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REVISED EUROPEAN SOCIAL CHARTER

3rd National Report on the implementation of
the European Social Charter (revised)

submitted by

THE GOVERNMENT OF ARMENIA

(Articles 3 and 14
for the period 01/01/2005 – 31/12/2007;
Articles 12 and 13
for the period 01/03/2004 – 31/12/2007)

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CYCLE 2009



REPUBLIC OF ARMENIA

THE EUROPEAN SOCIAL CHARTER
(REVISED)

Report
of the Republic of Armenia

Reporting period
2005-2007

Article 3 – The right to safe and healthy working conditions

Article 3§1

- 1) *Please describe the national policy on occupational health and safety and the consultation with employers' and workers' organizations in formulating this policy. Please specify the nature of, reasons for and extent of any reforms.*

In the Republic of Armenia the national policy on occupational safety and health is developed and implemented by the RA Ministry of Labor and Social Issues. In the process of developing and implementing the policy the Ministry cooperates with social partners – RA Confederation of Trade Unions and Republican Union of Employers, as well as other stakeholders. The national policy on occupational safety and health is mainly aimed to:

- Elaborating and adopting national normative-legal acts, State standards, rules and norms pertaining to occupational safety and health,
- Developing national programs on occupational safety and health,
- Designing and introducing safe technologies and equipment,
- Instituting a procedure for recording accidents and occupational diseases at workplace,
- Government control for the purpose of achieving compliance with the requirements of the RA labor legislation,
- Supporting the exercise of non-governmental control of protection of workers' legitimate interests and rights in the area of occupational safety and health,
- Protecting the legitimate interests of individuals who have suffered from work accidents and occupational diseases, and their family members,
- Establishing compensation for heavy work and harmful or hazardous work conditions if these cannot be changed given the existing level of organizing work and production,
- Disseminating best national and foreign practices for improving occupational health and conditions,
- Organizing the government system of statistical recording of production traumas and occupational diseases,
- Enhancing social partnership in the area of occupational safety and health,
- International cooperation in the area of occupational safety and health.

In May 2005 the RA Labor Code was enacted which regulates collective and individual employment relationships, lays down the grounds and procedure for origination, modification and termination of these relationships, rights, obligations and responsibilities of parties to employment relationships, as well as the conditions for ensuring and safe and health work environment for workers. The reforms designed and implemented in the area of occupational safety and health are built on the enactment of the new labor code which adequately reflects the emerged free market relations in Armenia. The core responsibility for ensuring occupational safety and health rests with employers which are required to cooperate with employee trade unions or other appropriate employee representatives during this process.

Based on the 2003-2007 Government Action Plan, the elaboration of 2008-2012 Program for Ensuring Occupational Safety and Health in Armenia has started at the RA Ministry of Labor and Social Issues, and the improvement of legal framework is one of the priorities of the above program. It is anticipated that in 2008-2012 sectoral rules and standards will be developed and adopted which will regulate issues pertaining to occupational safety and health. These will replace the still existing legal acts on occupational health developed by former Soviet state agencies which are not consistent with the requirements of market economy and international standards.

The RA Ministry of Labor and Social Issues, other ministries and state agencies, the RA Unions of Manufacturers and Businesses (Employers), the RA Confederation of Trade Unions closely cooperate on issues pertaining to occupational safety and health with the International Labor Organization (ILO), the World Health Organization, International Confederation of Trade Unions and respective EU structures.

In 2004 the 2004-2006 Technical Cooperation Program was adopted by the RA Ministry of Labor and Social Issues, the RA Confederation of Trade Unions and the RA Union of Manufacturers and Businesses (Employers), and the International Labor Organization where, in particular, the measures for ensuring social partnership, occupational safety and health, improving the mechanisms for hygiene and social security are laid down.

On March 26, 2007 the Decent Employment in the Republic of Armenia Program for 2007-2011 was signed which designs the policy, strategy and expected outcomes for ensuring decent employment and approves the strategy of cooperation between the ILO and Armenia for 2007-2011. Presently partners have adopted the Implementation Plan of the Program. Major emphasis is placed on issues related to improvement of occupational safety and health, social protection both in the Program and its Implementation Plan.

In compliance with Chapter 7 of the RA Labor Code, which sets out social partnership in the area of employment, work towards signing the national collective agreement has been launched. The parties to the national collective agreement are the republican union of trade unions, the republican union of employers and the Government of Armenia. In addition, social partners provide consultancy and perform exchange of information.

2) *Please indicate the measures taken (administrative arrangements, programs, action plans, projects, etc.) to implement the legal framework.*

Over the recent years both the Government and employers and trade unions increasingly focus on issues of occupational safety and health in the Republic of Armenia. The development and implementation of a modern occupational health system consistent with international standards is one of the powerful forms which will allow to use the currently limited material and financial resources effectively, as well as to introduce safe technologies and improve safe work conditions.

The below legal acts have been passed:

- Government Decree No. 2308-N “On Approving the List of Occupations Deemed as Heavy and Harmful for Individuals under 18, Pregnant Women and Females Nursing Less Than One-Year-Old Infants” of December 29, 2005,
- Government Decree No. 88-N “On Approving the Requirements for Technical Safety Certificates of Hazardous Industrial Entities” of May 16, 2006,
- Government Decree 182-N “On Approving the Permissible Maximal Concentration of Hazardous Substances” of October 10, 2006.

As per Government Decree No. 2308-N “On Approving the List of Occupations Deemed as Heavy and Hazardous for Individuals under 18, Pregnant Women and Females Nursing Less Than One-Year-Old Infants” of December 29, 2005, the list of occupations considered as hazardous is established. In particular:

- Occupations which are harmful for individuals under 18 in terms of chemical factors’ impact,

- Occupations which are harmful for individuals under 18 in terms of physical factors' impact,
- Occupations which are harmful for individuals under 18 in terms of biological factors' impact,
- List of occupations which are harmful for individuals under 18 in terms of the impact of industrial aerosols, other hazardous factors and works.

In accordance with the 2005 Law on the State Labor Inspectorate, the RA State Labor Inspectorate was established within the system of the RA Ministry of Labor and Social Issues. Its core objective is to organize and exercise control and supervision of compliance with the requirements of the RA labor legislation, other normative legal acts containing labor law norms, and the normative provisions of the collective agreement. The State Labor Inspectorate performs its functions through its consultations with employers, as well as conducting their inspections and reviews;

In view of the necessity for improving the occupational health system in Armenia and its importance, it is anticipated to develop and adopt a national occupational safety and health program in line with the National Security Strategy of Armenia and the Implementation Plan for the Decent Employment Program. The national program should cover the following main directions for improving the occupational health system:

1. Establishment and implementation of a national system of standards in the area of occupational health,
2. In the area of occupational safety and health, introduction of the work management system recommended by the ILO, and international standards in Armenian organizations,
3. Introduction of an insurance system against damages caused to employee's life and health in the workplace,
4. Ensuring the legal framework of the occupational health area,
5. Creating an research base for occupational safety and health problems,
6. Organizing and conducting ongoing monitoring the situation in terms of occupational health,
7. Coordinating the activities of government agencies, institutions , inspectorates, laboratories, as well as non-public structures in the area of occupational health,
8. Setting up a new quality system of training and professional development of cadres employed in the area of occupational health.

The RA Ministry of Labor and Social Issues plans to design the concept paper for introducing a system of mandatory social insurance against work accidents and occupational diseases. Along with its objectives and fundamental principles, the above concept paper will regulate the terms and conditions and procedure for the mandatory insurance against accidents at work places and occupational diseases, and the procedure for compensating against harm caused to employee's life and health in relation to his or her discharge of work duties. The provisions laid down in the concept paper will enhance the legislative protection of the insurance parties. They will regulate the process of tracking and recording accidents in organizations and will contribute to the reduction of accidents and occupational diseases and thereby create incentives (motivation) for improving the conditions of occupational safety and health.

Within the cooperation with the Eastern Europe and Central Asia Inter-regional Office of the International Labor Organization, a group of experts from the RA Ministry of Labor and Social Issues, the RA Confederation of Trade Unions and the RA Union of Manufacturers and Businesses (Employers) have designed and developed the "Occupational Protection in the Republic of Armenia" country profile which contains information about the mechanisms for forming the national policy on occupational protection, legislation, structure of social partnership, activities carried out by social partners in the area of occupational safety and health, labor resources, participants and stakeholders, statistical data and indicators on occupational safety, general demographic data, problems and challenges existing in the area, as well as the requirements for the

country's further development in the area of occupational safety and health. By its structure, the country profile maximally corresponds to the ILO recommendations.

The below research and development institutions operate in the area of occupational safety and protection, hygiene and health:

- The National Institute of Labor and Social Research of the RA Ministry of Labor and Social Issues;
- The Research Institute of Hygiene and Occupational Diseases of the “Kanakaner-Zeitun” Medical Center of the RA Ministry of Health;
- The National Center for Technical Safety of the RA Ministry of Economy.

The activities of the above institutions are aimed towards coordinating and conducting fundamental and academic, applied researches of main issues concerning occupational safety and health in sectors of the economy and organizations, development of inter-sectoral and sectoral normatives and instructions, organization, methodological guidance and implementation of the accreditation process for issues related to work conditions in hazardous production sites, as well as other functions.

In Armenia the Ministry of Labor and Social Issues develops the main rules and norms for ensuring workers health and safety in compliance with the EU Directives. These activities are performed with the assistance of the USAID Armenia Social Protection Systems Strengthening Project.

Based on the ILO manuals of practical rules and technical standards, reference materials have been prepared which include the “Guidelines for Workers’ Health and Occupational Safety”, and the “International Experience in Organizing Safe Work” Manual for Armenian organizations. The reference materials prepared on the basis of the ILO technical standards have been disseminated to all stakeholder organizations and employers as practical manuals and information intended for use by specialists and workers. Seminars and trainings have been conducted in organizations for the purpose of explaining these standards.

