

## ANNEX 5

### ***1. Migrants who come to work in the country***

#### ***A. Migrant foreign workers***

##### **1.1 Adhering to the system**

##### **a. and b. Work and residence permit**

According to Strangers Act, 2003 (Zakon o strancima iz 2003.), for the purpose of entering in employment, all categories of migrant foreign workers in Croatia need a work permit. The work permit is issued by the Ministry of Interior. Based on a claim submitted by the employer it is issued for the same period of time as the duration of the work contract. It cannot exceed the maximum of 24 months but it can be extended in case of extended work contract. As a principle, the temporary residence is determined based on the length of the work permit. Besides the work permit, that is necessary for an employment-related contract, self-employed persons may claim the business permit for the purpose of starting a self-employment activity in Croatia.

Some categories of foreign workers are not obliged to issue a work permit (members of company management as defined by Stabilisation and Association Agreement with EU, company founders, other managers and persons who are not bound by the work contract with the company in question, journalists etc.).

##### **c. Registration**

The migrant foreign worker needs to be reported to the Croatian Health Insurance Institute and to the Croatian Pension Insurance Institute, following the same procedure as Croatian citizens (the principle: *lex loci laboris*). In case that a person is registered in the Ministry of Interior and has a permanent residence permit, he/she gets an ID card for foreigners, which contains a unique personal number. With this ID card and number the person can register at social security institutions.

##### **d. Contributions**

According to the 2002 Compulsory Insurance Contributions Act, the employer of the migrant worker is obliged to pay contributions for health insurance (15% general contribution from payroll and the additional 0.5% of payroll for occupational injury or employment disease risks), pension insurance (20% from gross wages) and unemployment insurance (1,7% from payroll). The gross monthly wage is the base for calculation and payment of contributions.

##### **e. Affiliation abroad**

If a migrant worker, already covered abroad by the social security system of another country, comes to work in Croatia as a person employed with the employer whose registered place of business is in Croatia, he/she will have to be insured in Croatia as well, according to the principle of the place of employment, except if otherwise is

determined by an international agreement on social security or if the worker concerned is posted (detached) from another country to Croatia and if such a detachment is covered by an international agreement on social security. The same applies to self-employed persons if they start a business activity in Croatia, besides the business which they already run in another country based on which they are covered by that country's social security system, except if otherwise is determined by an international agreement on social security.

#### **f. Complaint**

Foreign migrant workers may launch a complaint to decisions related to work and residence permit (at the Ministry of Interior), to affiliation (at the Croatian Health Insurance or Pension Insurance Institute) and also related decisions on contributions payment (to Tax Administration). The complaint is dealt with the second instance committees or departments of the same bodies or institutions that gave the first instance decision.

After the second instance procedure was consumed and if the person concerned is still not satisfied, the judiciary protection is provided for at the Administrative Court and is based upon a lawsuit. After the judgement of this Court, the migrant worker has the possibility of submitting the constitutional suit at Constitutional Court of Croatia, in case that he/she assumes that his/her constitutional rights were violated.

#### **g. Non-compliance**

The Labour Inspectorate is competent for administrative sanctions against the employer. In case that the employer engaged in employment a migrant worker without the residence and the work permit, the sanctions will be applied to such an employer. Such worker will be treated as a foreigner illegally working and residing in Croatia and will be expelled from the country.

### **1.2. Opening entitlements**

#### **1.2.1 Old age**

##### **a. Procedure**

Claims for benefits based solely upon national legislation and benefits based on international agreements on social security are submitted in different ways. The latter are usually claimed on a form specially designed and agreed between contracting parties and this applies to all kinds of benefits, including the old-age benefit (old-age pension).

Differently from that, for benefits based only upon national legislation no official form is necessary. Whether the application for old-age benefit (old-age pension) is submitted in the form of a letter, even in handwriting, or on a special form aimed for claiming pension benefits, it has to be accepted in the competent institution as a claim. It can also be submitted personally in the spoken form to an officer in charge in the competent institution who takes it in the form of minutes.

The application should be furnished by evidence of insurance periods completed in Croatia, and in case of the claim based on an international agreement - also by evidence on insurance periods completed in a foreign country concerned.

The application is submitted personally or by mail to the competent District Service of the Croatian Pension Insurance Institute (18 District Services and Central Service in Zagreb). District Services are competent for decisions on inland benefits and also for decisions in case of application of international agreements on social security with Austria, Bosnia and Herzegovina, Germany, Macedonia, Slovenia, Serbia and Montenegro. The competency of a District Service is determined according to the last place of insurance (work) in Croatia, and if more than 12 months have passed between the end of insurance period in Croatia and the claim, the competency is determined according to the last place of residence in Croatia. In case of claim based on an international agreement on social security and if the claimant resides in another contracting state, the claim is submitted through the competent pension insurance institution in the country of his/her residence or directly to the competent Croatian institution..

Croatian Pension Insurance Institute is competent to give the first instance decisions based on claims and the second instance decisions based on complaints. After the second administrative instance, the judicial protection of rights is provided for at the Administrative Court of Croatia and, exceptionally, at the Constitutional Court of Croatia.

