divided by the number of units in circulation.
- (2) Paid-in net premium shall be calculated into a corresponding number of the mutual pension fund property units on a certain date (conversion date) with respect to the property unit value on that date. The method of determination of the conversion date shall be stipulated by the Agency.
- (3) The units of the mutual pension fund property shall be entered by the mutual pension fund operator in favour of personal accounts to the name of a member of the mutual pension fund. If, in addition to the insured person, the employer likewise pays the premium of the voluntary supplementary insurance, the mutual pension fund operator shall keep separate records of the number of units financed by the employer, on the personal account of the insured person.

- (4) The operator shall keep a register of members and their personal accounts to which the units of the mutual pension fund property calculated according to the second paragraph of this Article shall be entered.
- (5) Once a year the mutual pension fund operator shall issue a certificate to the members of this fund stating the number of property units entered into their personal accounts as well as the account of paid-in premiums in that year, as per the balance on 31 December of each individual year. If the premium of the voluntary supplementary insurance is paid, in part or in whole, by the employer, the mutual pension fund operator shall issue a certificate on the number of property units financed by the employer, entered into the personal account of the member, as well as an account of paid-in premiums in this year, to the employer as well.
- (6) The certificate as per the preceding paragraph shall serve as identification document for assertion of the rights arising out of voluntary supplementary insurance and for assertion of tax and other relief.

Article 320
(Disbursement of purchase value)

- (1) In the cases stipulated hereunder, a member of the mutual pension fund may request in writing, that the mutual pension fund operator disburse the purchase value of property units entered into his personal account.
- (2) The request from the preceding paragraph shall be filed on a special form, if so laid down by the rules of the mutual pension fund.
- (3) The purchase value of property units entered into the personal account of the member shall be calculated in respect of the value of the mutual pension fund property units applicable on the date of disbursement, increased by a proportional part of provisions as per Article 322 hereof and reduced by withdrawal fees the operator is entitled to.
- (4) Disbursement of the purchase value of property units entered into the personal account of the member shall be effected by the operator in the currency, mode and time-limit stipulated in the pension scheme.
- (5) As of the date of disbursement of the purchase value of property units entered into the personal account of the member, the member's proprietary right to a proportional part of the mutual pension fund property shall expire.

3.4. Mutual pension fund investments

Article 321
(Mutual pension fund investments)

The mutual pension fund investments shall be subject to the provisions of the law governing insurance, which apply to the coverage fund.

Article 322

(Results of management of mutual pension fund property)

- (1) At the end of each quarter (hereinafter referred to as: the accounting period), the mutual pension fund operator shall calculate the returns for the past 12 months using the method specified in the second paragraph of this Article.
- (2) The returns of the mutual pension fund shall denote the difference, expressed in percentage, between the value of an accounting unit on the last business day of the final month of the current quarter and the value of this unit on the last business day 12 months ago (hereinafter referred to as: the actual returns).
- (3) If the actual returns of the mutual pension fund exceed the guaranteed returns defined in the pension scheme, the mutual pension fund operator shall form mutual pension fund provisions in the amount of the difference between the actual and the guaranteed returns.
- (4) The provisions set out in the preceding paragraph may only be used to cover the difference between the actual and the guaranteed returns, in the accounting periods in which the actual returns are lower than the guaranteed ones.
- (5) If the actual returns of the mutual pension fund in any accounting period is lower than the guaranteed returns and this difference cannot be covered out of provisions as per the third paragraph hereof, the operator shall, out of his own assets, pay an amount of money equal to the difference between the guaranteed and actual returns into a separate cash account of the mutual pension fund. The payment shall be effected within a period of 15 days counted from the expiration of the accounting period.
- (6) The provision of the third paragraph of this Article notwithstanding, the total amount of provisions created for the coverage of the difference between the guaranteed and actual returns shall not exceed 10% of the net value of assets of the mutual pension fund.

Article 323

(Regulations on valuation of the mutual pension fund)

- (1) The Agency shall stipulate:
 - the rules applying to calculation of returns of the mutual pension fund,
 - the methodology of ascertainment of the net value of the mutual pension fund assets, the average annual net value of such assets, the value of property

- units of the mutual pension fund, and the purchase value of the property units entered into the personal account of the insured person,
 - time limits by which the mutual pension fund operator shall keep the Agency informed of the net value of the mutual pension fund assets, the value of the mutual pension fund property units, the purchase value of such units, the mutual pension fund returns and the mode of such notifications,
 - a more detailed method of keeping of a register of personal accounts of the mutual pension fund members,
 - more detailed contents of the certificate from the fifth paragraph of Article 319 hereof,
 - types and schemes of financial statements of the mutual pension funds,
 - a more detailed contents of the annual report of the mutual pension fund and the appendices thereto,
 - a more detailed method of valuation of bookkeeping items and drawing up of financial statements.
- (2) The Agency shall issue the regulations as per the preceding paragraph within six months after the enactment hereof.

3.5. Separation of mutual pension fund property

Article 324

(Mutual pension fund property separation)

- 1) The property of the mutual pension fund shall be separated from the property of the founder and the operator of the mutual pension fund in the way defined in the following two Articles hereof.
- 2) An execution against the mutual pension fund property shall only be permitted for securing or settling the claims of a person insured under voluntary supplementary insurance, based on the contract on voluntary supplementary insurance.

Article 325

(Separation of investments in securities)

- (1) The mutual pension fund operator shall conclude a contract with the Central Securities Clearing Corporation, on the basis of which it will become a member of the Central Securities Clearing Corporation; in connection with the securities traded in organized market and the securities not traded in organized market, if they have been issued in dematerialized form, it will have the following rights:
 - direct insight into the securities balance on the account of the mutual pension fund under his management;
 - direct fulfilment of the obligations related to the transfer of securities resulting from business transactions performed by the mutual pension

fund operator for the account of the mutual pension fund, or by a brokerage house in accordance with its authorization.

- (2) In the event that the operator manages several mutual pension funds, it shall ensure that the Central Securities Clearing Corporation opens a special account for each of these pension funds, and keep the balance of securities from the first paragraph of this Article for each mutual pension fund separately.
- (3) With respect to securities not traded in organized securities market and issued as written instruments, the mutual pension fund operator shall, through an agreement entered into with a bank which avails of an authorization to act as an escrow holder for securities which have not been quoted yet, authorize the same for all the operations in connection with holding such securities in escrow for the account of the particular mutual pension fund it manages.
- (4) The provisions of the first and second paragraph of this Article shall apply mutatis mutandis to the escrow holding as per the preceding paragraph.
- (5) Upon request, the Central Securities Clearing Corporation shall provide the founder of the mutual pension fund and supervisory body, pursuant to the present Act, with the data on the balance of securities on the account of the mutual pension fund as well as enable them to examine this balance.

Article 326

(Investments in cash deposits or loans)

- 1) In connection with the investments of the mutual pension fund in cash bank deposits or loans, the operator of mutual pension fund shall sign a contract with a bank or a borrower in its own name and for the account of the mutual pension fund. It shall be clearly evident from the contract that it has been concluded for the account of the mutual pension fund.
- 2) When the loan from the preceding paragraph is secured by a lien on real estate, the operator of the mutual pension fund shall ensure that the lien be entered in Land Register in favour of the mutual pension fund as the lienor.
- 3) When the loan referred to in the first paragraph of this Article is secured by a lien on dematerialized securities, the mutual pension fund operator shall provide that the lien be entered in the Central Register of Intangible Securities in favour of the mutual pension fund as the lienor.
- 4) In all other cases of securing loans from the first paragraph of this Article, which are not regulated by the second and third paragraph of this Article, the lien shall be constituted in favour of the mutual pension fund as the lienor in conformity with the rules applicable for the constitution of lien on the property which forms the subject of the lien.

Article 327

(Special cash account of the mutual pension fund)

The mutual pension fund operator shall open a special mutual pension fund cash account with the bank or organization effecting money transfers, for each mutual pension fund under its management; it is via this account that the operator receives payments and effects disbursements in connection with transactions related to the mutual pension fund property, and controls the cash assets of the mutual pension fund.

3.6. Transfer of mutual pension fund management operations to another operator

Article 328

(Contract on transfer of management)

- (1) By entering a relevant contract, the operator of the close-end mutual pension fund may transfer management of this fund to another mutual pension fund operator who meets the conditions from the first paragraph of Article 315 hereof, provided that the employer - the founder of the mutual pension fund agrees that it may do so.
- (2) In order to transfer the open-end mutual pension fund management as provided for in the preceding paragraph, it is necessary to obtain consent of the persons insured under voluntary supplementary insurance, the members of this fund who own 70% of property units of the mutual pension fund entered into their personal accounts.
- (3) The open-end mutual pension fund operator shall inform all persons insured under voluntary supplementary insurance, the members of the fund, of such mutual pension fund management transfer contract in writing. It shall be considered that a person insured, a member of the fund, agrees to the management transfer, unless he has informed, by way of a written application, the operator of his objection to such transfer within 15 days from the receipt of the relevant notice. The person insured under voluntary supplementary insurance shall be clearly and comprehensively made aware of his right to objection in the notice of transfer.

Article 329

(Consent of the Agency to management transfer)

- (1) In order to effect the transfer of the mutual pension fund management as per the preceding Article, the mutual pension fund operator shall obtain the Agency's consent.
- (2) The application of mutual pension fund operator for granting of the consent shall be accompanied by:

- documents proving that the body taking over the mutual pension fund management fulfils the conditions of the first paragraph of Article 315 hereof,
 - the management transfer contract,
 - consent of the employer, the founder of the close-end mutual fund, stating that he agrees to the transfer, or evidence of agreement of the persons insured under voluntary supplementary insurance, the members of this fund who own 70% of property units of the mutual pension fund entered into their personal accounts.
- (3) The Agency shall grant its consent to the mutual pension fund management transfer, provided the accompanying documents prove:
- that the body taking over the management fulfils the conditions for the mutual pension fund management,
 - that the conditions for the transfer of management of the mutual pension fund as laid down hereunder have been fulfilled.

Article 330

(Transfer of management at the request of employer and/or fund members)

- (1) The mutual pension fund operator shall be obliged to transfer the management of this fund to another operator in the event that a relevant request has been filed by the employer, the founder of the close-end mutual pension fund, or by the persons insured under voluntary supplementary insurance, the members of this fund, who own 70% of property units of the mutual pension fund entered into their personal accounts.
- (2) The mutual pension fund operator to which the managing of the mutual pension fund is being transferred, shall fulfil the conditions for management of this fund as laid down hereunder.
- (3) The provision of the preceding Article shall apply mutatis mutandis to the transfer of management as per this Article.

3.7. Mutual Pension Fund Liquidation

Article 331

(Reasons for initiation of the mutual pension fund liquidation proceedings)

- (1) Liquidation proceedings of the mutual pension fund shall be initiated in the following cases:
- if the authorization of the operator for the mutual pension fund management has been revoked by a legally valid decision of the Agency, or if a bankruptcy or liquidation proceedings have been initiated in respect of the operator,
 - if the number of members of the mutual pension fund at the close of one year after its establishment is less than 1000,

- if the number of members of the mutual pension fund falls below 1000 and fails to reach this number within the following three months,
 - if the net value of the assets of the mutual pension fund falls below 50,000,000 tolar and fails to reach 50,000,000 tolar within the following three months,
 - in other cases specified by the rules of the mutual pension fund.
- (2) Neither a member of the mutual pension fund nor his creditor may request the distribution of property or liquidation of the mutual pension fund.