3) *Please provide pertinent figures, statistics or any other relevant information, if appropriate.*

In Armenia around 4100 persons are involved in the area of occupational safety and health. The number of employees responsible for occupational safety and health in the central government agencies is 1510. At the level of regional government bodies their number is 1260, and in local self-governance bodies it is 180.

In Armenia about 2200 organizations have in place collective agreements where among other matters, employer and employee representatives jointly decide on issues pertaining to occupational safety and health. Basically, occupational safety services mainly function in large and medium organizations and construction companies. On the other hand, in small and medium organizations the responsibility for occupational safety is assigned to a particular employee or these services are delivered by non-public entities.

In the Republic of Armenia around 20 initiatives (trainings, seminars, practical sessions, etc.) were organized and conducted during 2006-2007 for employees responsible for occupational safety and health, employers, as well as university students. Several seminars were conducted in conjunction with the ILO Eastern Europe and Central Asia Inter-regional Office.

According to the data of the RA National Statistical Service, in 2006 100 individuals had different types of injuries due to 94 production accidents and thereby obtained temporary disability for one or more days. The percentage of casualties per 1000 employees was 0.9; among casualties 6 individuals (or 6.0 percent) were females. 17.0 percent (or 17 individuals, including one female) of casualties caused due to non-observance of the occupational safety norms died.

In 2006 the maximal number of accidents in Armenia was recorded in Syunik Marz (50 accidents).

In 2006 2 individuals obtained disability as a result of work accidents, and 2 accidents

occurred on the way to the workplace (subsequently, with 2 casualties for each accident).

In 2006 in Armenia the costs related to compensations against losses paid for injuries, occupational diseases and other impairment of health in connection with discharge of work duties of employees paid to affected individuals or those eligible to such a compensation in case of their death were AMD 381.3 million, including AMD 210.2 million for temporary disability benefits, AMD 53.2 million for compensations against lost salaries, AMD 17.22 million for lump-sum benefits, AMD 6.3 million for medical, social and vocational rehabilitation. Material losses incurred in relation to damaged equipment, instruments, buildings and structures due to accidents was AMD 126.7 million. Expenses related to occupational safety measures totaled AMD 863.7 million, including 486.8 million for acquisition of special uniforms, and 179.2 million for personal safety measures.

Main Indicators Characterizing Production Accidents, 2001-2006

	2001	2002	2003	2004	2005	2006
Number of production accidents, unit	91	108	92	85	70	94
Number of production accident casualties, person	95	110	95	85	72	100
Number of deaths from production accidents, person	16	15	27	22	17	17
Number of disabilities from production accidents, person	10	1	6	6	3	3

Source: the RA National Statistical Service, "Social Situation in the RA in 2006"

Article 12. The Right to Social Security

1) Please describe the general legal framework. Please specify the nature of, reasons for and extent of any reforms.

The social security system of Armenia consists of the following components:

- 1) Mandatory social insurance against cases of temporary disability, including the ones resulting from pregnancy and child delivery,
- 2) Pension security,
- 3) Mandatory social insurance against cases of unemployment.

The social security system of Armenia is mainly regulated by the following legal acts:

- a) The Law on Mandatory Social Security Contributions, enacted on December 26, 1997 and effective from January 1, 1998,
- b) The Law on State Pensions, enacted in November 19, 2002 and effective from April 10, 2003,
- c) the Law on Mandatory Social Insurance against Cases of Temporary Disability, enacted in October 24, 2005 and effective from January 1, 2006,
- d) the Law on Employment and Social Protection of Population in Case of Unemployment, enacted on October 24, 2005 and effective from January 1, 2006,
- e) Decree No. 938-N "On Measures Ensuring Introduction of Personified Record Keeping in the State Social Pension System" of May 12, 2005.

1. With a view to finance government social security programs, the Law on mandatory Social Security Contributions lays down an obligation for employers, individuals, sole entrepreneurs and notaries to pay social security contributions on a monthly basis.

The bases for calculation of social contributions are:

- a) **For employers:** funds used by employers for paying employment salaries, and their equivalents,

- b) **For hired workers:** salaries and equivalent incomes of individuals performing hired work,
 c) **For sole entrepreneurs:** annual gross incomes of sole entrepreneurs.

Employers pay mandatory social insurance contributions at the below rates:

	Size of monthly social contribution base	Size of social contribution
1.	Up to AMD 20,000	AMD 7,000
2.	From AMD 20,000 to AMD 100,000	AMD 7,000 plus 15% of the excess amount above AMD 20,000
3.	Above AMD 100,000	AMD 19,000 plus 5% of the excess amount above AMD 100,000

If a hired worker is employed by two or more employers, then each employer must pay social security contributions without regard for the mandatory social security contributions paid by other employer(s).

Hired workers pay social contributions at the rate of 3% of their salary and its equivalent incomes, and these contributions are withheld and transferred to the State budget of the Republic of Armenia by employers.

Sole Entrepreneurs pay mandatory social insurance contributions at the below rates:

	Size of monthly social contribution base	Size of social contribution
1.	Up to AMD 1, 200,000	15 percent but no less than AMD 60 thousand
2.	Above AMD 1, 200,000	AMD 180,000 plus 5% of the excess amount above AMD 1,200,000

Until January 1, 2008 social security contributions were credited to the RA State Social Security Budget, and the collected amounts were managed by the State Social Insurance Fund, i.e., the expenses or payments under social security programs were incurred/effected by the State Social Insurance Fund. The necessity for ensuring the financial sustainability of the pension system did not allow for increasing significantly pension sizes only at the cost of collected mandatory social contributions without any upward adjustment of their rates. Therefore, from January 1, 2008 the State Social insurance Fund was reorganized into the State Social Security Service within the system of the RA Ministry of Labor and Social Issues. The mandatory Social Insurance Budget was eliminated and mandatory social security contributions were included in the general State budget revenues. This allowed to ensure a 60% increase of pensions from January 2008. Presently mandatory social security contributions are transferred to the State budget which contains separate expenditure items for social security programs. The State Social Security Service continues delivering the social security programs anticipated in the State budget of the Armenia.

2. The mandatory social insurance against temporary disability is a government program which is part of the social protection system for the Armenian population. Through payment of insurance benefits for cases of temporary disability to persons subject to mandatory social insurance, the above program compensates against non-earned incomes due to temporary disability.

The below persons are subject to mandatory social insurance against cases of temporary disability:

- 1) Individuals who have entered into employment relationships with employers (hereinafter 'hired workers');
- 2) Sole entrepreneurs, notaries (hereinafter 'self-employed persons').

Before January 2006 the relationships pertaining to granting and payment of temporary disability benefits were regulated per Government decrees. At present the relationships pertaining to mandatory social insurance against cases of temporary disability are regulated by the Law "On

Mandatory Social Insurance against Cases of Temporary Disability” which came into force on January 1, 2006. With a view to implement the Law “On Mandatory Social Insurance against Cases of Temporary Disability”, on March 30, 2006 the Government of Armenia passed Decree No. 571 which establishes the procedure for calculating the size of insurance benefits, reimbursing employers for funds used for paying insurance benefits to hired workers, as well as the sample certificate for temporary disability, manner of its completion and other issues related to payment of insurance benefits.

Hired workers are paid the following insurance benefits:

1. benefits (sick leave benefits) paid in case of temporary disability due to a disease (injury);
2. benefits paid in case of temporary disability due to prosthetics (prosthesis benefit);
3. benefits paid for temporary disability due to a necessity for health resort treatment (resort treatment benefits);
4. benefits paid for temporary disability due to maternity (maternity benefit);
5. benefits paid for a need for treatment due to sickness (injury) of a family member (family care benefit).

The insurance benefit for temporary disability is paid from the State budget of Armenia.

Benefits to hired workers are calculated, granted and paid by the employer based on the temporary disability certificate issued by a medical institution. The employer pays the insurance benefit to its hired workers from social security contributions calculated for the concerned month. This means that the insurance benefit is paid through the employer from the State budget, since the employer makes deductions at the amount of paid-off insurance benefits from the total social security contributions calculated for the concerned month and payable to the State budget.

Benefits to self-employed persons are calculated, granted and paid by the regional office of the RA State Social Security Service within 1 month after the submission of the temporary disability certificate and other necessary documents.

The size of the temporary disability benefit depends on the record of contributions and incomes of the individual.

The average monthly salary (income) of a hired worker is calculated on the basis of the earnings (income) of the concerned worker calculated for three calendar months preceding the case of temporary disability from which the mandatory social insurance contributions were paid as prescribed by law. The earnings for the above three months are divided by 3.

The average monthly income of self-employed persons (notaries and sole entrepreneurs) is determined on the basis of the income disclosed in the annual declaration of income for the year preceding the case of temporary disability which is treated as the base for calculation of social security contributions as prescribed by law. The income for the 12 months of the previous year is divided by 12.

The calculated average salary is taken into account at 100% for those hired workers, sole entrepreneurs and notaries whose length of service (record of contributions) is 8 years and more. For hired workers, sole entrepreneurs and notaries with less than 8 years' length of service (record of contributions), the calculated average salary is taken into account at 80%.

The insurance benefit is paid to hired workers for all days identified in the temporary disability certificate issued by a medical institution until the date of termination of hired worker's employment.

In case of temporary disability due to maternity, the benefit covers the whole amount of non-earned income, i.e., the insurance benefit is calculated and paid at 100% amount of the average monthly earnings (income), irrespective of the length of service (record of contributions).

For female hired workers and self-employed individuals (sole entrepreneurs and notaries), the temporary disability benefit (maternity benefit) is provided for:

- a) 140 days (70 calendar days for pregnancy and child delivery each)
- b) 155 days (70 calendar days for pregnancy and 85 calendar days for child delivery) in the event of complicated child delivery
- c) 180 days (70 calendar days for pregnancy and 110 calendar days for child delivery) in the event of delivering more than one child at a time.