#### **b. Entitlement conditions**

Pension Insurance Act, 1998 (Zakon o mirovinskom osiguranju iz 1998.) applies to all pension claimants independent of their citizenship or origin, no difference is made regarding the fact if a claimant is a migrant worker or Croatian citizen. Entitlements provided for by the Pension Insurance Act are based on the insurance status of persons covered and on the insurance periods completed. Migrant workers are entitled to the insurance status if they are employed or self-employed in Croatia, and, as it was stated above in A. 1.1, a. and b., for the employment status which leads them to the insurance status, they need, besides the work contract, the work and residence permit.

The requirements for *old age pension* are: 65 years of age for men and 60 for women, with minimum 15 years of insurance period. In the transitional period, 2006: men age 64 and women age 59 years with 16 years of insurance period; 2007: men age 64,5 and women 59,5 years with 15,5 years of insurance period. The old-age pension may be also acquired based on the full insurance period of 40 years (men) or 35 years (women) during the transitional period in 2006 and 2007 under the same conditions of age as for early retirement (see the age conditions in the following paragraph). After the expiry of the transitional period the maximum insurance period will no longer apply.

*Early retirement*: age 60 with 35 years of insurance period (men) or age 55 with 30 years of insurance period (women). In the transitional period, 2006: age 59 with 35 years of insurance period (men) or age 54 with 30 years of insurance period (women);

2007: age 59,5 with 35 years of insurance period (men) or age 54,5 with 30 years of insurance period (women).

### **c. Calculation**

The pensions are calculated based on the relation between the annual personal wage a claimant earned in Croatia and the statistical data on the annual average wage of all employed persons in Croatia (point system, as in Germany). The wages taken into account are those earned in the period from 1 January 1970 until the end of the work history year that directly precedes the year of the retirement. *The pension formula:* Pension points x Periods of insurance x Actual value of pension. *Reduction of early retirement pensions:* the reduction of 0,34% per month of anticipation is applied.

In case of the application of a bilateral agreement on social security, *the totalization of periods of insurance* completed in Croatia with relevant periods completed in another country applies for the fulfilment of conditions for old-age benefit if the migrant worker has completed also periods of insurance in one of these countries with which Croatia is bound by such a bilateral agreement: Australia, Austria, Bosnia and Herzegovina, Belgium, Bulgaria, Canada, Quebec, Czech Republic, Denmark, France, Germany, Hungary, Italy, Luxemburg, Macedonia, Netherlands, Norway, Poland, Slovakia, Slovenia, Serbia and Montenegro, Sweden, Switzerland and the United Kingdom. These pensions are calculated according to the *pro rata temporis* principle.

Pensions are paid monthly, every month retroactively for the preceding month. No restrictions are applied regarding the payment abroad, independent of the fact if the payment is based upon the legal reciprocity (an international agreement on social security) or upon the factual reciprocity (payment of domestic pensions abroad). The principle of reciprocity is applied to the latter situation.

### **d. Anti-cumulation**

Old-age and early retirement pensions are not payable to persons who are still engaged in employment or self-employment activity. Persons entitled to a pension in Croatia and at the same time in some other country, may receive both pensions, but in case of the entitlement to two pensions from the Croatian public pension insurance system, only one pension is payable, depending of the choice of the beneficiary concerned.

### **e. Multilateral calculation**

Croatia is not the contracting party of directly applicable multilateral conventions on social security, but according to some agreements on social security (for exemple, all agreements with the successor countries of the former RSF of Yugoslavia) the totalization of periods of insurance completed in third countries is possible.

## **1.2.2 Survivorship**

### **a. Procedure**

The procedure of submitting the claim for survivors' benefits is the same as in case of old-age pension (see 1.2.1.a). In case that an international agreement on social security applies, if the survived family members reside in another country, they are entitled to claim benefits through the competent pension insurance institution in the country of residence, or directly from the competent Croatian institution.

Croatian Pension Insurance Institute is competent to give the first instance decisions based on claims and the second instance decisions based on complaints. After the second administrative instance, the judicial protection of rights is provided for at the Administrative Court of Croatia and, exceptionally, at the Constitutional Court of Croatia.

#### **b. Entitlement conditions**

*The deceased person:* an insured person with 5 years of insurance period completed, or a beneficiary of an old-age, anticipatory or invalidity pension. *The survived member family member:* widow or widower – age 50 years (those aged 45 years or more can realise this pension at age 50), or incapable for work; children (including the deceased person's orphaned brothers and sisters if they were supported by the deceased) –until age 15, until age 18 if regularly reported to the Employment Institute, until 26 years if in regular education program, or children incapable of work until such an incapacity exists; parents - under the condition that the deceased person has supported them until death - if incapable of work, or if aged 50 (mother) or 60 (father).

#### **b. Calculation**

The base for survivors' pension after the deceased insured person is a hypothetical amount of the invalidity or old-age pension, depending on which of the two the deceased person satisfied conditions on the day of death. The base for survivors' pension after the pension beneficiary is the actual monthly amount of the invalidity or old-age pension received by the beneficiary in the month when death occurred (see information on calculation of these pensions). The survivors' pension amounts are calculated depending on the number of entitled family members, form 70% for one beneficiary, 80% for two beneficiaries, 90% for three beneficiaries and 100% for four or more beneficiaries.