Article 332
(Order of initiation of liquidation proceedings)

- (1) In the cases set out in the first through fifth indents of the first paragraph of the preceding Article, it shall be the mutual pension fund operator that issues the order of the initiation of the liquidation proceedings.
- (2) The mutual pension fund operator shall publish the order of the initiation of the liquidation proceedings in the Official Gazette of the Republic of Slovenia and notify all the members of the mutual pension fund of the same in writing.

Article 333
(Legal consequences of initiation of liquidation proceedings)

From the date of publication of the order on the initiation of the liquidation proceedings, the members of the mutual pension fund can not request that the operator disburse the purchase value of property units entered into their personal accounts.

Article 334
(Cashing-in and distribution of liquidation assets)

- (1) After issuing the order on initiation of liquidation proceedings, the operator shall cash all the mutual pension fund investments.
- (2) Out of the cash assets accrued from the cashing-in of the mutual pension fund investments, the operator shall take its commission for management of the mutual pension fund in proportion to the period of duration of management of this fund in the year of liquidation as well as the liquidation expenses to which the body is entitled according to the rules of the mutual pension fund; the remaining liquidation assets shall be distributed among the members of the mutual pension fund in proportion to the number of property units booked in favour of their respective personal accounts.
- (3) Should the mutual pension fund liquidation occur due to the reason set out in the first indent of the first paragraph of Article 331 hereof, the mutual pension fund operator shall not be entitled to commission as per the preceding paragraph.

- (4) After the disbursements to the members of the mutual pension fund from the liquidation assets, the managing board shall no longer be entitled to commission.

Article 335

(Liquidation according to the Agency's order)

- (1) In the event of occurrence of the case from the first indent of the first paragraph of Article 331 hereof, it is the Agency that issues the order on liquidation.
- (2) The provisions of Articles 332 through 334 hereof shall apply mutatis mutandis to the mutual pension fund liquidation according to the Agency's order.
- (3) In the order on initiation of liquidation proceedings, the Agency shall appoint a liquidator of the mutual pension fund.
- (4) As regards the rights and obligations of the liquidator from the preceding paragraph, the provisions on the provisional liquidator contained in the law governing compulsory settlement, bankruptcy and liquidation shall apply mutatis mutandis.

Article 336

(Transfer of mutual pension fund management in place of liquidation)

- (1) In the event of occurrence of the case from the first indent of the first paragraph of Article 331 hereof, the Agency may issue an order to the effect that in place of liquidation, the mutual pension fund management is to be transferred to another operator as per Article 315 hereof, provided the latter agrees to take over the management.
- (2) In the event of occurrence of the case from the preceding paragraph, the Agency shall, by means of an order on transfer of the mutual pension fund management in place of liquidation, authorize the bank with which the cash account as of Article 327 hereof has been opened to perform all the operations necessary for transfer of the mutual pension fund management. The costs of transfer shall be paid to the bank by the taking-over operator out of the assets of the mutual pension fund, while for the account of the mutual pension fund it asserts the recovery of such costs from the mutual pension fund operator referred to in the first indent of the first paragraph of Article 331 hereof.

4. Pension Company

4.1. General

Article 337

(Definition of term)

- (1) A pension company shall denote a legal entity with the registered office in the Republic of Slovenia which has been granted an authorization to provide voluntary supplementary insurance services according to this Act.
- (2) A pension company shall have a minimum of 15,000 persons insured under the voluntary supplementary insurance.
- (3) The provision from the preceding paragraph shall not be applicable in the first year after the formation of the pension company.

Article 338

(Legal and organizational form)

- (1) A pension company may be organized solely as a joint-stock company.
- (2) A pension company shall be subject to the provisions of the law governing insurance with respect to insurance joint-stock company, unless otherwise provided for by this Act.

Article 339

(Activities of a pension company)

- (1) A pension company may be engaged in no other activities but voluntary supplementary insurance services.
- (2) The voluntary supplementary insurance services according to this Act shall denote the performance of the following operations:
 - collection of premiums for voluntary pension insurance and keeping of personal accounts of the insured;
 - management of the pension company's assets;
 - payment of pension annuity.
- (3) A pension company may, on a contractual basis, transfer the operations from the second and the third indent of the preceding paragraph to another legal entity according to this Act.

Article 340

(Share capital and shares of pension company)

- (1) The share capital of a pension company shall be at all times equal to one third of the minimum capital as stipulated for an insurance company covering the life insurance class by the Insurance Act; the share capital shall at no time be lower than the level of the guaranteed capital as stipulated for this insurance company by the law governing insurance.

- (2) The shares of a pension company may only be registered.

Article 341
(Qualified stocks)

- (1) The acquisition of shares of a pension company, on the basis of which a person, directly or indirectly, becomes a holder of 10%, 20%, 33%, or 50% of all shares of the pension company (hereinafter referred to as: the qualified stock) shall be subject to the authorization of the supervisory body pursuant to the Insurance Act.
- (2) The provisions of the law governing insurance with respect to authorizations for acquisition of qualified stocks of the insurance joint-stock company shall apply mutatis mutandis to the granting and withdrawal of the authorization for acquisition of the qualified stocks.

**4.2. Authorization for provision of voluntary supplementary
insurance services**

Article 342
(Authorization for provision of voluntary supplementary
insurance services)

- (1) The authorization for provision of voluntary supplementary insurance services shall be granted by the supervisory body according to the law governing insurance on the basis of positive opinion of the minister of labour.
- (2) The authorization from the preceding paragraph shall be subject to the provisions of the law governing insurance in the field of authorizations for performance of insurance business operations.

Article 343
(Requirements relating to personnel)

- (1) A pension company that has been granted the authorization for provision of voluntary supplementary insurance services from the first and third indent of the second paragraph of Article 339 hereof shall have a certified actuary who will be appointed by the shareholders' meeting of the pension company.
- (2) As regards the requirements that have to be met by a person to acquire the title of a certified actuary, the provisions of the law governing insurance shall apply.
- (3) A pension company which has been granted the authorization for provision of voluntary supplementary insurance services from the second indent of the second paragraph of Article 339 hereof, shall engage employees with appropriate professional knowledge and experience from the field of finance.

- (4) The minister competent for labour shall prescribe the minimum number of persons to be employed by a pension company according to the preceding paragraph, the requirements to be met by such employees, and the method of checking of such requirements.

4.3. The bodies of a pension company

Article 344

(Board of management of a pension company)

- (1) Only a person who meets the requirements from the second paragraph of this Article and who has been granted the authorization for performance of the function of a member of the board of management of the pension company, may be appointed as a member of the board of management.
- (2) A person who meets the requirements for the function of a member of the board of management of the joint-stock insurance company, laid down by the law regulating insurance, may be appointed as a member of the board of management.
- (3) The board of management of a pension company engaged in operations from two or all of the indents of the second paragraph of Article 339 hereof shall be composed of a minimum of two members representing the company in legal relations. None of the members of the board of management of this pension company or the procurator may be authorized to independently represent the pension company for the full scope of operations from the second paragraph of Article 339 hereof.
- (5) A member of the board of management shall have a full-time and permanent employment in the pension company.

Article 345

(Authorization for performance of the function of a member of the board of management)

- (1) Only a person who has been granted the authorization of the supervisory body for performance of the function of the member of the board of management according to the law governing insurance may be appointed a member of the board of management of the pension company.
- (2) The candidate for the member of the board of management shall attach the evidence of his compliance with the requirements from the preceding Article to his application for granting of the authorization from the first paragraph of this Article.
- (3) The supervisory board shall grant the authorization from the first paragraph of this Article if it has, on the basis of documents from the second paragraph of

this Article, concluded that the candidate meets the requirements for the member of the board of management of the pension company.

- (4) The supervisory board shall reject the application for granting of authorization if the data available to it prove that activities or business operations conducted by the applicant might jeopardize the operations of the pension company in accordance with the risk management rules.
- (5) The person who has been granted the authorization for performance of the function of the member of the board of management shall, prior to his appointment to this function in another pension company, once more obtain the authorization of the supervisory body for appointment as a member of the managing board.

Article 346
(Supervisory board of the pension company)

- (1) A pension company shall have a supervisory board.
- (2) As regards the composition of the supervisory board, the provisions of the Employee's Codetermination Act shall not apply.
- (3) A member of the supervisory board may not be a person who is associated with the entities in which the pension company has an interest exceeding 5%.
- (4) At least one third of the members of the supervisory board of the pension company shall be appointed at the proposal of the persons insured by the pension company.
- (5) The method of appointment of members of the supervisory board from the preceding paragraph shall be laid down in the Articles of association of the pension company.

Article 347
(Articles of association of a pension company)

In addition to the provisions that have to be covered by the company's Articles of association according to the Companies' Act, the Articles of association of a pension company shall include:

- basic principles and restriction of investments,
- the amount of and the basis for calculation of costs of the company, the repository bank or of the legal entity to which the performance of certain operations will be transferred,
- method of determination of participation in profits,
- method of notification of the insured of the balance on their personal accounts.

Article 348
(Operations of a pension company)

Unless stipulated otherwise by the present Act, the operations of a pension company, the provisions of the law governing insurance in the field of risk management, technical provisions, mathematical provisions and coverage funds shall apply mutatis mutandis to the operations of the pension company.

Article 349
(Winding-up of a pension company)

For winding-up of a pension company, the provisions of the law governing insurance in the field of liquidation and bankruptcy of a joint-stock company shall apply.

5. Inclusion in voluntary supplementary insurance and termination thereof

Article 350
(Inclusion in voluntary supplementary insurance)

- (1) A person shall join voluntary supplementary insurance under the pension scheme implemented by the insurance company from the third paragraph of Article 306 hereof by concluding a contract on voluntary supplementary insurance with the insurance company (an insurance contract on voluntary supplementary insurance) or by acceding to such contract.
- (2) A person shall join voluntary supplementary insurance under the pension scheme implemented by the mutual pension fund by acceding to the rules of the fund with the rights and obligations of a member of the mutual pension fund.
- (3) A person shall join voluntary supplementary insurance under the pension scheme implemented by the insurance company by concluding a contract on voluntary supplementary insurance with this company.
- (4) A person may join voluntary supplementary insurance laid down in this Act only under a single pension scheme from the first paragraph of Article 291 hereof at a time.

Article 351
(Reasons for termination of voluntary supplementary insurance)

- (1) Voluntary supplementary insurance shall be terminated when the person insured under such scheme has been granted the rights from Article 362 and 363 hereof (regular termination).

- (2) Voluntary supplementary insurance may also be terminated in the following cases (extraordinary termination):
- by withdrawal from the voluntary supplementary insurance,
 - by cancellation of a contract on voluntary supplementary insurance,
 - by the death of the person insured under the voluntary supplementary insurance prior to acquisition of the right as per Article 361 hereof,
 - by winding up of the voluntary supplementary insurance provider.