As mentioned earlier, in case of temporary disability insurance benefits are paid from the State budget of Armenia. In 2005-2007 expenditures related to payment of temporary disability benefits accordingly were:

2005	AMD 2,144.816.700
2006	AMD 2,761.048.900
2007	AMD 3,416.969.000

3. In compliance with Article 234§1 of the RA Labor Code, in case of an occupational disease, injury or death the responsibility for paying material compensation to employees not insured against accidents and occupational diseases at workplace rests with the employer.

In compliance with Article 243 of the RA Labor Code:

1. In the course of employment proper, safe and healthy conditions must be created for each employee.
2. It is the employer's responsibility to maintain the healthy and safe environment for its employees. Depending on the size of each organization and the degree of employees' exposure to hazardous production conditions, the employer must involve a qualified service for ensuring occupational safety and health in the organization or deliver the above service independently.

In compliance with Article 255 of the RA Labor Code:

1. Based on the normative legal acts on workers' safety and health and the assessment of the situation in the organization in terms of occupational safety and health, the employer equips the organization with collective protection means and provides free personal protection equipment to its employees.
2. Where collective protection means are insufficient for ensuring the employees' protection against risk factors, personal protection equipment must be provided to employees. Personal protection equipment must be aligned to the performed work and be convenient for use. It shall not create additional hazards for the workers' safety. The requirements for designing personal protection equipment and assessing their compatibility with the production process are laid down in normative legal acts on occupational safety and health.

The Civil Code of Armenia prescribes the provision on compensating employees in case of production accidents. In particular, Article 1078 sets out the size and nature of compensation against losses resulting from deteriorated health status:

1. In case of causing any physical disability or other harm to the health status of a citizen, the non-received salary (income) which he or she previously earned or otherwise could have earned, as well as additional expenses incurred due to his deteriorated health status, including expenses for medical treatment, supplementary nutrition, purchase of medications, prosthesis, external care, resort-spa treatment, purchase of special transport equipment, training for acquiring a new occupation shall be subject to compensation, if it becomes clear that the concerned citizen is in need of these means of assistance and care and is not eligible for receiving these free of charge.
2. The disability pension granted to the citizen due to any disability or other harm caused to his or her health status, as well as other types of pensions, benefits and other similar allowances paid both before and after the caused deterioration of his or her health status shall not be taken into account when determining the size of non-received salary (income), and these shall not lead to any reduction of the amount of compensation against the caused harm (i.e., shall not be offset against the amount of compensation). In addition, the salary (income) received by the

victim after the deterioration of his or her health status shall not be taken into account when paying compensation against the caused harm.

3. The volume and size of compensation paid to the victim against the caused harm can be increased under legislation or a contractual arrangement.

In accordance with Para 1, Article 1085 (Payments of Compensations against Losses) of the Civil Code of Armenia, the compensation against losses incurred due to the victim's reduced ability to work or death shall be paid through monthly installments. Where valid reasons are available, the court may decide on paying the due compensation as a lump-sum payment based on the request of the citizen entitled to receive the compensation against losses and taking into account the ability of the party which has caused the harm to pay the lump-sum amount, but this amount shall include payments for no more than three years.

Article 1082 of the Civil Code of Armenia establishes the size of compensation against losses due to the death a breadwinner:

1. For persons entitled to receive compensation against losses due to the death of their breadwinner, the compensation shall be paid at the amount of the salary (income) of the deceased person which they received or were eligible to receive before the death of deceased person for their living. When determining the size of compensation against losses payable to survivors, the pension and other similar payments received by such a person before his or her death shall be included in his or her income.
2. When determining the amount of compensation, the pension granted to the survivors due to the death of their breadwinner, other benefits granted both before and after his or her death, as well as the salaries (income) and scholarships received by the survivors shall not be offset against the amount of compensation against losses.
3. The size of compensation payable to each person eligible for receiving compensation due to the death of their breadwinner shall not be subject to recalculation, save for the below cases:
 - 1) Birth of a child after the death of the breadwinner;
 - 2) Granting and termination of payment of compensation to caretakers of children, grandchildren, brothers and sisters of the deceased breadwinner.
4. The size of compensation may be increased as per law or a contractual arrangement.

In compliance with Article 1087 of the Civil Code of Armenia, reimbursement of funeral expenses shall be paid to the person who has incurred the necessary expenses by parties responsible for the losses caused by the death of the victim. The funeral benefits received by citizens incurring these expenses shall not be taken into account when determining the size of compensation against losses.

Articles 1083 and 1084 of the Civil Code of Armenia regulate issues pertaining to further adjustments of the size of compensation against losses:

1. At any time the victim who has partially lost his or her ability to work shall be entitled to a claim for an equivalent increase in the amount of compensation to the party identified as responsible to compensating against losses if the victim has further lost his or her ability to work due to his or her impaired health status as compared to his or her former ability to work at the moment of granting the compensation.
1. The party identified as responsible for compensating against losses due to the impaired health status of the victim shall have the right to claim an equivalent reduction in the amount of compensation if the victim's ability to work has improved as compared to his or her former ability to work at the moment of granting the compensation.
2. The victim shall have the right to claim an increase in the amount of compensation against incurred losses if the financial status of the party identified

as responsible for compensating the victim against incurred losses improves and the amount of compensation has been decreased in accordance with Paragraph 3 of Article 1076 of the Code.

3. On the request of the party causing the harm, the court may reduce the amount of compensation against losses if its financial status has deteriorated in connection with disability or reaching the retirement age as compared to its status at the moment of granting the compensation, save for the cases when harm has been caused as a result of willingful actions.

The upward adjustment of the size of compensation due to higher cost of living and increased minimal salary is regulated as follows: “The size of compensation paid against the harm caused to the life or health status of the victim shall be subject to indexation as prescribed by law in the event of increased cost of living”.

In compliance with Article 357 of the Civil Code of Armenia, in case of any upward adjustment of the minimal salary the amounts of non-received salary (income) and other payments associated with the harm caused to the life and health status of the victim shall be increased proportionate to the upward adjustment of the minimal size of salary.

Article 1086 of the Civil Code of Armenia prescribes the provisions pertaining to compensation of losses in the event of termination of operations of a legal entity. In particular:

1. In case of reorganization of a legal entity duly identified as the party responsible for the harm caused to the life or health status of an individual, the responsibility for paying the respective compensation shall rest with its legal successor. Claims for compensation against losses shall be filed with such a legal successor.
2. In case of liquidation of a legal entity duly identified as the party responsible for the harm caused to the life or health status of an individual, the respective payments shall be capitalized, as prescribed by law or other legal acts, for paying these to the victim.

Other cases of capitalizing the payments may be identified by law or other legal acts.

Article 82 of the Bankruptcy Law lays down the sequence of satisfying creditors’ claims in the event of bankruptcy. In accordance with Para 1(b), the claims of citizens in relation to whom the debtor is responsible for the harm caused to their life and health status shall be satisfied through calculating the capitalization of the respective regular payments. In addition, claims for alimonies (child, incapable parent, incapable spouse) to the debtor citizen shall be satisfied.

4. Insurance pensions are provided to eligible individuals within the state (mandatory) pension insurance.

The types of insurance pensions are:

- 1) Old age,
- 2) Privileged,
- 3) Long service,
- 4) Disability,
- 5) Survivor’s pension,
- 6) Partial.

The State (mandatory) pension insurance is mainly regulated by the RA Law on State Pensions (enacted on April 12, 2003) and Government Decree No. 793-N of May 29, 2003.

Amendments and modifications were made to the RA Law on State Pensions was amended on November 11, 2005, February 22, 2007 and October 24, 2007 with a view to ensure the implementation of citizens’ pension rights.

Pension is calculated by using the formula $P=B+(n \times C) \times R$, where:

P is the monthly amount of pension,

B is the size of basic pension,

n is the years of contributions,

C is the cost per year of insurance period,

R is the pensioner’s personal ratio (which depends on the length of service).

The personal ratio of the pensioner is calculated:

- a) for length of service up to 25 years (inclusively), by using $R=0.04 \times N$ (years of contribution) formula,
 b) For length of service over 25 years, by using $R=1+0.02 \times (N-25)$ formula.

In order to receive an insurance pension, the individual must have at least 5 years' length of service, and the required length of service of 25 years.

The size of basic pension and cost per year of insurance period are established by the government taking into account the budget limitations.

From January 2009 the basic pension is AMD 8000, and the cost per year of insurance is AMD 450.

The size of average insurance pension was:

2005	AMD 10200
2006	AMD 11400
2007	AMD 13380

The number of pensioners was:

2005	479791 pensioners
2006	473612 pensioners
2007	469107 pensioners

Funds used for payment of insurance pensions totaled:

2005	AMD 56124.1 million
2006	AMD 65602.9 million
2007	AMD 77691.5 million

Eligibility and Conditions for Granting Old Age Pension

Individuals who have reached 63 are entitled to receive old age pension if they have 25 years' length of service (record of contributions). Furthermore, before reaching 63 females retire in accordance with the below scale:

Date of birth	Age	Year of retirement
01.07.1945-31.12.1945	60	2005
01.01.1946-30.06.1946	60,5	2006
01.07.1946-31.12.1946	61	2007
01.01.1947-30.06.1947	61,5	2008
01.07.1947-31.12.1947	62	2009
01.01.1948-30.06.1948	62,5	2010
01.07.1948-31.12.1948	63	2011

This means that starting from the second half of 2011 females and males will retire after they reach 63.

Eligibility and Conditions for Granting Privileged Pension

Privileged pension (List 1) is granted to individuals who have reached 55 provided they have at least 25 years' length of service and have worked in particularly hazardous, particularly heavy conditions for at least 15 years and during such a period performed full-time job entitling them to a privileged pension.

Privileged pension (List 2) is granted to individuals who have reached 59 provided they have at least 25 years' length of service and have worked in hazardous, heavy conditions for at least 20 years and during such a period performed full-time job entitling them to a privileged pension.

In addition, Lists 1 and 2 specifying the productions, jobs, occupations, positions and indicators entitling an individual to receive privileged pension are approved per Government Decree No. 1987-N of October 13, 2005.