In case of the application of a bilateral agreement on social security, *the totalization of periods of insurance* completed in Croatia with relevant periods completed in another country applies for the fulfilment of conditions for survivors' pension if the deceased migrant worker completed also periods of insurance in one of these countries with which Croatia is bound by such a bilateral agreement: Australia, Austria, Bosnia and Herzegovina, Belgium, Bulgaria, Canada, Quebec, Czech Republic, Denmark, France, Germany, Hungary, Italy, Luxemburg, Macedonia, Netherlands, Norway, Poland, Slovakia, Slovenia, Serbia and Montenegro, Sweden, Switzerland and the United Kingdom. These pensions are calculated according to the *pro rata temporis* principle.

Pensions are paid monthly, every month retroactively for the preceding month. No restrictions are applied regarding the payment abroad, independent of the fact if the payment is based upon the legal reciprocity (an international agreement on social

security) or upon the factual reciprocity (payment of domestic pensions abroad). The principle of reciprocity is applied to the latter situation. The payment of survivors' pension to beneficiaries older than 15 years depends on presenting the certificate of undergoing the regular schooling programme in the country of residence.

### **c. Anti-cumulation**

The survivors' pensions are not payable to the employed or self-employed persons. Persons entitled to survivors' pension in Croatia and at the same time to any kind of pension in some other country, may receive both pensions, but in case of the entitlement to two pensions from the Croatian public pension insurance system, only one pension is payable, depending of the choice of the beneficiary concerned.

### **f. Multilateral calculation**

Croatia is not the contracting party of directly applicable multilateral conventions on social security, but according to some agreements on social security (for example, all agreements with the successor countries of the former RSF of Yugoslavia) the totalization of periods of insurance completed in third countries is possible.

## **1.2.3 Incapacity to work**

### **1.2.3.1 Sickness**

#### **a) Procedure**

The beneficiary, who is not satisfied with the health care service or medical practitioner's decisions, is entitled to submit a claim and/or complaint, respectively, to the Croatian Health Insurance Institute, which is competent to give the first and the second instance decisions. The judiciary protection is provided for at the Administrative Court of Croatia and if the constitutional rights fraud is suspected, there is a possibility of the constitutional suit at the Constitutional Court of Croatia.

#### **b. Work incapacity assessment** (We think that the expression "Assessment work incapacity" is not correct in English. The correct expression would be "Assessment of work incapacity" or "Work incapacity assessment")

The authorized primary health care practitioner or the authorized Medical Commission of the Croatian Health Insurance Institute is competent for opening and prolonging of the sick leave during which the sickness benefit is paid.

#### **c. Entitlement conditions**

Migrant worker is entitled to health insurance benefits under the condition that he has the status of an insured person in Croatia (as an employed or self-employed person). According to the Health Insurance Act, 2001 (Zakon o zdravstvenom osiguranju iz 2001.). There is no minimum qualifying period required for opening of the

entitlement to sickness benefit. Entitlement to cash sickness benefit is determined by a designated doctor in a primary health care institution for the first period of sickness (the duration depending on the type of disease). Further periods are determined by the decision of the Medical Commission of the Health Insurance Institute. The maximum duration of the sick-leave is 6 months, after which the Invalidity Commission of the Croatian Pension Insurance Institute decides whether the insured is permanently disabled, cured, or in need of further treatment. In the latter case, a new maximum 6-month period of temporary disability starts until the insured is cured.

#### **d. Calculation**

The base for calculation of the sickness benefit is the average wage defined according to wages earned in the latest 6 months period before the start of the entitlement to sickness benefit. In case that the temporary incapacity is the consequence of an injury or disease - the benefit amounts 70% from the base, but if the temporary incapacity is the consequence of an employment injury or occupational disease - the benefit amounts 100% from the base. The benefit is paid by the employer (during the first 42 days) and by the Croatian Health Insurance Institute for periods exceeding 42 days.

#### **e. Employer abroad**

In case of posting (detachment) of a worker to Croatia, who is employed with an employer registered abroad in a country with which Croatia applies the bilateral agreement on social security, such a migrant worker will be entitled to benefits from the Croatian health insurance scheme under the same terms as the Croatian citizens (equal treatment).

#### **f. Anti-cumulation**

Sickness benefit may not be received in the period of receipt of the wage/salary or pension.

### **1.2.3.2 Maternity**

The foreign migrant worker is entitled to maternity leave under the same terms as the Croatian citizens, if insured under the Croatian health insurance system. Obligatory parental leave for mothers begins 28 days before the expected date of childbirth (45 days in case of complications) and lasts at least up to 42 days after childbirth. This period may be extended (additional leave) until the child is age 1, exceptionally until age 3 for twins, third and following children. After the expiry of the obligatory leave, the father can opt to take the additional parental leave in place of the mother.