Article 352

(Obligations of the mutual pension fund operator in case of regular termination)

- (1) When a person insured under the voluntary supplementary insurance, the member of the mutual pension fund, has acquired the right to supplementary pension according to the present Act, the mutual pension fund operator shall cash the purchase value of property units of this fund, entered into the personal account of the insured person, pursuant to the provision of Article 320 hereof.
- (2) The operator shall, on behalf of and for the account of the insured person as per the preceding paragraph, conclude a life insurance policy according to which the insured person acquired the right to a life-long monthly pension annuity in the amount calculated according to the actuarial principles as if a net premium in the amount of the purchase value from the first paragraph hereof were paid on a lump-sum basis.
- (3) The person insured under the voluntary supplementary insurance, the member of the fund, shall independently select an insurance company with which the mutual pension fund operator concludes a life insurance policy from the preceding paragraph, if the pension scheme offers the possibility of choice between a number of insurance companies.

Article 353

(Obligations of insurance company and/or pension company in case of regular termination)

- (1) When the person insured under the voluntary supplementary insurance has, on the basis of the voluntary supplementary insurance policy concluded with the insurance company from the third paragraph of Article 306 hereof, acquired the right to supplementary pension according to the present Act, the insurance company shall transfer the insurance sum in the amount of purchase value of the policy from the account of the coverage fund, created in connection with insurance which cover payments of the life-long monthly pension annuity.
- (2) When the person insured under the voluntary supplementary insurance has, on the basis of the voluntary supplementary insurance scheme implemented by the pension company, acquired the right to supplementary pension according to the present Act, the pension company shall act according to the preceding

paragraph, if it is provided for in the pension scheme that the company itself shall pay life-long monthly pension annuity.

- (3) If the pension scheme stipulates that the pension company should secure the payments of pension annuity with the insurance company, the pension company shall, on behalf of and for the account of the insured person, conclude a life insurance according to which the insured person is entitled to a life-long monthly pension annuity in the amount calculated according to the actuarial principles as if a net premium in the amount of the purchase value of a voluntary supplementary insurance policy, concluded with a pension company, were paid on a lump-sum basis.
- (4) If the pension scheme fund offers the possibility of choice between a number of insurance companies, a person insured under voluntary supplementary insurance may himself choose the insurance company with which the pension company is to conclude life insurance from the preceding paragraph.

Article 354

(Termination of voluntary supplementary insurance due to withdrawal)

- (1) Voluntary supplementary insurance shall be terminated with the withdrawal of the person insured under the voluntary supplementary insurance from the membership in the mutual pension fund and/or cancellation of the contract on the voluntary supplementary insurance entered into between the insurance company or the pension company and the person insured under the voluntary supplementary insurance.
- (2) The withdrawal as per the preceding paragraph shall be possible on the basis of a written statement of withdrawal.
- (3) The period of notice of withdrawal shall be laid down in the pension insurance scheme and shall not exceed three months. The period of notice of withdrawal shall start running on the first day of the month following the submittal of the statement on withdrawal.
- (4) Voluntary supplementary insurance shall cease on expiration of the period of notice of withdrawal from the preceding paragraph.

Article 355

(Termination of the voluntary supplementary insurance due to cancellation of the pension scheme provider)

- (1) The pension scheme provider shall cancel voluntary supplementary insurance:
 - if a person insured under voluntary supplementary insurance failed to pay the premiums of voluntary supplementary insurance for 12 consecutive months or for a longer period laid down in the pension scheme, except in the case of suspension of rights;

- if a person insured under voluntary supplementary insurance - when concluding the contract on voluntary supplementary insurance or on accession to the mutual pension fund rules - gave untrue data or stated untrue facts important for conclusion of insurance;
 - if the employment of a person insured under voluntary supplementary insurance with the employer who finances the pension scheme was terminated and the employment was a prerequisite for his inclusion in the pension scheme.
- (2) Prior to cancellation of voluntary supplementary insurance for reasons set forth in the first indent of the preceding paragraph, the pension scheme provider shall submit a written reminder to the insured person.

Article 356

(Termination of voluntary supplementary insurance due to death of the insured person)

- (1) Voluntary supplementary insurance shall cease if a person insured under voluntary supplementary insurance has died prior to the acquisition of the right to old-age pension as per Article 362 hereof or early supplementary old-age pension as per Article 363 hereof.
- (2) In the case from the preceding paragraph the person appointed as the beneficiary by the insured person for the case of his death, shall acquire the right to request that the voluntary supplementary insurance provider fulfil its obligations as per Article 357 hereof.
- (3) If the person insured under voluntary supplementary insurance failed to appoint a beneficiary for the case of his death, the right to request that the voluntary supplementary insurance provider fulfil its obligations as per Article 357 hereof shall be transferred to the heirs of the insured person.

Article 357

(Obligation of voluntary supplementary insurance provider in case of extraordinary termination of insurance)

- (1) In the event of extraordinary termination of the voluntary supplementary insurance, the mutual pension fund operator shall pay to the insured person or the beneficiary for the case of death a lump-sum cash payment in the amount of purchase value of property units of the mutual pension fund, entered into the personal account of the insured.
- (2) Calculation of purchase value shall be made according to the method stipulated in Article 320 hereof.
- (3) If the voluntary supplementary insurance provider is the insurance company or the pension company, it shall pay to the insured person or the beneficiary for the case of death a lump-sum cash payment in the amount of purchase value of

the voluntary supplementary insurance policy on the basis of which the insured person has joined the pension scheme implemented by such insurance or pension company.

- (4) The voluntary supplementary insurance provider shall effect a cash payment according to the present Article within 60 days after extraordinary termination of voluntary supplementary insurance, unless provided for otherwise by the following paragraphs.
- (5) If voluntary supplementary insurance was terminated due to a withdrawal or a cancellation of the pension scheme provider, the insured person may, in place of payment of purchase value according to the first paragraph of this Article, retain the rights arising out of the paid-in units of property of the mutual pension fund, entered into his personal account, provided he has notified the mutual pension fund operator thereof within a period of 15 days from the date on which the operator informed him of the said right.
- (6) The operator shall inform the insured person of the right from the preceding paragraph within a period of 8 days from the receipt of a statement of withdrawal as per the second paragraph of Article 354 hereof or together with the notice of cancellation of supplementary insurance according to Article 355 hereof.
- (7) If voluntary supplementary insurance also covers payment of supplementary invalidity pension and if, according to the pension scheme, insurance covering payment of supplementary old-age and/or early old-age pension is likewise terminated with the acquisition of the right to supplementary invalidity pension, the pension scheme provider shall, on behalf of and for the account of the insured person, pay-in a lump-sum supplementary net premium in the amount of purchase value for insurance covering payment of supplementary invalidity pension.
- (8) The provision of the preceding paragraph shall also apply mutatis mutandis in the event that voluntary supplementary insurance covers payment of supplementary survivor's pension.
- (9) If the insured person retains the rights from the fifth paragraph of this Article or in the cases from the seventh and eighth paragraph of this Article, the provision of the fourth paragraph of Article 350 and the provision of Article 359 shall not apply.
- (10) The provisions of the fifth through ninth paragraph of this Article shall also apply in the event that the voluntary supplementary insurance provider is an insurance company or a pension company.

Article 358

(Purchase value in case of employer's financing of the scheme)

- (1) The provisions of the preceding Article shall also apply to the right of the insured person or the beneficiary to a cash payment in the amount of paid-in units of property of the mutual pension fund financed by the employer, unless provided for otherwise in the following paragraphs of this Article.
- (2) In the event of an extraordinary termination of insurance due to a withdrawal or a cancellation of the pension scheme provider, the insured person shall, immediately upon the termination of insurance, acquire the right to a cash payment in the amount of paid-in units of property of the mutual pension fund financed by the employer, provided he has been a member of the pension scheme for at least 120 months.
- (3) In the event that, due to a withdrawal or a cancellation of the pension scheme provider, insurance was terminated prior to expiration of 120 months, the insured person shall retain the rights from the fifth paragraph of the preceding Article, while he shall acquire the right to a cash payment in the amount of paid-in units of property of the mutual pension fund financed by the employer after expiration of 120 months, counted from his entry in the pension scheme.
- (4) The provisions of the preceding paragraphs shall also apply in the case from the third paragraph of the preceding Article.

Article 359
(Taxation of payment of purchase value)

- (1) If, in the event of extraordinary termination of voluntary supplementary insurance, an insured person or a beneficiary acquired the right to payment of the purchase value, the insured person shall be obliged to pay a tax from his personal income and an income tax from the purchase value pursuant to the Income Tax Act.
- (2) Irrespective of the Income Tax Act, the tax from personal income from the purchase value shall be payable even in the event that insurance was terminated as a result of death of the insured person.
- (3) The pension scheme provider shall, within a period of 30 days from the date of termination of insurance, notify the competent tax authority thereof. The notification shall be accompanied by a calculation of the purchase value.
- (4) The pension scheme provider shall, on behalf of and for the account of the insured person, pay a tax from personal income from the purchase value according to the rate specified for other income according to the Income Tax Act, while it shall pay the difference between the purchase value and the tax from personal income (hereinafter referred to as: net purchase value) to the insured person or the beneficiary for the case of death or to the heirs.
- (5) The net purchase value paid to the beneficiary for the case of death or to the heir shall serve as a base for assessment of tax on inheritance and donations.

Article 360

(Transfer of funds from one pension scheme to another)

- (1) Pursuant to the present act the transfer from one pension scheme to another is permitted only if both pension schemes concerned are the ones from the first paragraph of Article 297 hereof and the voluntary supplementary insurance premium was paid over a period not shorter than 36 months.
- (2) The transfer of the funds is effected on the basis of a written application requesting the transfer of funds, accompanied by the approval of the operator of the pension scheme to which the funds are being transferred.
- (3) In the case of funds transfer in accordance with the present Article the consequences as per the preceding Article shall not occur.
- (4) The pension scheme provider from which a person insured under the voluntary supplementary insurance has withdrawn according to the present Article, shall be entitled to reimbursement of costs incurred due to the transfer of funds in the amount specified in the pension scheme.
- (5) The pension scheme provider shall effect the transfer of funds within 30 days as of the filing of the application from the second paragraph of the present Article.

6. Rights under voluntary supplementary insurance

Article 361

(Benefits from voluntary supplementary insurance)

- (1) A person insured under voluntary pension insurance shall be entitled to supplementary old-age pension in the form of a monthly pension annuity.
- (2) If so provided for by the pension scheme from the first paragraph of Article 297 hereof, a person insured under the voluntary pension insurance may also be entitled to supplementary invalidity pension and to supplementary survivor's pension.

Article 362

(Supplementary old-age pension)

- (1) A person insured under the voluntary supplementary insurance shall acquire the right to supplementary old-age pension provided that:
 - he has attained the age of 58 years;

- he has asserted the right to a pension according to the regulations on compulsory pension insurance;
 - at least 120 months have elapsed since his entry into voluntary supplementary insurance.
- (2) An insured person shall acquire the right to supplementary old-age pension on the day of fulfilment of the last of the conditions from the preceding paragraph.
- (3) If an insured person acquires the right to a pension according to the regulations on compulsory pension insurance prior to fulfilment of conditions for acquisition of supplementary old-age pension, he shall be entitled to request a suspension of voluntary supplementary insurance from the date of acquisition of the right to a pension according to the regulations on compulsory pension insurance to the time of fulfilment of conditions for acquisition of supplementary old-age pension.
- (4) An insured person who has acquired the right to supplementary old-age pension and has emigrated abroad on a permanent basis, shall have such pension paid to the territory of another state.