Privileged pension are also granted to individuals suffering from hypophyseal dwarfishness (nanuses) who have reached 45 and have at least 20 years' length of service.

Right to Disability Labor Pension and Conditions for Its Granting

Disability pension is granted to individuals recognized as persons with disabilities:

- 1) Due to a work injury or occupational disease, irrespective of their record of contributions,
- 2) Due to a general disease, congenial disease, natural, man-made and other disasters, if the individual has the following record of contributions at the time of defining his or her disability:

<i>Age cohort</i>	<i>Years of paying contribution</i>
Under 23	2 years
23-26	3 years
26-30	4 years
30 and above	5 years

Eligibility and Conditions for Granting Long Service Labor Pension

Long service labor pension is granted to the following individuals employed in the area of civil aviation:

- 1) members of flight command and air traffic control staff, air crews: upon reaching 45 if the duration of their service is 25 years; individuals who have been released from air service for health reasons may be entitled to a long service pension in their length of service is 20 years,
- 2) Flight operators and stewards: upon reaching 45 if the duration of their service is 25 years; individuals who have been released from air service for health reasons may be entitled to a long service pension in their length of service is 20 years,
- 3) staff members of air traffic control service who have a dispatcher's certificate: upon reaching 50 if the duration of their service is 25 years of which 15 years count for employment in the air traffic control service; individuals who have been released from their service in air traffic control system: upon reaching 50 if the duration of their service is 25 years of which 10 years count for their employment in air traffic control service,
- 4) Members of the engineering-technical staff: upon reaching 55 if the duration of their service is 25 years of which 20 years count for occupations entitling to a long service pension.

Eligibility for Labor Survivor's Pension

The below family members of the deceased individual are eligible for a survivor's pension:

- 1) Child, brother, sister and grandchild under 18 provided the brother, sister and grandchild are not employed and do not have capable parents,
- 2) spouse or any other capable adult member of the family or person recognized as a custodian, regardless of his or her age and capability provided he or she is engaged in the custody of the deceased breadwinner's child, brother, sister or grandchild under 8 and is unemployed,
- 3) Parents, spouse who have reached the old age retirement age (63) or have been recognized as disabled irrespective of their age provided they are unemployed,
- 4) Children with disabilities aged 18 and above provided they have been recognized as disabled before reaching 18 and are not employed.

Full-time students of educational institutions may be eligible for a survivor's pension until their graduation from the educational institution but before they reach 23.

The survivor's pension shall be granted for the entire period contemplated in this article.

Eligibility and Conditions for Granting Partial Pension

Partial pension is granted:

1) Persons employed in the education sector, certain categories of workers of culture, upon reaching 55 if their length of service in the professional sphere is at least 12 years,

2) Certain categories of actors of theatrical and theatrical-concert organizations: upon reaching 50 if their length of service in the professional sphere is at least 12 years.

When granting a partial pension, the period of employment through August 10, 2003 at the positions and in the capacities entitling the individual to receive a partial pension is recorded as part of his or her length of service. The lists of positions and types of employment activities which entitle individuals to receive a partial pension are established by the Government of the Republic of Armenia.

2) Please indicate the measures taken (administrative arrangements, programs, action plans, projects, etc.) to implement the legal framework.

Presently the concept paper for Introducing a System of Mandatory Social Insurance against Work Accidents and Occupational Diseases is being developed in the Republic of Armenia. The above concept paper pursues the objective of regulating the terms and conditions and procedure for the mandatory insurance against accidents at workplaces and occupational diseases, and the procedure for compensating against harm caused to employee's life and health in connection with his or her discharge of work duties. The concept paper will enhance the legislative protection of the insurance parties. They will regulate the process of tracking and recording accidents in organizations and contribute to the reduction of accidents and occupational diseases and thereby create incentives (motivation) for improving the conditions of occupational safety and health.

In accordance with Article 13 of the RA Law on Employment and Social Protection of Population in Case of Unemployment enacted on October 24, 2005, annual government programs for regulating employment of the Armenian population are put in place, including the payment of unemployment benefits. Under Article 23, the mandatory social insurance against unemployment is built on the below principles:

1. provision of state guarantees to insured individuals for exercising their rights,
2. the mandatory nature of employees' social insurance against unemployment under employment agreements and other grounds prescribed by the labor legislation,
3. targeted use of resources available under social insurance against unemployment,
4. ensuring social cohesion and social justice,
5. mandatory nature of financing social programs for protecting the population in cases of unemployment,
6. provision of scholarships to participants of vocational training courses which must not be less than the size of unemployment benefit;
7. Mandatory nature of social partnership.

Large-scale preparatory work was carried out during 2005-2007 on reforming the pension insurance system of the Republic of Armenia.

From January 2005 the system of personified record keeping for state social pension insurance is operational.

Within the system of state social pension insurance personified record keeping covers:

a) recording of personal data of individuals (hired workers) subject to pension insurance in registration cards both in the electronic and paper format, i.e., opening of an individual account for the individual,

b) collection of data on the record of contributions, salary of the insured person (hired worker), contributions calculated, paid and transferred on his or her behalf to the State budget of the Republic of Armenia during the period after he or she joins the pension insurance system, and inclusion of these data in the individual account of the insured person,

c) collection of data on periods of employment and other activities of the insured person (hired worker) before his or her registration in the database which are treated as part of his or her length of service, and inclusion of these data in the individual account of the insured person,

d) Information support of procedures for granting pensions, calculating (recalculating) and adjusting their size,

e) Provision of free information to the insured person (hired worker) about the data reflected in his or her individual account,

f) On the request of the insured person, making modifications to the personal data included in the database.

Employers, notaries and sole entrepreneurs are required to file individual annual reports on persons (hired workers) who have entered into employment relationships with them. Individual reports include information about the size of salary of each hired worker, calculated and paid-off social insurance contributions, as well as other personal information identified under the government decree (namely, the social security card number, surname, name and father's name, date of birth, sex, registration and actual residence address, serial and successive passport numbers, citizenships).

By April 1 of the current year employers, notaries and sole entrepreneurs submit individual reports for the previous reporting year to regional offices of the State Social Security Service of the RA Ministry of Labor and Social Issues according to the place of their state registration. The reporting period starts on January 1 and ends on December 31 of each year.

In 2006 an interagency pension reform working group was set up under the ordinance of the Prime Ministry of Armenia for the purpose of developing the Armenian Pension reform program based on its review of the best international practices and current trends of pension system reforms. After extensive and effective work conducted over the past two years, the group developed the Pension Reform Program and submitted it the Government. Thus, the program was approved per Government Decree N 1487 of November 13, 2008.

Under the Pension Reform Program, a multi-pillar pension system will be introduced in the Republic of Armenia. It will consist of 4 pillars, each of which will serve its own purposes which vary across pillars, dependent on the length of service and age of their beneficiaries.

Pillar "0" of the pension system will individuals with incomes equivalent to the minimal consumer basket from the State budget in cases of old age, disability and survival if these individuals do not have any length of service (record of contributions).

Pillar "1" of the pension system will compensate from the state budget against non-received incomes to individuals in case of disability, survival and reaching the retirement age if these individuals have had formal employment and have paid respective taxes (social contributions) for a legally prescribed period.

Pillar 2 of the pension system compensates against non-received income at the cost of paid mandatory contributions and return thereon when individuals paying fully funded pension contributions reach the retirement age.

Pillar 3 of the pension system will ensure supplementary income for individuals who will have paid voluntary fully funded pension contributions when these individuals reach the retirement age.

Within the framework of pension reforms, the system of income tax and mandatory social insurance contributions will be reformed as well. The mandatory social insurance contributions and the income tax will be replaced by a unified income tax at the rate of 26% of incomes of hired workers, sole entrepreneurs, notaries and self-employed persons.

Pillar "0" of the Pension System

Social pensions will be paid from Pillar "0" of the pension system. The purpose of the social pension is to ensure minimal income in cases of old age, disability and survival for individuals who have not earned the right to retirement benefit.

By its size the old age social pension will equal to 100 percent of the minimal consumer basket in 2018, and from 2021 it will reach the level of 80 percent of the basic pension which should be at least equal to the minimal consumer basket.

Pillar “1” of the Pension System

Occupational pensions will be paid from Pillar “1” of the pension system. The eligibility criteria for an occupational pension will be consistent with the eligibility criteria for the insurance pension of the existing “pay-as-you-go” pension system, i.e., the types of insurance pensions, eligibility criteria, procedure for calculation will be preserved, other than the below described changes.

The minimal length of service (record of contributions) entitling an individual to receive an old age pension will be 10 years as opposed to the current legally prescribed 5 years.

The size of the basic pension and cost per year of contributions (length of service) will be established by the Government of the Republic of Armenia, taking into account the following rules and targets:

- 1) From 2012 the average occupational pension should be equal to the size of the minimal consumer budget;
- 2) In 2018 the average occupational pension will be equal to 150 percent of the minimal consumer budget, and the basic pension will be equal to the size of the minimal consumer budget;
- 3) From 2012 cost per year of contributions (length of service) will be adjusted by the consumer price index for calculating the size of occupational pension, and from 2018 the same index will be applied for adjusting the basic pension.

For those individuals who will migrate to the mandatory fully funded system, occupational pension will also be paid for the length of service obtained before their transfer to the mandatory fully funded system (before starting payment of fully funded pension contributions).

It is anticipated that the Government of Armenia will undertake concurrent measures towards reforming the disability and survivor’s pension system in order to:

- 1) Pay this type of pensions through insurance companies,
- 2) Revise the model for recognizing an individual disabled by migrating from the disability model applied in the Republic of Armenia to the EU model of defining the ability to work, and within the context of such a transition revise the procedure for calculation of the disability pension, taking into account the degree of lost ability to work.

The government will also undertake measures towards reforming the system of long service and privileged pensions with a view to:

- 1) Have the costs related to payment of this type of pensions incurred by employers, including within insurance schemes,
- 2) Apart from the eligibility criteria of mandatory occupational length of service for partial long service pension, also establish the requirement for at least 25 years’ total length of service (record of contributions).