Maternity benefit amounts 100% of wage/salary until the child is 6 months old (beginning 28 to 45 days before the expected date of childbirth). Additional benefit is payable until the child is age 1 (age 3 for twins, third and following children). Croatian Health Insurance Institute provides maternity benefits.

### **1.2.3.3 Invalidity**

#### **a. Procedure**

According to the Pension Insurance Act, the claim may be submitted to Croatian Pension Insurance Institute on an adequate form by the authorized primary health care doctor and has to be furnished with medical evidence on the state of health of foreign migrant worker. Exceptionally, such a claim may be submitted by the insured person himself/herself in the form on a letter, on a special fulfilled form, or personally to an officer in charge in the Croatian Pension Insurance Institute. The incapacity for work is evaluated by the authorized medical expert (specialist) of this Institute based on the medical examination and the medical evidence (documents) enclosed. Such an evaluation is subject to revision of the special medical experts commission.

In an international procedure based on an international agreement on social security, the claim is submitted on a specially designed and agreed forms and it also has to be furnished by medical evidence. The authorized medical specialist of the Croatian Pension Insurance Institute assesses the work capacity based on the medical evidence provided from the country concerned, without medical examination.

Croatian Pension Insurance Institute is competent to give first and second instance decisions based on claims and complaints, respectively. After the second administrative instance, the judicial protection is provided for at the Administrative Court of Croatia and, exceptionally, at the Constitutional Court of Croatia.

#### **b. Work incapacity assessment**

The invalidity (permanent incapacity for work) can be recognized:

- as permanent loss of capacity to any work (general invalidity), or
- as permanent reduction of capacity to work ( professional invalidity).

A permanent reduction in, or loss of, the capacity to work may be caused by an occupational or non-occupational injury or disease. Higher awards are made for a disability resulting from a work injury or occupational disease.

Medical experts (specialists) with a review commission in the first instance procedure and senior medical experts in the second instance procedure are assessing the degree of disability. They are medical doctors – specialists for different medical branches chosen after a public competition and they are contracted as employees of the Croatian Pension Insurance Institute. Their medical assessment is subject to review of a special Medical Committee, composed of 12 members appointed by the Government for the period of two years, with the possibility of reappointment. Members of the Medical Committee are also employees of the Croatian Pension Insurance Institute.

#### **c. Entitlement conditions**

*General disability* is defined as a permanent loss of the capacity to work because of



incurable changes in health occurring prior to age 65 (men and women). The invalidity pension is granted if the insured has the insurance coverage of at least 1/3 of the working life period. Working life period is counted from age 20 (age 23 for insured persons with postsecondary education; age 26 for insured persons with a university degree) until the contingency occurred. There is no minimum qualifying period requirement if the general (full) disability is the consequence of a work injury or occupational disease.

*Occupational (partial) disability* is defined as the permanent reduction in working capacity for more than 50%. The partial invalidity pension is granted to persons of age 50 or older and exceptionally before age 50 if the reduced capacity to work is not likely to be improved by occupational rehabilitation. The pension may be awarded up to age 65 (men and women). The insured must have insurance coverage during at least 1/3 of the working life period. There is no minimum qualifying period required if the occupational (partial) disability is the consequence of work injury or occupational disease.

Under the condition that there is no improvement in health that could result in the increase of the capacity to work (control cheques) the general disability pension and the occupational (partial) disability pension is payable for lifetime.

*Occupational rehabilitation and salary compensation:* Based on occupational (partial) disability occurring before age 50 where it is likely that the disabled employed person may regain the ability to work full-time (40 hours a week). Salary compensation is payable in the same amount as the occupational disability pension during the rehabilitation process until engagement in another job with the same employer; if no other job is available with the same employer or acceptable to the insured, it is payable during an unemployment period of 12 months after the completion of occupational rehabilitation (24 months if the disability is caused by an occupational injury or disease). Other jobs offered in writing must require the same level of education as was required for the job performed prior to the onset of disability; if none is available, the job must require the next lower degree of education.

#### **d. Calculation**

The pension depends on the level of wages earned in relation to the average wage of all employed persons (the point system, as in Germany), the length of qualifying periods completed (except in case of work injury or occupational disease), and the assessed degree of disability (total loss of, or permanent reduction in, the capacity to work).

Wages that are taken into account from 1 January 1970 until the end of the year which directly precedes the year of entitlement. *The pension formula:* Pension points x Periods of insurance x Actual value of pension. For invalidity pensions, the periods of insurance are prolonged with 2/3 of period from the date of invalidity until age 55 and with 1/2 of the period from age 55 to 60.

The invalidity pensions are calculated:

- in full amount, in case of general invalidity, or
- in the amount of 80% of full amount, in case of occupational (partial) invalidity.

In case of the application of a bilateral agreement on social security, *the totalization of periods of insurance* completed in Croatia with relevant periods completed in another country applies for the fulfilment of conditions for old-age benefit if the migrant worker has completed also periods of insurance in one of these countries with which Croatia is bound by such a bilateral agreement: Australia, Austria, Bosnia and Herzegovina, Belgium, Bulgaria, Canada, Quebec, Czech Republic, Denmark, France, Germany, Hungary, Italy, Luxemburg, Macedonia, Netherlands, Norway, Poland, Slovakia, Slovenia, Serbia and Montenegro, Sweden, Switzerland and the United Kingdom. These pensions are calculated according to the *pro rata temporis* principle.