Article 363
(Early supplementary old-age pension)

Irrespective of the provision of the preceding Article, an insured person who is no longer covered by the compulsory old-age insurance in accordance with the present Act, shall acquire the right to supplementary old-age pension prior to the fulfilment of conditions from the first and the second paragraph of the preceding Article (early supplementary old-age pension), provided that:

- he has been insured under the voluntary supplementary insurance for at least 180 months,
- he has completed 53 years of age,
- he is insured under voluntary supplementary insurance in accordance with the pension scheme which provides the right to early supplementary old-age pension.

Article 364
(Supplementary invalidity pension)

If payment of supplementary invalidity pension is covered by insurance according to the pension scheme, an insured person shall acquire the right to supplementary invalidity pension in the month following the occurrence of the insurance case.

Article 365
(Supplementary survivor's pension)

- (1) If payment of supplementary survivor's pension is covered by insurance according to the pension scheme, only a person entitled to survivor's or

widow/widower's pension according to regulations on compulsory pension insurance may be a beneficiary of supplementary survivor's pension.

- (2) In the case from the preceding paragraph, the beneficiary shall acquire the right to supplementary survivor's pension in the month following the death of the insured person.

Article 366

(Suspension of the voluntary supplementary insurance)

- (1) A person insured under voluntary supplementary insurance and the provider of the pension scheme may agree on a temporary suspension of payments of the voluntary supplementary insurance premium according to the pension scheme (suspension of voluntary supplementary insurance).
- (2) The conditions for such suspension and the length of the said period shall be laid down in the pension scheme.

7. Eligibility for tax and other relief

Article 367

(Payment of income tax)

- (1) The income tax base for the year in which the premium was paid shall be reduced by the amount of the premium of voluntary supplementary insurance payable by the insured person to the pension scheme provider with the registered office in the Republic of Slovenia according to the pension scheme from the first paragraph of Article 297 hereof, however, not more than up to the amount of the maximum monthly or annual premium from the first or the second paragraph of Article 301 hereof.
- (2) The amount of the premium of voluntary supplementary insurance paid by the employer for the account of the insured person to the pension scheme provider with the registered office in the Republic of Slovenia according to the pension scheme from the first paragraph of Article 297 hereof, shall not be taken into account in the insured person's base for the income tax in the year in which the premium was paid-in, however, not more than up to the amount of the maximum monthly or annual premium from the first or the second paragraph of Article 301 hereof or up to the amount of difference from the sixth paragraph of Article 301 hereof.
- (3) The annual amount of supplementary old-age pension as per Article 362 hereof or early supplementary old-age pension as per Article 363 hereof shall be taken into account in the insured person's base for the income tax in the year in which he received the payments of this pension.

Article 368

(Tax relief for the employer financing the pension scheme)

- (1) The employer shall have the premiums of voluntary supplementary insurance he paid-in in an individual year in favour of persons insured under the pension scheme as per the first paragraph of Article 297 hereof recognized as a tax relief in payment of tax on profit for the year in which the premiums were paid-in, however, not more than up to the amount of the maximum monthly or annual premium from the first or the second paragraph of Article 301 hereof and not more than up to the amount of the tax base in this year.
- (2) Social security contributions shall not be paid from the premium as per the preceding paragraph.
- (3) The premium as per the first paragraph of this Article shall not be taken into account in calculation of the pension base of the insured person and shall not be deemed to be a salary payment.

Article 369

(Eligibility for tax relief)

The employer and/or a person insured under voluntary supplementary insurance shall be eligible for tax relief according to Article 367 and expenses as per the preceding Article on condition that the pension scheme, on the basis of which the voluntary supplementary insurance premium is paid, is entered into a special register according to this Act.

Article 370

(Registration of the pension scheme)

- (1) The pension scheme shall be entered into a special register kept by the competent tax authority (hereinafter referred to as »the Register«).
- (2) The Register shall consist of the central records and the archives.
- (3) The central records shall be intended for entry of data which are to be entered into the Register as stipulated hereunder or by the regulations adopted on the basis of this Act.
- (4) The pension scheme and the documents to be submitted to the Register of Contracts the regulations adopted on the basis of this Act shall be filed into the archives.

Article 371

(Application for entry into the Register)

The application for entry into the Register shall be made by the pension scheme provider according to this Act.

Article 372
(Rules and regulations)

More detailed regulations on the contents and the form of application for entry into the Register, on notification of changes, on the method of provision of data, and on documentation accompanying the application for entry into the Register shall be issued by the minister competent for finance.

Article 373
(Register entry procedure)

- (1) The Register entry procedure shall commence with filing of the application from Article 371 hereof.
- (2) The entry into the Register shall be subject to the decision made in the first instance by the tax office covering the territory where the applicant is entered into the tax register.
- (3) The tax authority from the preceding paragraph shall make the entry into the Register provided that the application has been filed in the prescribed form and with the prescribed contents by the competent person, that the application is accompanied by the prescribed documents, and that the pension scheme which has applied for the entry in the Register fulfils the eligibility criteria for tax relief according to this Act.
- (4) The tax authority from the second paragraph of this Article shall assess whether the prescribed requirements for entry into the Register are fulfilled, and shall pass a decision concerning the application for entry into the Register.
- (5) In the decision on entry of the contract into the Register, the tax authority shall also specify the kind and the extent of tax and other relief to be claimed for on the basis of the entered pension scheme.

Article 374
(Right of appeal)

- (1) An appeal may be filed against the decision as per the fourth paragraph of the preceding Article.
- (2) The appeal shall be filed at the Central Office of the Tax Authority of the Republic of Slovenia within 15 days from the date of receipt of the decision.

Article 375

(Effect of entry)

By the entry of the pension scheme into the Register, the employers and a person insured under the voluntary supplementary insurance shall acquire the right to tax reliefs from Article 367 and 368 hereof.

Article 376
(Cancellation from the Register)

- (1) The competent tax office shall cancel a pension scheme from the Register of Contracts if it ascertains that:
 - the pension scheme no more fulfils the conditions for tax relief according to this Act;
 - implementation of voluntary supplementary insurance under the entered pension scheme has ceased.
- (2) The competent tax office shall also delete a pension scheme from the Register if it ascertains that the pension scheme was entered into the Register on the basis of false facts or documents.
- (3) An appeal may be filed against the decision on cancellation of the pension scheme from the Register.
- (4) The filing of and decision-making on the appeal from the preceding paragraph shall be subject to the provisions of this Act concerning the filing of and decision-making on the appeal against the decision on the entry of the pension scheme into the Register.
- (5) The cancelation of the pension scheme from the Register shall result in the loss of right to tax reliefs from Article 367 and 368 hereof.

8. Supervision

Article 377
(Supervision)

- (1) The supervision of the management of mutual pension funds shall be conducted by the Agency in cooperation with the supervisory authority according to the Insurance Act.
- (2) The supervision of the operations of pension companies shall be conducted by a supervisory authority in accordance with the Insurance Act.
- (3) Supervision over implementation of the provisions of the present Act with respect to the pension scheme and the rights provided to an insured person by way of membership in voluntary supplementary insurance according to a

particular pension scheme shall be conducted by the minister competent for labour.

- (4) Supervision over implementation of the provisions hereto with respect to the acquisition of tax and other reliefs shall be conducted by the competent tax office in accordance with a special law regulating tax service and taxation procedure.

Article 378
(Conducting of supervision)

- (1) Supervisory authorities from the preceding Article shall conduct supervision:
 - by monitoring, collecting and verifying reports and notifications of pension funds and operators of mutual pension funds, who are obliged to report to the competent supervisory authority and to notify this authority of the specific facts and circumstances in accordance with the provisions of the present Act or other laws,
 - by conducting inspections of the operations of the organizations under supervision.
- (2) When conducting supervision under the present Act, the supervisory authorities from the preceding Article may without limitation inspect ledgers, records and other documents relating to the pension fund operations.
- (3) A pension company and a operator of mutual pension fund shall be obliged to enable the supervisory authority from the preceding Article to perform the inspection pursuant to the present Act, and to hand over to him, at his request, any computer printouts or copies of records and other ledgers and documents.

Article 379
(Measures of the Agency)

- (1) The measures of supervision over management of mutual pension fund are:
 - order of breach elimination,
 - order of additional measures,
 - temporary prohibition of management of the mutual pension fund,
 - withdrawal of permission for engagement in activities of mutual pension fund management.
- (2) Unless otherwise provided for by the present Act, the implementation of measures from the preceding Article shall be regulated mutatis mutandis by the provisions of the Investment Funds and Companies for Management Act (Official Gazette of RS, No. 6/94, 25/97, 32/97 and 10/98) on supervision of the operations of investment funds and companies for management.

Article 380
(Additional measures of supervision over
mutual pension fund management)

- (1) Should the Agency, when conducting supervision over the management of the mutual pension fund, establish a severe breach of the rules on coverage of the loss from management of the assets of the mutual pension fund, it shall issue a decision imposing the payment of the missing assets on the founder.
- (2) The final decision from the preceding paragraph shall serve as the address for execution.

Article 381
(Measures of supervision over pension company operations)

Unless otherwise provided for by the present Act, supervision over the pension company operations and the measures which may be imposed in the course of the supervisory procedure by the supervisory body according to the Insurance act shall be subject to the provisions of the Insurance Act concerning the measures of supervision over a joint-stock insurance company.

Chapter IV

Craftsmen's Fund

Article 382
(Status and operations of the Craftsmen's Fund)

- (1) The Craftsmen's Fund shall be a legal entity established with the purpose to provide services of voluntary pension and invalidity insurance to independent contractors, self-employed persons, their family members and their employees.
- (2) The seat of the Craftsmen's Fund shall be in Ljubljana.

Article 383
(Managing bodies of the Craftsmen's Fund)

- (1) The bodies of the Craftsmen's Fund shall be the General Meeting, the Supervisory Board and the Board of Management.
- (2) The General Meeting shall be composed of 25 members and the Supervisory Board of five members.
- (3) The Board of Management shall represent the Craftsmen's Fund and shall manage its operations. The chairman and the board members shall be appointed by the General Meeting on the basis of a public bid.
- (4) The Craftsmen's Fund shall have the Articles of Association which shall be adopted by the General Meeting.

Article 384

(Persons insured under the Craftsmen's Fund)

- (1) Any persons already covered by compulsory insurance according to this Act may, on a voluntary basis, join supplementary pension insurance provided by the Craftsmen's Fund.
- (2) Persons liable to pay contributions for supplementary pension insurance provided by the Craftsmen's Fund shall be the insured persons or their employers, if the employers and the insured persons have so agreed. Contributions for supplementary pension insurance shall enjoy a tax status equal to that of contributions for compulsory pension and invalidity insurance.