The occupational pension will be granted by the authorized State body in the pension sector (the State Social Security Service of the RA Ministry of Labor and Social Issues) and financed from the State budget.

Pillar “2” of the Pension System

The mandatory fully funded pension will be paid from Pillar “2” of the pension system. From January 1, 2010 hired workers, sole entrepreneurs and notaries who were born on and after January 1, 1970 and (or) have not reached 40 at the time of their first entry to the labor market, irrespective of their citizenship, will become mandatory participants of the mandatory fully funded pension system.

Access to the mandatory fully funded component is open. Individuals who are not included in the above mentioned group, as well as military servants and owners of agricultural lands can participate in the mandatory fully funded system on a voluntary basis. However, an individual may

not revise his or her decision on participation in the mandatory fully funded system, i.e., persons who have joined the mandatory fully funded system on a voluntary basis may not change their decision and migrate back to their former retirement regime.

For individuals who have become mandatory participants of the mandatory fully funded system from January 1, 2010, the rate of fully funded contributions is 10 percent of their salary and its equivalent incomes. Half of the above amount (or 5 percent of their salary and its equivalent incomes, but no more than AMD 25.000) will be paid by the State/Government. This means that if the salary is below AMD 500.000, then the State/Government will contribute at 5 percent of the aforementioned amount, and in case of salaries above AMD 500.000, the monthly State participation will be AMD 25.000 for each employee. Thus, the fully funded contributions actually paid by individuals with salaries above AMD 500.000 will exceed 5 percent of their salary).

For individuals who have become voluntary participants of the mandatory fully funded system, the rate of fully funded contributions is 5 percent of their salary, without any State participation (i.e., the State/Government does not pay any fully funded contributions on behalf of these individuals).

Irrespective of their age, participants of the mandatory fully funded system will pay unified income tax, and upon retirement they will receive basic pension against the paid unified income tax amounts.

Individual contributing to the mandatory fully funded Pillar 1 will be entitled to receive:

1) Basic pension and fully funded pension, if as of January 1, 2010 they are under 40 and upon retirement have the required length of service,

2) Basic pension and supplement for years of service (occupational pension) and fully funded pension, if as of January 1, 2010 they are above 40 and upon retirement have the required length of service,

3) Social pension and fully funded pension, if upon retirement they have inadequate length of service.

Individuals under 40 who will have a certain length of service at the moment of joining the mandatory fully funded Pillar 2, will receive a supplement for these years of service upon their retirement (occupational pension).

The rules for using mandatory fully funded pensions will be set out in the respective legislation. The participant will be entitled to use the funds accumulated on his or her individual account:

1) Upon reaching the legally prescribed retirement age,

2) In the event of changing Armenian citizenship.

Upon reaching the retirement age, the individual may use his or her accumulated pension funds as follows:

1) Planned withdrawals, i.e., receiving monthly pensions under a specific planned scheme. In this case the monthly pension benefit is calculated by dividing the total accumulated amount by the average life expectancy at the retirement age (by dividing the amount by the number of months),

2) Annuities, when the accumulated funds are fully transferred to an insurance company which undertakes to pay a certain amount of monthly pensions to the individual until he or she dies,

3) lump-sum withdrawal, when in specific cases stipulated by law the individual is entitled to receive his or her accumulated funds in the form of a lump-sum payment.

Fully funded pensions can be used before reaching the retirement age only when the individual suffers from a disease (the list of diseases is established by the authorized body of the Government of the Republic of Armenia) which unless the necessary health treatment expenses are incurred will lead to individual's death or which is terminal irrespective of any incurred expenses.

In order to calculate annuities and planned withdrawals, the Central Depository of Armenia and insurance companies must use universal mortality tables for both sexes. These tables should be provided by the National Statistical Service of the Republic of Armenia.

Planned withdrawals represent distribution of accumulated funds according to the number of months of life expectancy. Planned withdrawals are calculated in line with the procedure established by the Government of the Republic of Armenia.

The majority of fully funded pensions will be paid in the form of annuities, and ensuring their inheritability is a mandatory requirement. The types of annuities will be defined by law.

When collecting mandatory fully funded contributions, these must be taxes, i.e., they will not be deducted from the income tax base. Return on mandatory fully funded contributions will not be taxed. Mandatory fully funded pensions will not be taxed, i.e., the T-E-E taxation scheme will be applied.

Funds accumulated from payment of mandatory fully funded contributions are inheritable. The terms and conditions for inheritance and shares of inheritable funds differ depending on cases:

1) if the individual dies before reaching the retirement age, his or her spouse and other heirs per the Armenian legislation will receive the accumulated funds in full as prescribed by the existing legislation,

2) If the individual dies at his or her retirement age, and receives pension in the form of planned withdrawals, then the balance of his or her individual account will be inherited in full to his or her heirs in shares set out by the existing legislation.

The inheritable shares of accumulated funds are transferred to the pension accounts of heirs. A certain portion of the inherited funds can be used in cash, and this provision will be defined in legislation. Legal entities may not act as heirs of pension assets.

Mandatory pension funds may not be subject to seizure unless they are managed as prescribed by the legislation of the Republic of Armenia.

Mandatory fully funded pension assets will be handed over to asset managers which will be licensed by the Central Bank of Armenia. Each participant will select his or her asset manager. Return generated from management of assets will also be credited to the individual pension accounts of Pillar 2 participants (future pensioners). The law will define the permissible investments and investment portfolios of pension assets.

Pillar “3” of the Pension System

Pillar 3 of the multi-pillar pension system ensures supplementary pension. Voluntary fully funded pensions will be paid from this pillar with a view to ensure additional incomes at the retirement age from voluntary contributions paid by individuals in the course of their employment, and from the return on investment of the accumulated voluntary contributions. The terms and conditions for paying voluntary pensions will be defined based on the agreement signed between an individual and licensed financial institution (bank, insurance company).

The following persons can act as contributors (sponsors) of voluntary fully funded pension insurance scheme:

- 1) natural persons/individuals who make contributions for themselves from their incomes;
- 2) natural persons/individuals who make contributions for another person from their revenues;
- 3) Legal persons that make contributions on behalf of employees.

It is anticipated that certain tax holidays will be granted for the purpose of promoting participation in the voluntary fully funded system. Voluntary fully funded contributions paid by an individual from his or her own incomes or by the employer on behalf of its employee will be accordingly deducted from the income tax (for individuals) and profit tax (for legal entities) base, but no more than by 5% of the declared income or profit.

3) Please provide pertinent figures, statistics or any other relevant information, if appropriate.

According to consolidated statistical report data on temporary disability, work accidents and injuries, in 2006 in Armenia the costs related to compensation of losses due to occupational injuries and other health impairments which is paid to the victim or in case of the latter’s death to persons entitled to receive such a compensation were AMD 381.3 million (in 2007 - AMD 342.4 million), including AMD 210.0 for temporary disability benefits (in 2007 - AMD 37.4 million), compensation against non-received salary - AMD 53.2 million (in 2007 - AMD 20.6 million),

lump-sum benefits - AMD 17.2 million (in 2007 - AMD 32.0 million), costs related to medical, social and vocational rehabilitation - AMD 6.3 million (in 2007 - AMD 250.8 million). These costs were incurred by employers.

Article 13. The right to social and medical assistance

1) Please describe the general legal framework. Please specify the nature of, reasons for and extent of any reforms.

The following legal acts were passed during 2005-2007 and are effective in the area of social assistance:

Armenian Laws

- “On Social Assistance”
- “On State Benefits “

Government Decrees:

- Government Decree No. 2317-N “On Approving Procedures for Assessing Poverty Level of Families and Protection of Personal Data Reflected in Database of System for Assessing Poverty Level of Families, Making Changes Thereto and Exchanging Personal Data between the RA Ministry of Labor and Social Issues and Regional Social Service”,
- Government Decree No. 2315-N “On Approving Procedure for Defining Sizes of State Benefits, Allocating State Budget Funds for Paying State Benefits and Amending a Number of Government Decrees” of December 29, 2005,
- Government Decree No. 110-N “On Approving Procedure for Granting and Paying Family Benefits and Lump-sum Financial Assistance” of January 12, 2006,
- Government Decree No. 362-N “On Approving Procedure for Exchanging Personal Data Reflected in Database for Lump-sum Child Birth Benefits, Benefits for Care of Children under Two between the RA Ministry of Labor and Social Issues and Regional Social Service Offices” of April 5, 2007,
- Government Decree No. 1530-N “On Defining Sizes of State Benefits for 2008 and Amending a Number of Government Decrees” of December 27, 2007,
- Government Decree No. 1896-N “On Approving Procedure for Defining Sizes of State Benefits, Allocating State Budget Funds for Paying State Benefits and Amending a Number of Government Decrees” of December 28, 2006,
- Government Decree No. 39-N “On Approving Procedure for Defining Sizes of State Benefits for 2009, Allocating State Budget Funds for Paying State Benefits and Amending a Number of Government Decrees” of January 15, 2009.

Directives Issued by the RA Ministry of Labor and Social Issues

Directives Issued by the RA Ministry of Labor and Social Issues

- Directive No. 153-N of the RA Minister of Labor and Social Issues “On Approving Generic Charter of Social Assistance Council” of September 18, 2006
- Directive No. 37-N of the RA Minister of Labor and Social Issues of March 15, 2006
- Directive No. 32-N of the RA Minister of Labor and Social Issues “On Approving Generic Charter of Regional Offices Providing Social Services” of February 9, 2007.

The family is the subject of the social assistance targeted program – the Family Benefit Program. In Armenia the indirect method for assessing the level of family poverty is used because of the impossibility for applying the direct method (comparing family income with the required minimum).

According to the RA Law on State Benefits, poor families with poverty scores higher than the one for the marginal poverty size are eligible for a family benefit.