Pensions are paid monthly, every month retroactively for the preceding month. No restrictions are applied regarding the payment abroad, independent of the fact if the payment is based upon the legal reciprocity (an international agreement on social security) or upon the factual reciprocity (payment of domestic pensions abroad). The principle of reciprocity is applied to the latter situation.

#### **d. Anti-cumulation**

The invalidity pension granted on the basis of general disability is not payable to persons who are still engaged in employment or self-employment activity. Different from that, the invalidity pension granted on the basis of occupational (partial) disability may be payable in the amount of 33% from the full pension amount to persons who are still engaged in employment or self-employment activity. Persons entitled to a pension in Croatia and at the same time to a pension in some other country, may receive both pensions, but in case of the entitlement to two pensions from the Croatian public pension insurance system, only one pension is payable, depending of the choice of the beneficiary concerned.

### **1.2.3.4 Labour accidents and professional diseases**

#### **a. Procedure**

In Croatia there is no special work accidents and occupational diseases scheme - the temporary incapacity for work is covered by the health insurance and medical care system and the permanent incapacity is covered by the pension insurance system.

In case of work accident or occupational disease, the employer has to report that the contingency occurred on special form to the Croatian Health Insurance Institute that is competent to open the entitlement to benefits for temporary incapacity to work (sick-leave and the sickness benefit). After the process of healing, if the permanent incapacity to work is suspected, the competent medical practitioner may submit a claim for invalidity pension for the person concerned to the competent District Service of the Croatian Pension Insurance Institute.

The further procedure in the Croatian Health Insurance Institute and in the Croatian Pension Insurance Institute is the same as in case of sickness or invalidity (see 1.2.3.1.a and 1.2.3.3.a). The respective part of some bilateral social security agreements may also be applied concerning health insurance and health care, while the part concerning the pension insurance is of no interest here because in Croatia there are no insurance periods requirements for the entitlement to invalidity pension if the disability is the consequence of the work accident or occupational disease (no need for totalization of periods).

#### **b. Work incapacity assessment**

The work incapacity assessment is the same as in case of temporary incapacity to work (health insurance) or permanent incapacity (see 1.2.3.1.b and 1.2.3.3.b).

Also, according to the Pension Insurance Act, it is possible to acquire a special benefit – the compensation allowance for physical injury: It is awarded for the loss of, or damage to, a part of the body or of an organ resulting from an occupational injury or disease. It depends on the assessed degree of physical injury based on the Body Damages List Act, 1998. There is no minimum qualifying period required. The insured's injury must be assessed as at least 30%. The allowance is awarded whether or not the injury led to the determination of a disability. The allowance is payable during employment or self-employment and, after that, for lifetime.

#### **c. Entitlement conditions**

The status of insured person under health insurance and pension insurance scheme.

#### **d. Calculation**

Generally, the way of calculation is the same as in cases of temporary incapacity to work (health insurance) or permanent incapacity to work (pension insurance - see 1.2.3.1.d and 1.2.3.3.d), but the benefits are granted in higher amounts. In the health insurance scheme, if the temporary incapacity is the consequence of an employment injury or occupational disease - the benefit amounts 100% from the sick benefit base. In the pension insurance scheme, if the permanent incapacity (general or occupational) is the consequence of an employment injury or occupational disease the invalidity pension is calculated on the bases of 40 years of the insurance period (the 40 years period is applied in the pension formula described under the invalidity section instead of the actually completed period of insurance).

#### **e. Anti-cumulation**

See under the same sub-titles in the respective parts concerning the temporary or the permanent incapacity for work (sickness benefit and invalidity pension). The invalidity pension granted for the occupational (partial) disability based on employment injury or occupational disease may be payable in the amount of 50% from the full general invalidity pension amount to persons who are still engaged in employment or self-employment activity.

### **1.2.4 Unemployment**

Foreign migrant workers insured under the unemployment scheme have the same rights as the Croatian citizens (equal treatment). The benefits are granted according to the Employment Mediation and Unemployment Rights Act, 2002 (Zakon o posredovanju pri zapošljavanju i pravima za vrijeme nezaposlenosti iz 2002.) The employers are paying the employment contribution of 1,7 % of the payroll. Self-employed persons and farmers are excluded from the scheme.

#### **a. Procedure**

Migrant foreign workers need to submit the claim to the District Office of the Croatian Employment Institute according to the local competence based on the local residence of the person concerned, in the time limit of 30 days from the cessation of employment.

The Croatian Employment Institute gives the first and the second instance decisions. The judiciary protection is provided for at the Administrative Court of Croatia and exceptionally, at the Constitutional Court of Croatia. Migrant foreign workers are entitled to unemployment benefits while staying in the territory of Croatia, but in a foreign state only under the provisions of a bilateral agreement on social security, respectively.

#### **b. Origin of unemployment**

Persons whose employment stopped as the consequence of his/her wilful misconduct or by the agreement with the employer are not entitled to unemployment benefits.