Article 385

(Rights arising from supplementary pension insurance with the Craftsmen's Fund and operations of the Craftsmen's Fund)

- (1) Persons insured under the supplementary pension insurance shall be entitled to supplementary pension.
- (2) The criteria for determination of the rate of supplementary pension under the Craftsmen's Fund shall be specified in the pension scheme.
- (3) The pension scheme of supplementary pension insurance under the Craftsmen's Fund shall specify:
 - the level of monthly contributions for an individual insured person,
 - method of calculation of an occupational pension,
 - minimum return on the paid-in contributions,
 - conditions for acquisition of supplementary pension, and
 - investment strategy.

- (4) The pension scheme of supplementary pension insurance with the Craftsmen's Fund shall be certified on actuarial basis by the Office for Insurance Supervision within the Ministry of Finance and adopted by the minister competent for labour.

Article 386

(Supervision over the operations of the Craftsmen's Fund)

- (1) The Craftsmen's Fund shall keep the ledgers of account and annual business reports pursuant to the provisions of the Companies Act and the Slovene Accounting Standards, unless otherwise provided for by this Act.
- (2) The Craftsmen's Fund shall ensure public availability of the data from the annual reports as provided for by the Companies Act.
- (3) The supervision over the operations of the Craftsmen's Fund shall be conducted by the minister competent for labour.
- (4) The correctness of the operations of the Craftsmen's Fund in terms of tax regulations applying to supplementary pension insurance shall be supervised by the Tax Administration of the Republic of Slovenia.

PART XIII PENALTY PROVISIONS

Article 387

- (1) A fine for committing an offence in the amount of no less than SIT 500,000.- shall be imposed on:
- an employer if he fails to secure to an insured person suffering from invalidity the right to reassignment to another suitable work (Articles 91 and 101) or to part-time work (Article 93);
 - an employer if he fails to provide occupational rehabilitation for an insured person suffering from invalidity (Article 88);
 - an employer if he fails to register with the insurance in conformity with the regulations on the personal data register of insured persons and recipients of rights under pension and invalidity insurance (third paragraph of Article 7 and Article 203);
 - an employer or another provider of data under this Act and under the law regulating personal data register, who fails to submit to the Institute the data on the basis of which a right under compulsory insurance expires or is reduced (Article 185 and the second paragraph of Article 203);
 - an insured person or an employer who fails to submit the data required for assessment and/or calculation and payment of contributions and for supervision over paying-in and execution of contributions (Articles 227 and 228).

- (2) A fine for committing an offence in the amount of no less than SIT 50,000.- shall also be imposed on the employee of the employer responsible for committing an offence referred to in the preceding paragraph.

Article 388

A fine for committing an offence in the amount of no less than SIT 200,000.- shall be imposed on a recipient of a right who receives benefits under compulsory insurance on any grounds whatsoever and fails to submit the data on the basis of which such right ceases or is reduced (the first and the second paragraph of Article 203).

- an employer, a beneficiary or another provider of data under this Act or under the law regulating the personal data register who fails to forward to the Institute the data affecting the scope and enjoyment of the rights, or forwards incorrect data or forwards incorrect data (the first and the second paragraph of Article 203);
- an employer who fails to forward to the Institute and to the insured person a certificate of calculated and paid-in contributions (the third paragraph of Article 203).

Article 389

A fine in the amount of no less than SIT 100,000.- shall be imposed on a person who - on any basis whatsoever - receives a payment under the compulsory insurance and fails to notify of the data resulting in termination or reduction of the right (Article 185).

PART XIV TRANSITORY AND FINAL PROVISIONS

Article 390

(Protection of rights acquired according to the former regulations)

- (1) The recipients who have asserted their rights by the effective date of this Act, shall have these rights guaranteed after the effective date of this Act at least to the scope defined by the regulations which were in force by the effective date of this Act, and shall be subject to indexation according to the provisions hereof.
- (2) In reassessment of invalidity or survivor's pensions asserted before the effective date of this Act, the disability allowance shall be assessed according to the regulations which were applicable by the effective date of this Act.

Article 391

(Continuance of procedure initiated by the effective date of this Act)

- (1) In the procedure for assertion of rights under compulsory insurance or for determination of the pension qualifying period, initiated by the effective date of this Act, the regulations which were applicable by the effective date of this Act shall apply.
- (2) In the cases referred to in the preceding paragraph, the rights arising from invalidity shall be determined in accordance with the regulations applicable on the day of the occurrence of invalidity.

Article 392

(Protection of anticipated rights)

- (1) Persons who have fulfilled, by the effective date of this Act, the conditions for acquisition of the right to a pension under the regulations which were applicable by the effective date of this Act, but have not filed the relevant application yet, may assert that right under the said regulations also after this date.
- (2) In cases referred to in the preceding paragraph, the pension qualifying period and the salary received until the day of termination of insurance shall be taken into account for assessment of a pension.
- (3) An insured person shall be deemed to have fulfilled the conditions for entitlement to an old-age or early retirement pension by the effective date of this Act if he has filed the application for purchase of pension qualifying period by the effective date of this Act, even though the pension qualifying period with which he has fulfilled the conditions for assertion of the right to a pension has only been granted to him after the effective date of this Act.

Article 393

(Acquisition of rights by persons who lack the attributes of insured persons according to this Act)

- (1) Persons who, after the effective date of this Act, lack the attributes of insured persons according to this Act but who were in possession of such attributes under the former regulations, may assert the rights under pension insurance according to conditions provided for by this Act.
- (2) Persons insured with a foreign compulsory insurance carrier in a state with which an international social insurance treaty has been concluded shall also be deemed as persons with the attributes of insured persons according to the preceding paragraph if they assert the rights under such a treaty.
- (3) The right to a survivor's or a widow/widower's pension may be - under conditions laid down herein - asserted by the family members of the person from the preceding two paragraphs, and by the family members of the pension

recipient under the former regulations if they fulfil the conditions provided for herein for the family members.

Article 394

(Protection of rights under the former regulations for unemployed insured persons)

- (1) An insured person who was, on 31 December 1999, entitled to unemployment benefit for the period of unemployment or who was unemployed through no fault of his own on that date, and who lacked no more than five years or less of age and of pension qualifying period to fulfil the conditions for entitlement to an old-age pension under the regulations which were applicable by the effective date of this Act, may assert the right to an old-age pension according to the regulations applicable by the effective date of this Act.

Article 395

(Protection of rights of unemployed insured persons in the transitional period)

An insured person who, on 1 January 2000, lacked up to five years of age and of pension qualifying period to fulfil the conditions for entitlement to an old-age pension, and whose employment was terminated after the effective date of the present Act and became entitled to unemployment benefit according to the employment regulations, may assert the right to old-age pension under the conditions applicable on the day of termination of employment.

Article 396

(Assertion of right to old-age or early retirement pension according to the former regulations)

- (1) Insured persons who acquired the right to unemployment benefit by 31 December 1999 or had their employment terminated by that date by reason of bankruptcy, liquidation or compulsory settlement, or who were disabled workers of category II or III or had their employment terminated through no fault of their own prior to the initiation of bankruptcy proceedings and were registered with the Employment Office for a period longer than 24 months and lacked five years or less of age and of pension qualifying period to fulfil the conditions for entitlement to old-age or early retirement pension according to the regulations applicable by the effective date of the present Act, may assert the right to old-age or early retirement pension according to the regulations applicable by the effective date of the present Act.
- (2) An insured person who was registered with the Employment Office on 31 December 1999 and lacks less than a year to fulfil the conditions for entitlement to old-age pension according to the regulations which were applicable by the effective date of the present Act, may assert the right to early pension according to the regulations which were applicable by the effective date of the present Act, after he has fulfilled the conditions from the third indent of the first paragraph of Article 40 of the Pension and Invalidity Insurance Act which was in force by the effective date of the present Act.

- (3) An insured person who was registered with the Employment Office on 31 December 1999 and, on that day, fulfilled the conditions of age and pension qualifying period for entitlement to old-age pension according to the regulations which were applicable by the effective date of the present Act, may assert the right to early retirement pension according to such regulations, after he has fulfilled the condition from the third indent of the first paragraph of Article 40 of the Pension and Invalidity Insurance Act which was in force by the effective date of the present Act.

Article 397

(Enjoyment of rights under invalidity insurance acquired according to the former regulations)

- (1) The recipients of the rights on grounds of the remaining capacity for work (invalidity of category II or III) asserted according to the regulations which were applicable by the date stipulated in Article 446 hereof, shall retain such rights in an unchanged scope also after the said date.
- (2) The recipients as per the preceding paragraph shall have their cash benefits adjusted in the same manner as the pension hereunder.
- (3) The recipients of the rights as per the first paragraph of this Article may acquire the rights hereunder only in the event of worsening of the already established invalidity or occurrence of a new one.

Article 398

(Conditions for acquisition of right of an insured woman to old-age pension by an insured female in the transitional period)

- (1) Notwithstanding the provisions from the first paragraph of Article 36 hereof, in the period between the effective date of this Act and 31 December 2013, the minimum pensionable age and the minimum pension qualifying period for the acquisition of the right to an old-age pension by an insured woman shall be as follows:

Year	Age limit		Pension qualifying period	
	Years	Months	Years	Months
2000	53	4	35	0
2001	53	8	35	0
2002	54	0	35	3
2003	54	4	35	6
2004	54	8	35	9

2005	55	0	36	0
2006	55	4	36	3
2007	55	8	36	6
2008	56	0	36	9
2009	56	4	37	0
2010	56	8	37	3
2011	57	0	37	6
2012	57	4	37	9
2013	57	8		

- (2) Notwithstanding the provisions of the second paragraph of Article 36 hereof, in the period between the effective date of this Act and 31 December 2007, the minimum age for the acquisition of the right to an old-age pension by an insured woman shall be as follows:

Year	Age limit	
	Age (in years)	Age (in months)
2000	58	4
2001	58	8
2002	59	0
2003	59	4
2004	59	8
2005	60	0
2006	60	4
2007	60	8

- (3) Notwithstanding the provisions of the third paragraph of Article 36 hereof, in the period between the effective date of this Act and 31 December 2007, the minimum age for the acquisition of the right to an old-age pension by an insured woman shall be as follows:

Year	Age limit	
	Age (in years)	Age (in months)
2000	60	4
2001	60	8
2002	61	0
2003	61	4
2004	61	8
2005	62	0
2006	62	4
2007	62	8

Article 399
(Lowering of age limit by virtue of children)

Notwithstanding the provision of Article 37 hereof, in the transitional period, the age limit of an insured woman or man as per Article 36 hereof shall be lowered for each

born or adopted child who is a holder of the citizenship of the Republic of Slovenia and who was in her/his care for five years, as follows:

Year	Lowering of age limit in months			
	One child	Two children	Three children	Addition for the fourth and the following children
2000	0.5	1.25	2.25	1
2001	1	2.5	4.5	2.5
2002	1.5	3.75	6.75	3.75
2003	2	5	9	5
2004	2.5	6.25	11.25	6.25
2005	3	7.5	13.5	7.5
2006	3.5	8.75	15.75	8.75
2007	4	10	18	10
2008	4.5	11.25	20.25	11.25
2009	5	12.5	22.5	12.5
2010	5.5	13.75	24.75	13.75
2011	6	15	27	15
2012	6.5	16.25	29.25	16.25
2013	7	17.5	31.5	17.5
2014	7.5	18.75	33.75	18.75

Article 400

(Lowering of age limit due to insurance under age of 18 years)

Notwithstanding the provision of Article 38 hereof, in the transitional period, the age of an insured woman who joined compulsory insurance prior to attaining 18 years of age shall be lowered for each month of insurance prior to attaining 18 years of age as follows:

Year	Reduction of the age limit by days
2000	0
2001	0
2002	1
2003	2
2004	3
2005	4
2006	5
2007	6
2008	7
2009	8
2010	9
2011	10
2012	11
2013	12

Article 401

(Limitation of lowering of the pensionable age in the transitional period)

- (1) Notwithstanding the provisions of Articles 37 and 38 hereof, in the transitional period an insured person cannot become entitled to an old-age pension prior to attaining 53 years of age (female) or 58 years of age (male), except in the cases from Articles 402 and 430 hereof.
- (2) Notwithstanding the provision of Article 52 hereof, in the transitional period the full pensionable age cannot be lower than 53 years of age (female) or 58 years of age (male), except in the cases from Articles 402 and 430 hereof.