The procedure for assessing the level of poverty of families is established by the Government of Armenia. The family poverty score is assigned by taking into account a number of measures, namely, the social group of each family member (disability, pensioner, child, adult incapable person, etc.), the number of incapable members, place of residence, housing conditions, average monthly income of the family, etc. (in total, 12 factors).

- the social groups of family members are 17, and each group has its own poverty score: Pave.

Other measures are ratios with their own values expressed in figures. The product of these ratios determines the poverty score for each family. The higher the score, the poorer is the family.

Changes in any of 12 factors can result in a different family poverty score:

- change in family composition, i.e., child birth, death of a member, marriage of a child, labor migration of a member, etc., Kfam

- change in social group of a member, i.e., child becomes an adult, a member becomes disabled, retires, becomes unemployed or finds a job,

- dependent on the change of the social group of a member, the number of incapable members and hence, its coefficient changes, Kfam (children under 18, persons with disability of I,II, III severity groups, persons eligible for a pension are treated as incapable),

- change in aggregate monthly family income: the aggregate average monthly income of a family covers salary, pension, unemployment benefit as well as income received from cattle breeding and plant growing. Kinc

Changes in any of the income components leads to changes in poverty score of a family. The income ratio fluctuates from 1.2 to 0. This means that in case family per capita income is “0”, the score shaped as a result of consideration of the rest of indicators, may rise by 1.2 times, while in the event it is 36300 drams, equal “0”, since the income ratio is equal to “0”.

In the case a family per capita income is 7000 drams, the ratio equals 1,0, which means that family poverty score is shaped on the basis of the rest of indicators.

- change in the residence: family moves from high mountainous place to other settlement or a family settles in a bordering region, K_{home}

- change in living conditions of a family, a tenant of a prefabricated house receives an apartment as its ownership or a young family separates from the old one and starts living in a hostel, K_{res}

The remaining 6 factors relate to:

Owning a car which passed technical inspection in the previous year and is functional (implying that the family spends a certain amount on operation of the car; does not have a “bread winning problem”), K_{car}

Entrepreneurial activities of a family member (has an income source), K_{entr}

Amount of electricity consumption (based on average data for three summer months, from saving to redundant consumption) K_{el}
 telephone bill (the bill is compared to the income declared by the family), K_{tel}
 payment of customs duties (“shuttles”), K_{cust}
 acquisition of immovable property, K_{ip} ,
 - evaluation of family needs by social employees (a family may be recognized a non-beneficiary).

The family poverty score is calculated as the product of used measures which are expressed in figures.

$$P = Pave \times K_{fam} \times K_h \times K_{ap} \times K_{ca} \times K_{en} \times K_{ip} \times K_{tel} \times K_{el} \times K_{inc} \times K_{cust} \times K_{ap},$$

According to the RA state budget, each year given the economic reforms implemented in the country as well as the dynamics of poverty level, certain financial measures are defined in relation to family benefit. Based on the amount of these funds, the RA Government each year defines the marginal poverty score, benefit size for family benefit, and if needed, revises the procedure of evaluation of poverty level of families.

Previous period reforms

The reforms implemented in the system of evaluation of family vulnerability level, were basically implemented in line with the data of RA NSS on aggregate yearly research of living standards of households.

According to annual data of RA NSS on results of aggregate yearly research of living standards, the poorest are deemed to be the families with three and more children under 14, families living in mountainous areas and bordering regions, and a special attention was drawn to them through the system of evaluation of family vulnerability (family benefit).

At the same time, pensioners are deemed to be a vulnerable group, who according to the mentioned analyses, are at the “poor/non-poor” border line.

The RA Government focuses on the above-mentioned social groups, for their assistance the following measures have been implemented:

1. Since 2003, it has been defined that the size of a pension should be as much as the average monthly one for the last 12 months, rather than the size of pension for month preceding the application.

2. With consideration of the rise in primary income: pension, salary, etc., pursuant to the decrees of the RA Government the border score entitling to a family benefit for 2004, 2005 and 2006 was reduced from 36.00 to 35.00, 34.00 and 33.00 respectively. This made it possible to maintain the right to a family benefit for a rather big number of facilities, notwithstanding a rise in family incomes during the previous year.

As a result, in 2004, 2005 and 2006, the number of beneficiary families did not go down, and each year the system captured pensioners, about 75% of which, primarily families with children, would loose their right to a benefit, had the border line be not lowered.

3. Since January 1, 2006 the poverty scores for “pensioner” and “single pensioner” social groups (according to legislation, people without care-takers or “heirless”) were revised upward.

4. Pursuant to the family benefit and a lump-sum financial assistance, enacted from January 1, 2006 identifiers were defined for appointment of priorities of urgent assistance, among which a top one was the fact of losing the right of a single pensioner to a benefit due to a rise in pension.

5. Since January 1, 2007 the ratio attached to disabled members of a family was revised for single pensioners, which made it possible to neutralize the impact of increase in pensions during 2006, although prior to 2007, single pensioners having lost their right to a family benefit due to this measure failed to acquire a right to a family benefit.

6. Started 2008, for single heirless pensioners a separate provision was defined according to which their right to a benefit was unconditionally acknowledged, if their poverty score does not equal “0” (in 2008 – 30 thousand drams, in 2009 – 36300 drams) due the their income or other reasons.

7. Started 2009, the poverty score for persons without any social group attachment was lowered, due to which capable individuals indirectly were pushed to social policy active programs of employment area.

8. Since 2004, the size of family benefit has been differentiated, which has been attributed to the family poverty score, residence place, and number of children in a family. Notably, the size of family benefit is differentiated with according to supplementary amount given to children; hence it is effective only for families with children.

The data on border scores for family benefit right, base part, supplementary amounts, lump-sum assistance are presented in Table 2.

In parallel with poverty reduction in the republic, the number of families, and beneficiary families recorded in the system was reduced (the recording is implemented on voluntary basis, if a family deems itself as poor), while the portion of families with children in the system increased (Table 1).

2) *Please indicate the measures taken (administrative arrangements, programmes, action plans, projects, etc.) to implement the legal framework.*

In order to improve family benefit system, and develop normative-legal acts, within the budget request for analysis of expenditures in relation to state benefits, data on analysis of yearly generalized household living standard provided by RA National Statistics Service, and proposals based on them are discussed and approved by the RA Government.

At least twice a year, development courses are organized for employees of territorial bodies providing social services, during which they are introduced to the novelties and characteristics of legal relationships pertaining to state benefits, reforms implemented in social policy area, as well as news concerning “social work” specialty.

Methodical assistance to territorial bodies providing social services is implemented also on work basis, uninterruptedly, directly through the work between ministry-marz administration-local self-governance body- territorial bodies providing social services.

3) *Please provide pertinent figures, statistics or any other relevant information, in particular: evidence that the level of social assistance is adequate, i.e. the assistance should enable any person to meet his/her basic needs and the level of the benefits should not fall below the poverty threshold. Information must therefore be provided on basic benefits, additional benefits and on the poverty threshold in the country, defined as 50% of the median equivalised income and calculated on the basis of the poverty risk threshold value published by Eurostat.*

The biggest state benefit in terms of both financial resources and number of customers, is the family benefit programme enacted since 1999, which is called for assisting poor families and at the same time is of high social importance, attributed to still high level of poverty in the republic. During these years, the programme had been changed in terms of evaluation of vulnerability of families, formula for identification of family benefit size, as well as improvement of administration of the programme. Since 2003, the reforms implemented in family benefit system have been implemented in line with the strategic directions defined by PRSP, and data on yearly research of households implemented by RA NSS. The right to family benefit is defined on the basis of the poverty score assigned to a family, which is defined pursuant to the procedure of evaluation of poverty level of a family approved by the decree of

the RA Government No 2317-N, dated December 29, 2005. According to the procedure, a number of indicators are used to evaluate family vulnerability, in particular, a social group assigned to each family member, number of disabled family members, place of residence, living conditions, average monthly income of a family, etc.

Each indicator has its digital value, the product of which defines the poverty score of each family. The bigger the score, the more vulnerable is the family.

The entire monthly income of a family includes its financial resources calculated and payable to family members: salaries and wages, pensions, unemployment benefit, and incomes received from cattle breeding and plant growing.

Prior to 2008, the rate of increase in pensions was slower than in 2008 which conditioned the peculiarities of the policy implemented each year.

Given the rate of rise in pensions in 2004, 2005 and 2006 pursuant to decrees of the RA Government the marginal score entitling to a family benefit was reduced from 36.00 to 35.00, 34.00 and 33.00 respectively, due to which a rather big number of families retained its right to a family benefit, notwithstanding a rise in incomes in the previous year.

Since due to the changes in percentage of poverty score for separate social groups it is possible to “retain” beneficiaries in or “oust” from family benefit system, during these years the RA Government issued decrees setting provisions based on which most socially vulnerable pensioners of the republic had a chance to retain their right to a family benefit, notwithstanding the rise in the pension size (increasing the poverty score for “pensioner” social group, the impact of increase in pension size was reduced).

In 2004, 2005 and 2006 as a result of the above mentioned measures the number of benefit receiving families was not reduced, and every year families, having pensioners in them, preserved the right for family benefit, which could have lost that right if the marginal score hadn't been decreased (nearly 75%) and new families primarily with children received the right for the family benefit.

Resulted from the above mentioned changes, since January 2006, as a result of re-registration in the first quarter of 2006, only 770 single pensioners lost that right to benefit, while the number of families with a pensioner member to lose that right might reach 4000.

Since January 1, 2008 the marginal score for family benefit has been established at “30.00”, which enabled preserving families with pensioners in the system, under the conditions of increasing pensions; this made it possible to establish privileged conditions for heirless pensioners for obtaining family benefits – a single heirless pensioner receiving up to 30.000 AMD pension benefit, gets the right for family benefit, but since January 1, 2009 the effect of the income has been reduced: the family vulnerability score is “nulled” if the average monthly salary of each family member exceeds 36.300 AMD. Thus for 2009, the effect of increasing the pension for socially vulnerable pensioners, in defining the right for family benefit, was neutralized, and for capable (having no social group) people, through lowering their vulnerability score, was preserved at the same level.