#### **c. Entitlement conditions**

##### *Unemployment benefit:*

Eligible are unemployed persons capable of work, aged 15-65, registered with the Croatian Employment Institute, who are not proprietors or 51% majority proprietors of an enterprise or any other legal person or agricultural estate; who are not engaged in self-employment activity; and who are not regular scholars or students.

The requirements are: 9 months of employment in the last 24 months, registration with the Employment Institute inside the term of the first 30 days of unemployment. There is no qualifying period for unemployed mothers caring for children younger than age 1.

Unemployed workers with 32 years (men) or 27 years (women) of employment are covered until they are reemployed; the required period of employment will rise by 1 year per year until it reaches 35 years (men) or 30 years (women) in 2007.

Benefit may be extended to women during pregnancy and up until the child is age 1 if there is no entitlement to benefits under another program. The benefit may be extended during temporary incapacity for work for up to 3 months.

##### *Other benefits:*

Lump-sum payment: For beneficiaries of unemployment benefit who became unemployed because of the restructuring of their place of employment or because of

unforeseen personal circumstances.

Pension insurance: Unemployed persons of retirement age are also entitled to unemployment benefit until the completion of the minimum qualifying period for the old-age pension, up to a maximum of 5 years.

Unemployment assistance: Payable to unemployed persons who participate in vocational training.

Reimbursement of travelling and removal costs: If costs are incurred as a result of finding new employment away from the regular place of residence.

#### **d. Calculation**

The unemployment benefit is calculated in the amount of the average wage earned in the last 3 months prior to unemployment, but such an amount is subject to a minimum and a maximum amount decided by competent bodies. The benefit is payable for between 78 and 390 days, depending on the duration of previous employment.

Lump-sum payment: Depending on the duration of previous employment, a lump sum is equal to 2, 4, or a maximum of 6 monthly unemployment benefits.

Unemployment assistance equals the minimum amount of the unemployment benefit.

According to some of bilateral agreements on social security applied by Croatia, it is possible to take into account foreign insurance periods in order to fulfil the qualifying conditions if necessary.

#### **e. Anti-cumulation**

The unemployment benefit may not be received at the same time with any other kind of social security benefit or with earnings based on employment, self-employment or farming.

### **1.2.5 Health care**

#### **a. Registration**

See 1.1.c. and d. The migrant worker has to be registered at the Health Insurance Institute to be entitled to health care in Croatia, the same as Croatian citizens. If the migrant worker is covered by the foreign country's health care system, he/she is entitled to health care benefits in Croatia under the provisions of a bilateral agreement on social security if it exists or based on the bases of self-affiliation to the District Office of Croatian Health Insurance Institute and self-contributing to the system. In case of need, according to the Act on Health Care for Strangers, 1997 (Zakon o zdravstvenoj zaštiti stranaca iz 1997.), the costs of an emergency health care provided to a foreign citizen without sufficient resources will be paid from the State Budget.

#### **b. Entitlement conditions**

In the Croatian health care system, health care is limited to benefits in kind. There is no qualifying period required for the entitlement to benefits.

The health care beneficiaries share in costs of treatment by paying the participation fees for visits to health care practitioner and for pharmaceutical prescriptions and referrals (Health Insurance Act, changes 2005). Persons insured voluntarily in the supplementary health insurance system at the Croatian Health Insurance Institute do not pay participation fees as the supplementary insurance covers such costs.

#### **c. Residence abroad**

If a worker holds residence in a foreign country besides the residence permit in Croatia, he/she will be entitled to the refund of health care benefits received in the foreign country only under a bilateral agreement on social security.

*Residence in Croatia and health care abroad.* In case of a bilateral agreement on social security applied between Croatia and a foreign country, a migrant worker covered by the Croatian health insurance scheme, who wishes to be cured abroad at the foreign medical institution, needs to have a special permission given by the competent office of the Croatian Health Insurance Institute. Based on such permission the Croatian Health Insurance Institute covers the cost of the health care received abroad.

#### **d. Family members living abroad**

The health care is provided in Croatia to family members residing abroad only under the agreement on social security.

#### **f. Anti-cumulation**

Benefits in kind may be received at the same time as all other social security benefits (sickness benefit or pensions, unemployment benefits, family benefits, etc.).

### **1.2.6. Family benefits**

#### **a. Procedure**

The interested person needs to submit a claim, furnished with documents about members of family and income earned in the calendar year prior to the year of entitlement, to the District Service of the Croatian Pension Insurance Institute. This Institute decides upon the claim. If a person is not satisfied with the decision, he/she may submit a complaint to the Croatian Pension Insurance Institute that also gives the second-degree decisions. The following instance is the Administrative Court and, exceptionally, the Constitutional Court of Croatia.

#### **b. Entitlement conditions**

Family benefits scheme is a social assistance scheme financed from the State Budget. No insurance contribution is paid and no insurance periods completed by parents are required for the entitlement.

Eligible are parents (including foster parents, tutors, stepparents, and grandparents) who are Croatian citizens. Foreign citizens are eligible under the condition that they have a residence permit and 3 years of residence periods before the claim, and that the child resides in Croatia.