Article 402

(Taking into account of lowering of age limit according to the former regulations)

- (1) Notwithstanding the provisions hereof, an insured person whose insurance period was increased by a bonus by the effective date of this Act shall have the age limit prescribed for the acquisition of an old-age pension and the full pensionable age reduced by the number of months added to the insurance period by virtue of the bonus.
- (2) In the transitional period, the lowest possible age as per the preceding paragraph by the rates of increase shall be:

Year	12/18		12/17		12/16		12/15		12/14	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2000	45	40	46.5	41.5	48.5	43.5	50.5	45.5	53	48
2001	45.5	40.5	47	42	49	44	51	46	53.5	48.5
2002	46	41	47.5	42.5	49.5	44.5	51.5	46.5	54	49
2003	46.5	41.5	48	43	50	45	52	47	54.5	49.5
2004	47	42	48.5	43.5	50.5	45.5	52.5	47.5	55	50
2005	47.5	42.5	49	44	51	46	53	48	55.5	50.5
2006	48	43	49.5	44.5	51.5	46.5	53.5	48.5	56	51
2007	48.5	43.5	50	45	52	47	54	49	56.5	51.5
2008	49	44	50.5	45.5	52.5	47.5	54.5	49.5	57	52
2009	49.5	44.5	51	46	53	48	55	50	57.5	52.5
2010	50	45	51.5	46.5	53.5	48.5	55.5	50.5	58	53

- (3) If the insured person was employed at jobs eligible for the insurance qualifying period with bonuses of different rates, the minimum age as per the preceding paragraph shall be determined in a proportion to the duration of insurance at individual jobs.

Article 403

(Lowering of age limit according to various bases)

If an insured person is entitled to a lower pensionable age according to the preceding Article hereof as well as according to the provisions of Articles 37 and 38 and/or 399 or 400 hereof, the age limit shall be first lowered according to the preceding Article hereof, whereupon it shall be further lowered according to other bases down to the minimum age limit stipulated in Articles 37 and 38 or 401 hereof.

Article 404

(Progressive change of conditions for entitlement to old-age pension according to special regulations)

(1) As of the effective date hereof, the minimum pensionable age and the minimum pension qualifying period for entitlement to old-age pension in an individual calendar year, irrespective of the provisions of

- the Internal Affairs Act (Off. Gazette of RS, no 87/97),
- the Police Act (Off. Gazette of RS, no 49/98),
- the Defence and Protection Act (Off. Gazette of RS, no 15/91, 18/91, 64/94, and 82/94),
- the Protection against Natural and Other Disasters Act (Off. Gazette of RS, no 64/94),
- the Defence Act (Off. Gazette of RS, no 82/94),
- the Prohibition of Production and Placing in the Market of Asbestos Products and on Provision of Funds for Restructuring of Asbestos Production into a Non-Asbestos Production Act (Off. Gazette of RS, no 56/96 and 35/98),
- the Judicial Service Act (Off. Gazette of RS, no 19/94, 8/96, and 24/98),
- the War Veterans Act (Off. Gazette of RS, no 63/95),
- the War Invalids Act (Off. Gazette of RS, no 63/95, 19/97, 21/97, and 75/97),
- the Victims of War Violence Act (Off. Gazette of RS, no 63/95, 8/96, 44/96, 70/97, and 43/9).

shall be as follows:

Year	Age				Pension qualifying period			
	Males		Females		Males		Females	
	Years	Months	Years	Months	Years	Months	Years	Months
2000	48	6	45	6	28	6	25	6
2001	49	0	46	0	29	0	26	0
2002	49	6	46	6	29	6	26	6
2003	50	0	47	0	30	0	27	0
2004	50	6	47	6	30	6	27	6
2005	51	0	48	0	31	0	28	0
2006	51	6	48	6	31	6	28	6
2007	52	0	49	0	32	0	29	0
2008	52	6	49	6	32	6	29	6
2009	53	0	50	0	33	0	30	0
2010	53	6	50	6	33	6	30	6
2011	54	0	51	0	34	0	31	0
2012	54	6	51	6	34	6	31	6
2013	55	0	52	0	35	0	32	0

2014	55	0	52	6	35	0	32	6
2015	55	0	53	0	35	0	33	0

- (2) Insured persons who were employed at jobs eligible for the insurance qualifying period with a bonus, the age limit as per the preceding paragraph shall be lowered by the number of months added to the insurance qualifying period, however, not exceeding the limitation as per Article 402 hereof, if that is more favourable for the insured person.

Article 405

(Progressive assertion of periods of time of added qualifying period)

Periods of time of added qualifying period shall be asserted progressively in such a way that for an individual year which is taken into account in the added qualifying period according to Article 193 hereof, the insured persons who assert the right to old-age pension in the transitional period shall have, in the ascertainment of the pension qualifying period according to Article 36 hereof, the following number of years taken into account:

Year	Added qualifying period (months)
2000	0
2001	0
2002	1
2003	2
2004	3
2005	4
2006	5
2007	6
2008	7
2009	8
2010	9
2011	10
2012	11
2013	12

Article 406

(Progressive extension of period for calculation of pension rating base)

- (1) Assertion of provisions of the first paragraph of Article 39 hereof shall be implemented progressively.
- (2) The pension rating base of an insured person retired in the year of the enactment hereof shall be determined on the basis of salaries and insurance bases from the most favourable consecutive ten years of insurance by the time of enactment hereof. At the beginning of each next calendar year, the calculation period shall be extended by one year until it has reached 18 consecutive years of insurance from the period between 1 January 1970 and

the calendar year preceding the year in which the insured person asserts the right to a pension, which are optimal for the insured person.

Article 407

(Taking into account of overtime pay according to the former regulations)

Overtime pay received by the time of enactment of the Pension and Invalidity Insurance Act which was in force by 31 March 1992, shall be taken into account in the calculation of the pension rating base, provided that it was paid for work deemed to be a special condition of work according to the employment relationships regulations.

Article 408

(Taking into account of salaries and insurance bases from the period up to 31 December 1999)

- (1) In calculation of the pension rating base, the salaries received and the insurance bases from which contributions were paid in the period prior to 31 December 1991 shall be taken into account in net amounts.
- (2) The salaries and the insurance bases from which contributions were paid in the period from 31 December 1991 to 31 December 1999 shall be calculated into net amounts according to the regulations in force by the time of enactment hereof.

Article 409

(Assessment of pension in the transitional period)

- (1) A pension of an insured person who completed a part of his pension qualifying period by 31 December 1999 shall be assessed in consideration of the percentage for the assessment of a pension under the regulations in force by the time of enactment hereof and the percentage for the assessment of a pension, stipulated hereunder.
- (2) The percentage for the assessment of a pension according to the preceding paragraph shall be fixed by adding 1.5% to the percentage for the assessment of a pension under the former regulations, to which the insured person is entitled with respect to his pension qualifying period completed by the time of enactment hereof, for each year of pension qualifying period or years of service, or 0.75% for at least six years of pension qualifying period or years of service after the year 2000.
- (3) The pension qualifying period completed under the former regulations, which cannot be evaluated according to these regulations since it is shorter than six months, shall be added to the pension qualifying period completed after the enactment hereof.

- (4) Irrespective of the provision of Article 49 hereof, the amount of the maximum pension rating base in the transitional period shall be at least equal to the amount stipulated for the month preceding the enactment hereof and shall not be subject to indexation according to the present Act, as long as it exceeds an amount four times higher than the minimum pension rating base, increased by the percentage of indexation of pensions from 1 January 2000 onwards.

Article 410

(Assessment of pension for insured person with full years of service in the transitional period)

In the transitional period, in assessment of old-age pension asserted prior to completion of 63 years of age (males) or 61 years of age (females), an insured person who continued insurance in spite of completion of the full pensionable age of 40 years (males) or 38 years (females) shall have only the surplus years of service completed under insurance after the enactment hereof evaluated in the manner stipulated in Article 51 hereof.

Article 411

(Right to early retirement pension under the former regulations)

Recipients of an early pension who asserted the right to this pension by 31 December 1999, shall have their pension assessed without reduction due to early retirement, when they attain the age by which the reduction due to early retirement has been calculated.

Article 412

(Assessment of invalidity pension in the event of employment injury or occupational pension in the transitional period)

The provision of Article 74 hereof notwithstanding, in the transitional period, an invalidity pension, in the event of invalidity which occurred as a result of employment injury or occupational disease, shall be assessed in the amount equal to that in which an old-age pension shall be assessed to a man for 40 years of the pension qualifying period, without reduction, in an individual calendar year.

Article 413

(Progressive increase of full retirement age for insured males)

Notwithstanding the provisions of Article 52 hereof, in the transitional period, the full pensionable age of insured males shall be as follows:

	Years	Months
2000	58	6
2001	59	0
2002	59	6
2003	60	0

2004	60	6
2005	61	0
2006	61	6
2007	62	0
2008	62	6

Article 414

(Progressive increase of full pensionable age for insured females)

Notwithstanding the provisions of Article 52 hereof, in the transitional period, the full pensionable age of insured females shall be as follows:

Year	Age limit of 53 years under the former regulations		Age limit of 58 years under the former regulations		Age limit of 60 years under the former regulations	
	Years	Months	Years	Months	Years	Months
2000	53	4	58	4	60	4
2001	53	8	58	8	60	8
2002	54	0	59	0		
2003	54	4	59	4		
2004	54	8	59	8		
2005	55	0	60	0		
2006	55	4	60	4		
2007	55	8	60	8		
2008	56	0				
2009	56	4				
2010	56	8				
2011	57	0				
2012	57	4				
2013	57	8				
2014	58	0				
2015	58	4				
2016	58	8				
2017	59	0				
2018	59	4				
2019	59	8				
2020	60	0				
2021	60	4				
2022	60	8				

Article 415

(Lowering of full pensionable age in the transitional period)

The provision of Article 52 hereof notwithstanding, in the transitional period, the age limit as per Articles 413 and 414 hereof shall be lowered in the manner laid down in Articles 399 and 400 hereof.

Article 416

(The right to assessment of an old-age pension without reduction according to Article 55 in the transitional period)

An insured woman who fulfils one of the conditions laid down in the first five indents of the first paragraph of Article 55 hereof may, in an individual year, assert the old-age pension without reduction with respect to age, in pursuant to the provision of Article 55 hereof, if in the transitional period she completed the age and the pension qualifying period provided for in the first indent of article 398 hereof.