In 2009, by the RA Government decree, the marginal score for the family benefit was defined the same score - “30.00”.

Changes made in the family benefit programme during these years have been expressed in the ratios of numbers of families registered in the family vulnerability evaluation system and entitled to a family benefit, as well as families with children having obtained the right for family benefit. Thus, the table below introduces the dynamics of changes.

Table 1. Family Benefit Program in Armenia, 2003-2008

	2003	2004	2005	2006	2007	2008
Registered families (% in total Armenian families)	28.37	26.96	25.42	23.81	22.14	21.54
Beneficiary families (% in registered families)	67.84	63.88	64.81	72.25	72.29	73.25
Beneficiary families	14121 8	13422 4	12716 7	13019 0	12468 9	12116 0
Beneficiary families (% in total Armenian families)	18.39	17.48	16.56	16.95	16.24	15.77
Families with children (% in beneficiary families)	63.5	65.56	69.29	72.20	75.90	76.34
Funds allocated in the RA State budget (billion)	12.75	16.0	20.0	24.0	26.407	29.38 8
Average benefit	7200	9000	12300	15000	17500	21100

Taking into consideration the fact that registration in the system is on voluntary bases, and if the family considers itself poor and expects help from the government, it can apply for registration in the system of beneficiary family assessment. In the table above it is obvious that the number of registered families is decreasing, while the average monthly income is increasing. At the same time the specific weight of families with children among the beneficiary families is increasing, which is in accord with the policy adopted by the government – priority to children when providing social support.

The impact of family benefit in poverty, especially abject poverty reduction, is still great.

According to RA NSS 2007 data on household’s living standards, the evaluation of the family benefit programme impact is as follows.

The significance of the family benefit for poor families is remarkable. If no family benefits were paid in 2007, then the level of abject poverty would have increased by 43.3 percent whereas it would have increased by 41.4%, 35.2% and 22.0% in 2006, 2005 and 2004 accordingly.

State benefits to population

RA Law “On State benefits” defines four types of allowances: family benefit, lump-sum benefit during child birth, child care benefit and benefit for a family with perished (Armenian National Hero) members, as well as members awarded a Combat Cross Medal. The law defines the purposes of the state benefits and the principles of allocation.

Family and lump-sum benefit program

We shall continue direction of financial resources for family benefits to extremely poor families, families with children, with extremely dependent children, taking into consideration the family residence place – highly mountainous or bordering settlements.

Figures in Table 1 speak of poverty reduction, of awareness level of families to apply, of the fact that resources of the RA State budget are directed to families with children. The program has been functioning for 10 years and changes during the recent years are introduced in Table 2 below.

Table 2. Changes in the family benefit system

		2003	2004	2005	2006	2007	2008	
Marginal score		36.00	35.00	34.00	33.00	33.00	30.00	
Basic portion of benefit		4000	4500	5000	7000	7000	8000	
Basic portion of the benefit for families without underage children						7500		
Supplement given to each up to 18 -year-old member	Differentiation							
	Beneficiary score							
	36.01 and more	Till July	1500					
		Starting July	2000					
	35.01-38.00		2500					
	38.01 and more		3000					
	34.01-38.00				3000			
		High mountainous (h/m) bordering (b) settlements			3500			
	38.01-41.00				3500			
		h/m and b settlements			4000			
	41.01 and more				4000			
		h/m and b settlements			4500			
	33.01-37.00					4000	4500	5000
In case of 4 and more underage children (family with dependent children)					5000	5500	6000	
<i>Year 2008</i>								
<i>30.01-35.00</i>								

		h/m and b settlements				4500	5000	5500
		h/m and b settlements and family with dependent children				5500	6000	6500
	37.01-40.00 <i>Year 2008</i> 35.01-39.00					4500	5000	5500
		family with dependent children				5500	6000	6500
		h/m and b settlements				5000	5500	6000
		h/m and b settlements family with dependent children				6000	6500	7000
	40.01 and more <i>Year 2008</i> 39.01 and more					5000	5500	6000
		family with dependent children				6000	6500	7000
		h/m and b settlements				5500	6000	6500
		h/m and b settlements family with dependent children				6500	7000	7500
Urgent support			4000	4500	5000	7000	7500	8000
Lump-sum support, including								
Child birth					35000	35000	35000	35000
For the third and coming after child/ren/							200000	300000
For going to the first grade					20000	20000	20000	20000
In connection with the death of a family member						25000	25000	50000

The RA Law on State benefit has defined clear-cut bases for lump-sum benefit – child birth, going to the first grade and in case of death of a family member having the benefit right (if s/he is not a pensioner, an employee, or an unemployed with at least one year of insurance) a lump-sum benefit for the funeral.

According to RA NSS 2007 household living standard comprehensive research data, 73% (72.3% in 2006) of the beneficiaries receiving 70.06% (76.4% in 2006) of the allocated to the program financial resources are in the two bottom inverse distributions. In the result of measures directed to perfecting the program direction, from the viewpoint of beneficiary numbers, there

is progress; however the same cannot be said about the financial resources. At the same time positive progress has been registered from the viewpoint of beneficiary family number in 20% of population on the top inverse distribution, as well as from the corresponding financial resources viewpoint – they have decreased respectively 7.9% and 6.6% for 2006 and 6.1% and 7.1% for 2007. This policy will continue during 2010-2012 years. During 2008 the average family benefit was nearly 21.1 thousand AMD.

In 2008, from 165394 families registered in the family vulnerability evaluation system, on average 121160 families (or nearly 73,25% of the total registered) have received monthly benefit, and 10010 families (or 6,1% of the registered) have received urgent support with average amount of 21100 AMD. Families having benefit right were given lump-sum benefit for child birth – 2972 families, for the second and after that born child – 4306 families, for the child going to the first form – 9390 families, for death of a family member – 188 families.

Up to 2-year-old child-care benefit

With consideration of the fact that the purpose of this benefit is to compensate the salary of a care tasking person, the size of the benefit is conditioned by the amount of minimum salary, equaling it to 60% of the minimum salary for he given year.

In 2009, the size of a benefit for a child under 2 was set to equal 18 thousand drams as compared to 3000 drams in the previous year.

Childbirth lump-sum benefit

Since January 2009, the size of the lump-sum benefit was increased and differentiated. It is expected that this circumstance will enhance child-birth. Below it presented the number of persons receiving benefit for child birth.

Table 3. Number of persons received a lump-sum benefit for child-birth in 2003-2008.

Years	2003p.	2004p.	2005p.	2006p.	2007p.	2008p.
Born in the RA	35793	37520	37499	37639	40105	40138
Beneficiaries	28884	30283	25237	29201	38801	38303

The proposal for differentiation of benefits is explained by the circumstance that before and in 2008, the programmes aimed at enhancement of birth were implemented through system of family benefit, although the number of families included in the system goes down, the demographic indicators are not satisfying.

According to the data of the RA NSS, the number of live births, including the sequential number of the birth in a family is as follows:

Table 4. Number of live births in the RA, 2000-2007

	2002	2003	2004	2005	2006	2007
RA, total	32229	35793	37520	37499	37639	40105
3 children in a family	3665	4016	3963	4014	3758	4263

4 children in a family	1027	1007	851	858	705	708
5 th and further child born to a family	529	326	272	229	304	332
3 rd and further child born to a family (total)	5018	5349	5086	5101	4767	5303

At the same, according to the data of the research on demography and health issues in Armenia, the current birth indicator for Armenia (2005) was 1.7 per female. In order to ensure natural reproduction, it is necessary to have the indicator slightly above 2.0. Meanwhile, this indicator remained the same in 2000 and during the last 5 years did not change.

The table shows while the total number of infant birth in the RA goes up, the birth of the third and next infants is reducing, while in order to ensure a birth ratio above 2.0 there should be an increase in the number of a family with three children.

Given the above-mentioned facts, the lump-sum benefit size for a child was differentiated as follows:

The size of a benefit for the first and second child in a family is set to equal 50 thousand drams, while the benefit for the third and subsequent child – 430 thousand drams.

Article 14. The right to benefit from social welfare services

Article 14.2

1) Please describe the general legal framework. Please specify the nature of, reasons for and extent of any reforms.

The issues of entitlement to social security services are regulated by the RA law “On social assistance” (hereinafter, the Law), which was adopted on October 24, 2005 and became effective on January 1, 2006. The mentioned law defines the principles of organization and provision of social services, the scope of beneficiaries, types and patterns of social assistance, customer’s rights, obligations, responsibilities, it also gives the definition of social work, social specialist, its right and obligations.

Pursuant to Article 4 of the Law, the main purpose of social assistance is to:

- meet the primary needs of persons facing a difficult situation,
- create conditions for integration into the society,
- enhance their self-aid abilities and contribute to the development of skills for solving their problems on their own,
- prevent their social isolation,
- as well as assist them in settling their social, financial problems.

The main types of social services per article 7 of the Law are as follows:

1. provision of consulting services,
2. provision of rehabilitation assistance,

3. financial assistance,
4. in-kind assistance,
5. ensuring temporary shelter,
6. organization of care,
7. legal assistance,
8. other legally non-prohibited social services.

The mentioned functions are exercised by territorial bodies of social service, the home care centre for the aged and specialized rehabilitation organizations.

There are 55 social service territorial centers.