Children must be under age 15 (regardless of whether they are at school). Other eligible children: until age 19 if a secondary school student, until age 21 in case of illness or until age 27 if seriously disabled. No allowance is paid if the child is permanently placed in a specialized institution.

**c. Export of benefits**

There is no export of children allowance from Croatia.

**d. Anti-cumulation**

There is a means test applied under the children allowance scheme. Total household income for the year before the one in which the claim is made must be no more than 40% of the so-called state budget base. Households whose income exceeds 20% but does not exceed 40% of the state budget base receive a minimum means-tested benefit equal to 5% of the state budget base. Households whose income does not exceed 20% of the state budget base receive a higher means-tested benefit equal to 9% of the state budget base.

If a foreign migrant worker is receiving the children allowance from another country, he/she is not entitled to a children allowance in Croatia.

**e. Kind of family benefits**

The children allowance is a cash benefit paid in the territory of Croatia monthly.

### **1.2.7 Need**

**a. Procedure**

According to Social Assistance Act, 1997 (Zakon o socijalnoj skrbi iz 1997.), the interested person needs to submit a claim furnished with documents on her life means. The competent institution is the Social Assistance Centre responsible in the municipality in which the person resides (first instance). The second instance is the Ministry for Health and Social Welfare. The following instance is the Administrative Court and, exceptionally, the Constitutional Court of Croatia.

**b. Entitlement conditions**

Only the Croatian citizens or stateless persons residing in Croatia are entitled to benefits. Foreign citizens can be temporarily entitled to accommodation in Croatia, without other rights under this branch of social security.

**c. Export benefits**

No export of the social assistance benefits is allowed.

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***B. Foreign citizen worker***

*According to the Croatian legislation on strangers and on social security, this category of persons is equal to previous category (foreign migrant worker). For details – see explanations for this category.*

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***C. Migrant citizen worker***

*This category of persons if they have a Croatian citizenship have equal social security rights and obligations as the Croatian citizens regardless of the fact that they move for the first time to Croatia to work. Opposite to foreign migrant workers and foreign citizen workers, this category does not need the work and residence permit.*

*For other details about the rights and obligations in terms of social security for this category – see A. Migrant foreign workers, except a. and b. Work and residence permit.*

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***D. Illegal/semi-legal (foreign worker)***

*In case of discovering illegal migrant foreign worker, the Ministry of Interior is competent and there are administrative sanctions against such persons, with the final measure of expellation from the country. Illegal and semi-legal migrants are not covered by any social security branch.*

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***E. Migrant worker temporary basis***



*According to the Croatian legislation on strangers and social security, this category of persons is equalized with category of migrant foreign worker. For details – see explanations for this category (see A).*

## **Cluster 1: Incoming migrants**

### **Part 2: Moving to the country without a link to professional activities**

#### *Foreign person moving to a country without a link to professional activities*

#### **A. Foreign person moving to a country to reside**

##### **1.1. Adhering to the system**

- A1. Having direct entitlement
- A2. Having indirect entitlement

##### **a. Residence/stay permit**

According to the Croatian Strangers Act, those persons need a temporary residence permit, that is issued by the Ministry of Interior. They do not need a work permit, it is enough for them to prove that they have close relatives in Croatia. The other categories of foreign citizens in the country need to prove the purpose of their stay in the country in order to receive a residence permit.

##### **b. Registration**

These persons are registered at the Ministry of Interior and they need to prove and justify their staying in Croatia.

##### **c. Contributions**

See under the opening entitlements.

##### **d. Affiliation abroad**

See under the opening entitlements.

##### **e. Compliant**

See under the opening entitlements.

##### **f. Non-compliance**

See under the opening entitlements

#### **1.1 Opening entitlement**

This category of persons is not covered by the pension insurance, health insurance, family benefits, and unemployment schemes and therefore they are not covered by the insurance of risks for old age, survivorship, incapacity to work, sickness, maternity, unemployment, invalidity or employment accidents and occupational diseases schemes.

### **Health care**

They can have access to health care services through the person that they are accompanying and who is insured based on employment or self-employment in Croatia or entitled to an unemployment benefit. In some cases they have access to health services according to Act on Health Care of Strangers.

### **Family benefits**

Only foreign citizens with the residence permit are eligible for the entitlement to children allowance, for children who reside in Croatia. Foreign citizens with the temporary residence permit are not eligible under this scheme.

### **Need**

Only the Croatian citizens or stateless persons residing in Croatia are entitled to benefits. Foreign citizens can be entitled to temporary accommodation in Croatia, without other rights from this branch of social security.

## ***B. Foreign residents in the country***

### **1.1 Adhering to the system**

#### **a. and b. Work and residence permit**

They need a work and residence permit, as other foreign citizens in Croatia.

#### **a. Registration**

The same rules are applied as to migrant foreign workers (see 1.1 c.)

#### **b. Contributions**

See under the opening entitlements.

#### **c. Affiliation abroad**

See under the opening entitlements.

#### **d. Compliant**

See under the opening entitlements.