Article 417

(Reassessment and/or increase in percentage of pension under the former regulations)

- (1) A recipient of a partial pension recognized according to the regulations applicable by the time of enactment hereof shall have, upon the cessation of insurance, his pension assessed by taking into account the subsequently completed insurance period, and also by taking into account the salary, if that is more favourable for the recipient.
- (2) The increase of an old-age pension according to Article 53 hereof shall not be taken into account in the reassessment of a pension.
- (3) Upon the cessation of insurance, a pension shall also be assessed, in the manner specified in the preceding two paragraphs, to a recipient of a pension recognized according to the regulations applicable by the time of enactment hereof, who re-joins insurance.

Article 418

(Assessment of pension for a restricted scope of rights)

Insured persons who were insured for a restricted scope of rights for a majority of their insurance period according to the formerly applicable Act, shall have their pension assessed without taking into account the provision of Article 48 hereof, however, at least in the amount equal to 35% of the minimum pension rating base.

Article 419

(Progressive assertion of a state pension)

- (1) In the transitional period from the year 2000 to the year 2005, the right to a state pension shall be asserted by persons who have attained at least 65 years of age, provided that they also fulfil other conditions set out for the entitlement to cash social assistance as the sole source of subsistence according to the regulations on social assistance and services.
- (2) Irrespective of the first indent of the first paragraph of Article 59 hereof, the condition concerning age for entitlement to a state pension in the transitional period shall be as follows:

Year	Age
2001	70
2002	69
2003	68
2004	67
2005	66
2006	65

Article 420

(Taking into account of engagement in an independent activity prior to 1 January 1983 in the insurance period)

The periods from Article 309 of the Pension and Invalidity Act (Official Gazette of RS, no 12/92, 5/94, 7/96 and 54/98) shall be taken into account in the insurance period, provided that the contribution according to Article 221 hereof has been paid.

Article 421

(Progressive change of age limit for acquisition of the right widow/widower's pension)

The provision of Article 110 hereof notwithstanding, the age limit for entitlement to a widow/widower's pension in the transitional period shall change as follows:

Year	Age limit for a widow				Age limit for a widower			
	First paragraph of Article 110		Third and seventh paragraph of Article 110		First paragraph of Article 110		Third and seventh paragraph of Article 110	
	Years	Months	Years	Months	Years	Months	Years	Months
2000	50	6	45	6	54	6	49	6
2001	51	0	46	0	54	0	49	0
2002	51	6	46	6	53	6	48	6
2003	52	0	47	0	53	0	48	0
2004	52	6	47	6	53	0	48	0
2005	53	0	48	0	53	0	48	0

Article 422

(Assessment of widow/widower's pension in the transitional period)

- (1) The provision of the fourth paragraph of Article 123 hereof shall become applicable on 1 January 2001.
- (2) The share of a widow/widower's pension which may be asserted by a widow or a widower in addition to an old-age or invalidity pension shall be progressively increased in the transitional period as follows:

Year	Share of widow/widower's pension (%)
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2001	2.5
2002	5
2003	7.5
2004	10
2005	12.5
2006	15

Article 423

(Conversion of survivor's pension to widow/widower's pension)

- (1) A widow or a widower who asserted the right to a survivor's pension according to the regulations in force by 31 December 1999 may claim the assessment of a widow/widower's pension according to the provision of the fourth paragraph of Article 123 hereof.
- (2) The right to a widow/widower's pension according to the preceding paragraph shall apply from the first day of the month following the filing of a claim.

Article 424

(Right to maintenance allowance in the transitional period)

- (1) A widow who lost the entitlement to a survivor's pension since in the transitional period she has not yet attained the following age:

Year	Age attained			
	Widow		Widower	
	Years	Months	Years	Months
2000	50	6	54	6
2001	51	0	54	0
2002	51	6	53	6
2003	52	0		
2004	52	6		

shall become entitled to maintenance allowance, regardless of the age specified in the second paragraph of Article 129 hereof.

- (2) The conditions for the entitlement to a maintenance allowance involving the means ceiling as provided for in the second paragraph of Article 129 hereof, and the limitation of payment as provided for in the first paragraph of Article 130 hereof shall not prejudice the payment of maintenance allowances acquired according to the regulations applicable by the time of enactment hereof.

Article 425

(Right of parents to survivor's pension, acquired by the time of enactment hereof)

The parents of a deceased insured person or a recipient of rights, who acquired the right to a survivor's pension due to total incapacity for work under the former

regulations, shall retain such right permanently, irrespective of the provisions of the second paragraph of Article 119 hereof, if they have attained the following age limit in the time of entitlement to a survivor's pension:

Year	Age attained by parents			
	Mother		Father	
	Years	Months	Years	Months
2000	50	6	55	6
2001	51	0	56	0
2002	51	6	56	6
2003	52	0	57	0
2004	52	6	57	6
2005	53	0		
2006	53	6		
2007	54	0		
2008	54	6		
2009	55	0		
2010	55	6		
2011	56	0		
2012	56	6		
2013	57	0		
2014	57	6		

Article 426

(Right to survivor's pension of parents who were maintained by the deceased insured person until the time of his death)

Notwithstanding the age laid down in Article 119 hereof, the parents who were maintained by the insured person or the recipient of rights under pension and invalidity insurance until the time of his death shall be entitled to a survivor's pension in an individual calendar year as follows:

Year	Age required for entitlement to survivor's pension			
	Mother		Father	
	Years	Months	Years	Months
2000	50	6	55	6
2001	51	0	56	0
2002	51	6	56	6
2003	52	0	57	0
2004	52	6	57	6
2005	53	0		
2006	53	6		
2007	54	0		
2008	54	6		
2009	55	0		
2010	55	6		
2011	56	0		
2012	56	6		
2013	57	0		

2014	57	6		
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Article 427

(Retention of entitlement to a survivor's pension under former regulations)

- (1) Members of an extended family whose survivor's pension was assessed according to the third indent of Article 86 of the Pension and Invalidity Insurance Act applicable by the time of enactment hereof, shall retain the entitlement to a survivor's pension for as long as they fulfil the requirements for acquisition and assessment of the survivor's pension according to the quoted provision of the Act.
- (2) The family member who has acquired the right to a survivor's pension in the amount laid down in the second paragraph of Article 87 of the Pension and Invalidity Insurance Act applicable by the time of enactment hereof, shall not be subject to indexation under the provisions of this Act as long as it exceeds the amount of the survivor's pension assessed according to the second paragraph of Article 123 hereof.
- (3) Widows who were, as persons not covered by insurance, over 40 years old at the time of the death of their husbands and thus fulfilled the requirements for acquisition of right to a survivor's pension according to the provision of the last paragraph of Article 72 of the Pension and Invalidity Insurance Act applicable by the time of enactment hereof, shall start receiving the survivor's pension when they attain 45 years of age.
- (4) A widow whose entitlement to a survivor's pension, acquired according to the second and the third indent of the first paragraph of Article 72 of the Pension and Invalidity Insurance Act applicable by the time of enactment hereof, ceased after she has attained 45 years of age but prior to 50 years of age may, notwithstanding the provisions of Article 110 hereof, reassert the right to a survivor's pension upon attaining 50 years of age.

Article 428

(Reasons for cessation of entitlement to survivor's pension asserted under the former regulations)

The provisions of the first and the second paragraph of Article 174 hereof shall also apply to a widow or a widower who was granted the right to a survivor's pension according to the regulations applicable by the time of enactment hereof.

Article 429

(Establishment of equal position of the recipients of maximum pensions)

- (1) With the purpose to establish equal position of the recipients of maximum pensions, pensions which were, by the time of enactment hereof, assessed from the maximum pension base specified under the former regulations,

extraordinary pensions, pensions of veterans who have been awarded the Partizanska spomenica 1941, and other pensions exceeding the amount of the maximum pension for full pension qualifying period under the regulations in force by the time of enactment hereof, shall not be index-linked according to provisions of this Act as long as they exceed the amount of pension to which the recipients under this Act would be entitled on the grounds of their pension qualifying period if their pension were assessed from the maximum pension base laid down in this Act.

- (2) The pensions which, by the time of enactment hereof, were not assessed from the maximum pension base laid down in the former regulations shall be likewise subject to the above procedure if they exceed the amount of pension to which the recipients would be entitled on the grounds of their completed pension qualifying period if their pension were assessed from the maximum pension qualification base laid down in this Act.

Article 430

(Insurance of workers who were entitled to the insurance period with bonus under the former regulations)

- (1) On the effective date of this Act, the regulations related to the insurance period with a bonus shall come out of effect.
- (2) The insurance period with a bonus which was completed by the time of enactment hereof shall be included in the pension qualifying period according to the provisions in force by the time of enactment hereof.
- (3) Insured persons who were, until the cessation of validity of regulations on the insurance period with a bonus, employed at jobs eligible for the insurance period with a bonus, shall be included into supplementary pension insurance on a compulsory basis. The contributions for supplementary pension insurance of such employees, which shall be at least equal to contributions for the insurance period with a bonus, shall be paid by the employer from its income.
- (4) Insured persons who, on the effective date of this Act, employed at jobs eligible for the insurance period with a bonus, completed at least 25 years of the pension qualifying period (males) or 23 years of the pension qualifying period (females), shall, the provision from the preceding paragraph notwithstanding, continue to be entitled to the insurance period with a bonus and to the lowering of the age limit according to the regulations in force by the effective date of this Act.

Article 431

(Old-age pensions of farmers)

- (1) The of an old-age or a survivor's pension under the Act on the Old-Age Insurance of Farmers (Official Gazette of SRS, no 30/79 and 1/82) shall receive a pension in the amount as determined for the month preceding the effective

date of this Act, which shall, like other pensions, be subject to indexation according to this Act.

- (2) The recipients of a pension from the preceding paragraph, i.e. farmers - NLW veterans prior to 9 September 1943 or prior to 13 October 1943 and their spouses, shall receive a pension in the amount as determined for the month preceding the effective date of this Act, which shall, like other pensions, be subject to indexation according to this Act.
- (3) The pensions from the preceding two paragraphs shall be paid out under the conditions for enjoyment of rights as provided for by this Act.
- (4) After the death of a recipient from the first paragraph of this Article who has asserted the right to a pension as an insured person from the sixth paragraph of Article 17 of the Act on the Old-Age Insurance of Farmers, his/her spouse shall acquire the right to a survivor's pension under the terms from Article 22 of the said Act.
- (5) After the death of a recipient from the second paragraph of this Article who asserted the right to pension support as a farmer - NLW veteran prior to 9 September 1943 or prior to 13 October 1943, his spouse, who is a co-recipient of the said old-age pension, shall acquire the right to a pension, although he/she is not a NLW veteran himself/herself.

Article 432

(Cessation of the Supplementary Pension Insurance Fund)

As of the date of enactment hereof, the Supplementary Pension Insurance Fund established on the basis of the Pension and Invalidity Insurance Act (Official Gazette of RS, nos. 12/92, 5/94, 7/96, and 54/98) shall cease.