The territorial social service bodies execute the following functions:

1. identification of vulnerable/poor families and duly registration in the system of family vulnerability evaluation,
2. defining financial assistance and its duly implementation,
3. verification of the authenticity of the documents submitted by individuals for social assistance,
4. in the cases prescribed by the RA legislation, projection of individual social-psychological rehabilitation programmes for customers and their implementation either independently or in conjunction with relevant organizations,
5. consideration of individual rehabilitation programmes for the disabled developed by relevant medical-social examination bodies in developing individual social and psychological rehabilitation programmes for disabled people,
6. participation in development and implementation of social development programmes in the relevant district,
7. guaranteeing equal opportunities in terms of social assistance, its accessibility and qualifying in meeting the individual requirements of a customer,
8. legal protection of interests and rights of a customer at its own initiative or at the request of the customer,
9. cooperation with government and local self-governance bodies as well as other organizations providing social assistance,
10. participation in measures organized by other bodies which are aimed at solution and prevention of mendicancy and homelessness,
11. provision to individuals of necessary information and consultancy, and if needed, for specialized assistance, indicating them other specialized organizations for necessary specialized assistance,
12. registration of individuals having applied for help, research of their families, social – economic conditions, support in compilation of documents and provision of an application to a relevant organization,
13. implementation of other powers granted to it under this law and other legal acts.

According to the RA law “On state benefits”(adopted on October 24, 2005 and enacted on January 1, 2006) the following types of state benefits have been established:

1. family benefit,
2. child care benefit,
3. lump-sum benefit for a birth of infant.

Family benefit

A family benefit is provided to a poor family having applied and being registered in the system of family vulnerability evaluation and satisfying the requirements set forth pursuant to the

procedure of the RA Government. Each year, the RA Government conducts a revision of the mentioned requirements.

The size of a family benefit is defined by means of adding to the basis portion the supplementary amount given for the number of children in a family. The supplementary amount is differentiated based on the poverty level of the family, place of residence and number of children.

The families registered in the system of vulnerability evaluation but failed to be entitled to receive family benefit, in the case of their application for help, may be granted urgent assistance for three months. Their applications are considered by the social assistance voluntary councils operating at social service territorial bodies; these councils involve representatives of non-governmental organizations.

Besides, a lump-sum financial assistance may be paid to the families entitled to family benefit, if a family member delivered an infant, or a family member deceased or when one of the children in that year goes to a first form of a secondary school. It is noteworthy that the amount of financial assistance is differentiated as well, with consideration of the number of children in the family.

Each year, the financial resources appropriated from the RA state budget for this purpose make 0.8% of GDP.

Benefit for child care before reaching the age of 2

A benefit for child under 2 is provided to working mothers (parent) in the case they are having their long-term vacation prior to bringing the child to the age of 3. The benefit is provided until the child is 2.

Since 2009, the amount of care benefit is based on the minimum salary established for the given year in the republic.

Lump-sum benefit for child birth

A lump-sum benefit is granted in relation to a birth of an infant to its parent, irrespective of the level of vulnerability (welfare), in the case of relevant application.

Since 2009, the size of a lump-sum for a child birth is based on the minimum consumer basket for the given year, while its specific amount depends on the sequential number of the birth in the family. The adoption of this provision brings to an end the different ion of a lump-sum financial assistance for a child birth provided so far through family benefit system.

The legal basis for the social protection of the **disabled** is the acting RA legislation and international conventions joined by Armenia. Particularly, the development of social protection policy for the disabled is based on the provisions of “Action plan of European Union for 2006-2015 for ensuring rights of the disabled, full participation in society and enhancement of life quality” and the declaration of UNO of December 13, 2006 “On disabled people’s rights”.

The provisions relating to social protection problems of the **disabled and aged** are documented in the RA Constitution, the Ra laws “On social protection of the disabled in the Republic of Armenia”, “On state pensions”, “On social assistance” and a number of legislative acts.

Particularly, the RA law “On social assistance” adopted in December 2005, regulates the relations arising from provision of social assistance, it identifies the social groups (including the disabled, aged), which should be provided by the state with guaranteed social assistance, social consultancy, care and other services.

In order to implement the mentioned law, the RA Government has approved the “Procedure for provision of care to aged and disabled people” and the “Provision of rehabilitation assistance”.

In order to qualify for provision of social services, government and non-government organizations should meet the standards approved by the RA Government. The latter were approved

with the adoption of a decree N730-N “On approving the minimum standards for provision of assistance and social services to the aged and disabled” dated May 31, 2007. Besides, The RA Ministry of Labour and Social Issues is developing terms of reference of the service, which set forth certain requirements to the provision of services. The organization should submit monthly or quarterly reports on implemented activities.

As to participation of civil society in the development of a policy, it is noteworthy that the consideration and regulation of the issues pertaining to the protection of interests of the aged and disabled, is conducted by state authorities with participation of relevant non-governmental organizations of disabled and aged people or upon their consent.

2) *Please indicate the measures taken (administrative arrangements, programmes, action plans, projects, etc.) to implement the legal framework.*

In order to implement these measures, based on the decree of the RA Government N350 “On procedure of assigning vulnerability family benefit and payment in the Republic of Armenia” dated July 3, 2000, voluntary social assistance councils at territorial agencies of social services were established.

Subsequently, with the adoption of the RA law “On social assistance”, this provision was legally documented (article 23 of the law).

The councils include representatives of marz administration (Yerevan municipality), local self-governance body, subdivision assigning pensions, local territorial employment body and non-commercial organizations.

The activities of non-commercial organizations included in the councils should have a social orientation.

The order of the RA Minister of labour and social issues N153-N dated September 18, 2006, approved the charter of the social assistance council, which was registered with the RA Ministry of Justice on December 26, 2006 (/N11506429/).

Pursuant to the charter of the council, its main tasks are as follows:

- in line with the procedure established by the RA law “On social assistance”, provide assistance in identification, registration and provision of social assistance to persons in difficult social situation, enhancing the addressed nature of social assistance and efficiency of utilization of funds,
- provide support to republican and territorial assistance programmes within the area assigned to the given agency, contributing to the social partnership in the area of social assistance,
- contribute to enhancement of public awareness on provision of social assistance,
- in cases and manner defined by RA laws submit well-grounded proposals and conclusions on provision of social assistance.

Financial assistance to disabled and aged people in the area of social assistance is implemented on the basis of the level of their family vulnerability.

The largest state programme of social assistance is the one providing family benefits. A benefit is assigned to a person with consideration of the level of vulnerability of a family. Those having a status of a disabled and disabled children under 18 are classified under a group with high poverty scores. Hence, the families with a disabled member have more chances of getting a family benefit.

Within the system of family benefit, disabled people as socially vulnerable groups are assigned rather high scores, which enable their families to acquire additional scores and get financial assistance.

The family benefit system captures around 107000 persons, of which 27000 are disabled, 11680-above the age of 75. An important means for involving the disabled and aged into an active social life, and enhancement of their life quality is provision of social services. These services are

provided in round-the-clock care institutions, and at their homes and day care centres for the disabled.

The care and social services of government and non-government organizations are enjoyed by over 10000 aged and disabled individuals, the percentage of the disabled in the total number of those serviced is about 40%.

The 7 old people's homes, including two specialized ones for the disabled (4 government funded, and 3 non-government funded) take care of around 1100 aged and disabled (about 480 disabled), while in their homes and day care centres are serviced more than 9000 pensioners.

The disabled serviced in their homes and day care centres are provided with various free services: daily care, medical, social-psychological, rehabilitation assistance and legal consultancy.

Daily care and social services are provided to the disabled both by government and non-government organizations. In particular, the Centre for social home servicing of single aged and disabled operates within the system of the RA Ministry of Labour and social Issues and services Yerevan city: 1500 single and care needing people, of which some 400 are disabled. In this area, "Mission Armenia" charity organization is a well-known and highly reputable organization, which has organized 12 community centres in marzes and Yerevan. Within these services, apart from the mentioned above, personal hygiene, housekeeping, food delivery and other services are provided as well.

The aged and disabled serviced in old people's homes, their own homes and day care centres live a rather active social life. Periodically they take part in cultural events, various meetings and discussions, celebrate all holidays and birthdays, etc. They also partake in development and implementation of decisions pertaining to their lives and activities of their organization in groups chosen by them; it is noteworthy that elders' councils operate in old people's home, where they discuss and make decisions in regard to various issues.

Since 2006, a temporary shelter for homeless people has been functioning in Yerevan. The purpose of establishing a temporary shelter for the homeless is to provide homeless people, including the aged, disabled and females, with social assistance, in particular, to provide organization of their lodging for the night, as well as clothes and food, first aid, legal and psychological consultancy. The homeless people can stay at temporary shelter up to 60 days.

A special attention is focused on the disabled and non-mobile groups in ensuring the accessibility of various social areas for them. A step towards it was the adoption in February 2006 of a procedure aimed at ensuring the accessibility of social, transportation and engineering constructions for the disabled and non-mobile groups.

The disabled are also provided with social services in social-rehabilitation day centres. The creation of such centres is documented in the Strategy of social protection of the disabled for 2006-2015 and the RA law "On social assistance". The enhancement of their establishment as well as delegation of social programmes to non-governmental organizations as priority direction is included in the provisions of "Stable development programme". Similar centres operate both in government funded organizations and those operating on voluntary basis.

It is noteworthy that in the republic it is attempted to introduce a new model of social protection system – "A social home", which is aimed at providing homes to homeless vulnerable people who are not in a position to acquire an apartment.

The tenants of a social home live on their own, make payments in relation to their utility services, enjoy rights and have obligations documented in agreements, the apartment is not their ownership. Agreements with beneficiaries are made for various periods and may be extended. Local self-governance body or non-government organization arrange the medical and social services of social home tenants and to the extent possible, compensate certain utility payments and cover the building's maintenance expenses.

The most important component of "Social home" model is the availability of a "Supporting family". The supporting families necessarily should have many children (two and more underaged children), high moral-psychological standards, which are also selected from among homeless,

socially vulnerable layer. These families should on a contractual basis, voluntarily support those who need it. The supporting family ensures supporting environment for those aged and disabled residing in social home as well as ensures the link between them and the community.

3) Please provide pertinent figures, statistics or any other relevant information to demonstrate the participation of the voluntary sector to the provision of social services, as well as the effective access of individuals to these services.

On an annual basis representatives of around 160 non-governmental organizations are involved in social assistance councils.

For the first time in Armenia an attempt is made to involve representatives of the civil society in works related to distribution of State budget resources.