**e. Non-compliance**

See under the opening entitlements.

**1.2. Opening entitlement**

According to Strangers Act, the foreign residents in the Croatia need a residence permit, for employment – the work permit and for self-employment a business permit. For a details, see part *Migrant foreign worker*.

***C. Citizens moving to the country to reside***

This category of persons have equal social security rights and obligations if they have Croatian citizenship, regardless the fact that they moved for the first time to Croatia. For other details about the rights and obligations in terms of social security for this category – see A. Migrant foreign workers, except a. and b. Work and residence permit.

***D. Foreign persons coming temporary to the country***

**1.1 Adhering to the system**

**a. Residence/stay permit**

In case of temporary stay in Croatia the residence/stay permit is not necessary.

**b. Registration**

Those persons need to register the stay inside the term of three days after arrival in Croatia to the local Police Administration (Ministry of Interior).

**1.2 Opening entitlement**

**Health care**

In case that Croatia applies a bilateral social security agreement with their state of origin, in case they require a health services they should present medical forms issued by the competent health insurance institution in their state of origin. They also may voluntarily affiliate to the Croatian Health Insurance Institute (voluntary health insurance). In the absence of any bilateral agreement or voluntary health insurance, they are entitled only to the emergency health care benefits according to the Act on Health Care of Strangers.

***E. Foreign persons staying/residing in a semi-legal/illegal situation***

## **1.1 Adhering to the system**

In this case the Ministry of Interior is competent and there are administrative sanctions, with the final measure of expelling from the country.

## **CLUSTER 2**

### **OUTGOING MIGRANTS**

#### **1. Consequences for social security system in general**

##### **1.1 Taking up work in another country**

###### ***A. Own citizens with insurance record moving/being abroad***

- *Taking up work in another country*
- *In general only one insurance period is taken into account, in case the person is insured at the same time in two different countries.*

###### **Old age/survivors/invalidity**

If the Croatian citizen takes up work in another country and if he/she is not covered by the foreign social security system, the person concerned may be insured in Croatia as a self-contributor. This would not be necessary if there is a bilateral agreement on social security applied between Croatia and the country of that person's work.

###### **Sickness/Maternity**

Regarding the sickness and maternity benefit, in absence of a bilateral agreement on social security, these benefits may be acquired in case that the Croatian citizen is residing in Croatia.

###### **Health care/care**

Croatian citizens that are working in another country are not covered by the Croatian health care system, except if they were entitled in Croatia, based on a special decision of the Croatian Health Insurance Institute, to a special medical treatment abroad (cases in which such a treatment is not possible in Croatia). They are also covered by the foreign's state health care system based on a social security bilateral agreement if applied.

###### **Unemployment**

All beneficiaries of the unemployment benefit in Croatia have to report each month District Office of Croatian Employment Institute in order to confirm that they are present in the country for the whole period until they are using the unemployment

benefit. In case they move abroad their entitlement the unemployment benefit is cancelled.

### **Family benefits**

The children allowance is payable in Croatia only in case of residence in this country. See *Cluster I.A, Family benefits*.

### **Need**

According to Social Assistance Act the rights from the social assistance scheme are guaranteed to the Croatian citizens who have a permanent residence in the territory of Croatia. This means that there is no transfer of benefits of this kind since they leave the country.

## ***B. Foreign nationals with insurance record moving/being abroad***

### **Old age/survivors**

In case a person with a foreign nationality has completed an insurance period in Croatia and after that settles in another country, he/she may be entitled to an autonomous pension in Croatia if based on the period completed he/she fulfils conditions to the Croatian pension benefit. If the person concerned does not qualify for a Croatian pension benefit exclusively based on the period completed in Croatia, but has completed a respective period in another country which may be taken into account for the entitlement to pension benefit based on a bilateral social security agreement (if applicable), he/she may be entitled to the Croatian pension in a pro-rata amount based on the aggregation of periods completed in Croatia and in the foreign country concerned. In the latter case, if the person concerned does not qualify for a Croatian pension benefit exclusively based on the period completed in Croatia, and no international agreement is applied with the country in which he/she has completed another insurance period, or if he/she did not complete any periods in another country, the person concerned will not be entitled to the Croatian pension benefit and also he/she will not be entitled to the contributions refund because such a refund is not provided for by the Croatian legislation.

Croatian pension awarded on the sole base of the Croatian national legislation or under an international agreement on social security is payable abroad without restrictions, under the terms of reciprocity with the country of person's residence.

### **Sickness/Maternity**

Entitlement may be based on a bilateral agreement on social security that does not apply only to nationals but also to persons who were subject to the Croatian legislation (universal principle). Otherwise there is no possibility of entitlement to health insurance benefits.

### **Unemployment**

No entitlement.

**Health care**

See above under this title, the subtitle “Sickness/Maternity”.

**Family benefits**

Not entitled.

**Need**

Not entitled.

***C. Illegal/semi legal migrants with insurance record moving/being abroad***

This category of workers cannot be legally employed and registered to the social insurance institutions in Croatia and therefore cannot complete an insurance period and cannot be entitled to social security benefits.