Article 433

(Transfer of the assets to the Capital Fund)

- (1) As of the date of cessation of the Supplementary Pension Insurance Fund, the entire assets of the Supplementary Pension Insurance Fund shall be transferred to the Capital Fund.
- (2) The provision of the first indent of the first paragraph of Article 511 of the Companies Act notwithstanding, the Institute, as the sole founder of the Supplementary Pension Insurance Fund, shall not be provided with the shares of the Capital Fund.

Article 434

(Transfer of rights and obligations to the Capital Fund)

- (1) As of the date of cessation of the Supplementary Pension Insurance Fund, all the rights and obligations of the Supplementary Pension Insurance Fund shall be transferred to the Capital Fund.
- (2) The Capital Fund shall, within a period of six months from the enactment hereof, effect a transfer of the insurance portfolio of the Supplementary Pension Insurance Fund to an insurance company with its registered office in the Republic of Slovenia.
- (3) The transfer of portfolio from the preceding paragraph shall be subject to the provision concerning the transfer of insurance contracts of the Insurance Companies Act.
- (4) The provision of the second paragraph of this Article notwithstanding, the Capital Fund may, if it establishes a mutual pension fund according to the present Act, propose to a person insured under supplementary pension insurance as per the first paragraph of this Article that he pays-in the funds in the amount of the purchase value of the insurance policy as a premium of supplementary pension insurance hereunder and joins the pension scheme under which supplementary pension insurance is provided by the mutual pension fund.
- (5) In the case from the preceding paragraph, the period as per the second paragraph of this Article shall be suspended from the date when the Capital Fund files the claims for issue of authorizations required for establishment of a mutual pension fund with the competent bodies to the date of serving of decisions.

Article 435

(Transfer of Employees of the Supplementary Pension Insurance Fund)

- (1) As of the date of cessation of the Supplementary Pension Insurance Fund, the employees of the Supplementary Pension Insurance Fund shall become the employees of the Capital Fund.
- (2) The person who, by the enactment of this Act, held the office of the director of the Supplementary Pension Insurance Fund, shall continue with his work as the third member of the Capital Fund Managing Board by the expiration of his term of office for which he was appointed.
- (3) The Capital Fund shall, within a period of 60 days after the enactment hereof, harmonise the Articles of Association and the by-laws which regulate organization and systemisation of jobs with the provisions hereof.

- (4) The General Meeting and the Supervisory Board of the capital Fund which are in office upon the enactment hereof, shall continue with their work in the same composition by the expiration of the term of office for which they were appointed.

Article 436

(Definition of term of authorized actuary in the transitional period)

By the time of enactment of the law regulating insurance, the authorized actuary from the fifth paragraph of Article 297 and the second paragraph of Article 343 hereof shall be considered to be a person who has obtained this title in accordance with the provisions of the Insurance Companies Act (Official Gazette of RS, No. 64/94 - hereinafter referred to as ICA).

Article 437

(Pension scheme providers in the transitional period)

By the time of enactment of the law regulating insurance, the pension scheme provider from the third paragraph of Article 306 hereof shall be an insurance company which meets the conditions for provision of life insurance services in accordance with the provisions of ICA.

Article 438

(Formation and management of mutual pension fund in the transitional period)

- (1) By the time of enactment of the law regulating insurance, the operator from the first indent of the first paragraph of Article 315 hereof shall be an insurance company which meets the conditions for provision of life insurance services in accordance with the provisions of ICA.
- (2) By the time of enactment of the law regulating insurance, the investments of mutual pension fund shall be subject to the provisions of the Insurance Companies Act concerning the investment of mathematical provisions.

Article 439

(Share capital of pension company in the transitional period)

By the time of enactment of the law regulating insurance, the share capital of an insurance company shall not amount to less than SIT 320.000,000.-.

Article 440

(Pension company operations in the transitional period)

By the time of enactment of the law regulating insurance, the pension company shall be subject to the provisions of ICA concerning the formation of mathematical

provisions, provisions in favour of persons insured under life insurance who are undertaking investment risk, calculation of solvency margin, and investment of mathematical provisions.

Article 441

(Competence for issuing permissions in the transitional period)

By the time of enactment of the law regulating insurance, the Office of the Republic of Slovenia for Supervision of Insurance shall be competent for the issuing and withdrawal of:

- an authorization for acquisition of the qualified share of a pension company,
- an authorization to a pension company for provision of voluntary supplementary insurance services,
- an authorization to hold the office of a member of the managing board in a pension company, and
- decision on the establishment of bankruptcy proceedings.

Article 442

(Supervision over pension company operations in transitional period)

By the time of enactment of the law regulating insurance, the office of the Republic of Slovenia for Supervision of Insurance shall be competent to conduct supervision over pension companies.

Article 443

(Application of provisions of the Pension Funds Act under the management of the Capital Fund)

- (1) The provisions hereto concerning the mutual pension fund shall also apply to the First Pension Fund, established in accordance with the law regulating the First Pension Fund of the Republic of Slovenia and Transformation of Authorized Investment Companies Act (Official Gazette of RS, no 50/99, hereinafter referred to as FPFTAICA), unless provided for otherwise by the FPFTAICA.
- (2) The provisions of the present Act concerning the rights and obligations of the mutual pension fund operator shall apply to the rights and obligations of the Capital Fund in connection with the management of the First pension Fund.

- (3) The provision of the first paragraph of Article 315 hereof notwithstanding, the Capital Fund may establish and manage the open mutual fund according to the present Act.

Article 444

(Harmonization of pension insurance products with provisions hereto)

- (1) Insurance companies which have been engaged in voluntary pension insurance on the basis of an authorization by the supervisory authority by the time of enactment of the present Act shall be able to continue to perform these insurance services in accordance with the provisions of the present Act, provided that they harmonise the existing pension insurance programmes with the provisions hereof within a period of one year from the enactment of the present Act.
- (2) The changing over of an insured person and the transfer of funds on his personal account from the pension insurance programme prior to the enforcement of the present Act to the pension scheme in accordance with the provisions hereof shall be subject to the approval of the insured person.

Article 445

(Application of provisions on special contributions for invalidity insurance)

Calculation of contributions of insured persons and the employers for invalidity insurance and contributions of the employers for the case of employment injury and occupational disease from the first, the fourth and the fifth indent of the first paragraph of Article 204 hereof according to special contribution rates shall commence on 1 January 2003.

Article 446

(Application of provisions on rights under invalidity insurance)

- (1) The provisions of Articles 60 through 71, Articles 80 through 106, the fifth paragraph of Article 138, Articles 158 through 163 and the fourth paragraph of Article 169 hereof shall become applicable on 1 January 2003.
- (2) By the day of coming into force of the provisions of the preceding paragraph and the preceding Article, the rights under invalidity insurance shall be subject to the provisions of the Pension and Invalidity Insurance which was in force by the enactment of the present Act.

Article 447

(Application of provisions of the former Act in restitution proceedings)

- (1) The provisions of Articles 247 and 248 of the Pension and Invalidity Insurance Act (Official Gazette of RS, nos. 12/92, 5/94, 7/96, and 54/98) shall be applicable until the conclusion of the property restitution proceedings.
- (2) The proceedings shall be conducted by the Capital Fund to which all the assets property and other entitlements shall be transferred.

Article 448

(Setting-up of records of paid contributions)

In order to effect supervision over the payment of contributions, the Institute shall , on the basis of data of the tax Administration of the Republic of Slovenia and in cooperation with the same, set up the records of paid contributions calculated according to the present Act, within three years after coming into force of the present Act.

Article 449

(Deference of commencement of application of the provisions concerning compulsory supplementary insurance)

- (1) The provisions of Chapter II of Part XII hereof of Articles 279 through 291 and Article 430 hereof shall become applicable as of 1 January 2001.
- (2) Data for setting up of the records for provision of compulsory supplementary pension insurance shall be submitted to the Supplementary Pension Insurance Fund by the Institute on the basis of personal data records of insured persons and recipients of right under pension and invalidity insurance, and the employers employing persons which are to join compulsory supplementary insurance according to the provisions hereof.
- (3) By the time of enactment of a new law regulating personal data records, the Institute shall be obliged to submit to the Fund as per the preceding paragraph all the data relating to the newly employed who shall, on the basis of the provisions hereof, enter supplementary pension insurance on a voluntary basis.

Article 450

(Deference of commencement of application of the provisions concerning pension support)

- (1) The provisions of the third and the fourth paragraph of Article 133 and the third, the fourth and the fifth paragraph of Article 168 shall become applicable as of 1 January 2001.
- (2) Eligibility for pension support according to the third paragraph of Article 168 shall be checked in the year 2001 for the first time.

Article 451

(Transformation of the Voluntary Insurance Fund for Additional Scope of Rights and of the Craftsmen's Mutual Assistance Fund)

- (1) In accordance with the law regulating companies, the Voluntary Insurance Fund for Additional Scope of Rights shall be transformed into the Supplementary Pension Insurance Fund of the Republic of Slovenia, while the Craftsmen's Mutual Assistance Fund shall be transformed into the Craftsmen's Fund.
- (2) The Voluntary Insurance Fund for Additional Scope of Rights and the Craftsmen's Mutual Assistance Fund shall harmonise their operations with the provisions of this Act within twelve months after the effective date hereof.

Article 452

(Formation of the General Meeting and the Managing Board of the Institute)

- (1) The General Meeting and the Managing Board shall be formed pursuant to the provisions of Articles 266 and 267 within six months after the enactment hereof.
- (2) The General Meeting and the Managing Board which are in office upon the enactment hereof, shall continue with their work in the same composition by the formation of the new bodies as per the preceding paragraph.

Article 453

(Transformation of the Housing Fund into the Real Estate Fund)

- (1) The Housing Fund of the Pension and Invalidity Insurance shall be transformed into the Real Estate Fund of the Pension and Invalidity Insurance.
- (2) The Fund from the preceding paragraph shall harmonise its operations with the provisions of this Act within twelve months after the effective date hereof.

Article 455

(Cessation of validity)

- (1) As of the effective date of this Act, the Pension and Invalidity Insurance Act (Official Gazette of RS, nos. 12/92, 5/94, 7/96, and 54/98) and the Act on Extraordinary Entitlement to Pension for Miners in Coal Mines (Official Gazette of SRS, no. 44/69) and the provisions of Articles 24 through 27 of the First Pension Fund of the Republic of Slovenia and Transformation of Authorized Investment Companies Act (Official Gazette of RS, no. 50/99, shall come out of force.

- (2) As of the effective date of this Act, the provision of Article 7a of the Social Security Contributions Act (Official Gazette of RS, no 5/96, 34/96 and 3/98 shall cease to apply.
- (3) The provision of the first paragraph of this Article notwithstanding, the provisions of the following paragraphs shall continue to apply:
- the sixth paragraph of Article 219 of the Pension and Invalidity Insurance Act, until it has been regulated by a special law; and
 - the first and the second paragraph of Article 254 of the Pension and Invalidity Insurance Act, applicable to the nationals of the Republic of Slovenia who completed their pension qualifying period in the territory of other republics of the former SFRY, until the relevant social insurance treaties have been concluded with the states which came into existence in the territory of the former SFRY.

Article 456
(Coming into force)

The present Act shall come into force on 1 January 2000.

No: 172-01/98-2/46
Ljubljana, on this day of 10 December 1999

Chairman
of the National Assembly
of the Republic of Slovenia
Janez Podobnik, M.D.