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Keeping the energy

Older persons in the 2022 inflation surge

AGE Platform Europe Membership Survey

in view of the

International Day for the Eradication of Poverty

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AGE Platform Europe | A society for ALL ages

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Executive summary

After a decade with very low inflation, 2022 saw the prices for primary goods such as energy and food skyrocket, due to the weaponization of energy in the Russian war against Ukraine, but also because of supply chain issues and phenomena of catching up of industry after the slowdown related to COVID-19.

Rising living costs place older persons between a rock and a hard place, as many already live on low incomes without the possibility of topping it up through employment and their costs for domestic energy are often higher than for younger age groups. This comes on the backdrop of already rising poverty and social exclusion rates since 2015. An EU-wide moderately high average in old-age poverty and social inclusion (19.4 % in 2020) masks severe inequalities between member states with old-age poverty rates peaking above 40 % in Latvia, Estonia and Lithuania, but also within Member States, with women over 75 suffering from a 7 percentage point gap in poverty rates from men over 75.

AGE, as the largest EU network of organisations of and for older persons, has conducted a survey among members across Europe to enquire how older persons are affected specifically by inflation and how governments are responding to their situation.

Older persons are vulnerable to the price shocks that are currently observed, as they more frequently live in more energy-consuming housing and in rural areas where public mobility is less developed and fuel prices make a larger difference to quality of live, while they also tend to spend a relatively high share of their income on food.

Because they have a largely fixed income through pensions, older persons are dependent on mechanisms to adapt pensions to price levels. In several EU member states, pensions have been raised in the first half of the year in light of inflation, but the rapid speed called in some Member States for additional adaptations in the second half of the year and the beginning of 2023. Energy vouchers, subsidies or reduction in taxes also brought short-term relief. However, early non-targeted measures have sometimes excluded older persons in the implementation and older persons' organisations had to intervene to ensure that no one was left behind.

AGE developed the following recommendations to respond to the price crisis+

- The Commission and member States must ensure automatic and regular pension Indexation as a cornerstone to ensure sustained adequacy of old-age income
- Measures to support purchasing power need to be as automatic as possible to avoid non-take-up
- Governments must be vigilant about whom they may (sometimes unintentionally) exclude from certain alleviating measures
- Older persons need to be specifically addressed in interventions to encourage energy savings

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Additional material stemming from AGE members' news was added to present this paper.

Note for editors:

You can stop the perpetuation of ageism! Please read our one-pager on communicating on older persons in a non-stereotypical way.

About AGE Platform Europe

AGE Platform Europe is a European network of organisations of and for people aged 50+ aiming to voice and promote the interests of the 200 million citizens aged 50+ in the European Union and to raise awareness of the issues that concern them most.

Introduction

> ‘I had to sell my house to move into an apartment.’ Electricity costs have increased from 13 % of my income last year to almost half of it this year.
>
> Report of Christian from southern Sweden

In 2022, inflation surged across Europe. Inflation has mainly been driven by geopolitical factors, first and foremost the war of agression of Russia against Ukraine and its impact on natural gas supplies. This came however on top of other underlying factors, such as energy shortage as EU economies caught up after the dip related to the COVID-19 pandemic, COVID-19 related restrictions in trade in China and the impact of Brexit.

Governments were under pressure to adopt mitigating measures, mostly in the field of energy costs, and in areas of life that are directly impacted by high energy costs, such as mobility. As the high-price environment dragged on throughout the first quarter of 2022, it became soon clear that more measures were needed than those initially taken.

Older persons are in a particular situation regarding income on many fronts: many have guaranteed, stable income flowing from pension payments, which might or might not keep up with inflationary developments. Others might be more exposed to financial upheavals, such as persons about to reach the maturity of their fixed-contribution pension schemes. As the share of older persons is generally higher in rural areas, older persons are more exposed to price developments relevant to life in rural areas, such as the price of fuel for personal mobility or energy prices for heating more exposed buildings. Again, older persons often face difficulties in accessing finance, including for home improvement related to saving energy.

All these factors make it worthwhile to look into the impact of inflation – and of governments’ mitigating measures – on the life of older persons, and particularly those living at-risk of poverty or just above this threshold. AGE conducted a membership survey in summer 2022 to assess the situation on noational levels. The presen report is an account of this exercise.

What are the inflationary developments in 2022 and their impact on older persons?

By and large, **inflation has been high in all European countries**, for example starting from 5% in January 2022 in Austria and reaching 9.3 % in July 2022. The situation is similar in France (6%), Italy (8.4 %), Denmark, Sweden (9 %), Spain (10.4 %), or Cyprus (10.6 %). European countries have been affected differently by these developments, with the Baltic states facing the highest figures with 25% in Estonia, 21 % in Latvia and Lithuania, or Poland with 16.6 %, possibly 20 % in December 2022/January 2023.

Main drivers for these figure were **transport** (increase by 21.8 % in Austria, 44.9 % in Italy, 46.8 % in DK), **energy** for consumers (29 % in SE, 34 % in AT, 35.7 % in DE) and **food** (10.5 % in IT, 12.2 % in AT, 16.6 % in DE, 16.7 % in DK). In Poland and Cyprus, **rents** have also been reported to have particularly increased. AGE members in Poland also pointed out the increase in the price for **medication**. The Swedish Pensioner's Association has calculated that pensioners need to increase their food spending by 1,100 SEK (100 €) per month.

Pensioners have a fixed income, which makes them more vulnerable to inflationary pressures if pensions are not properly adapted to the changes in living costs. As an example, 25 % of Danish pensioners have no other income than their statutory pensions. In Italy, IRES calculated a monthly increase of expenses by 300 euros for average households with people over 64.

Inflation has a higher impact on the lower third of the distribution of revenues, as they have higher shares of spending related to these aspects than higher-income housholds. In Austria, it is estimated that 25-47 % of housholds of the lowest quartile will not be able to cover their increased costs.
Pensioners often belong to the lower-income groups in societies. In Austria, the average pension is situated in the 3rd lowest decile; about 40 % of all pensions are below 1,000 €. In Cyprus, the average pension is of 900 €, with a minimum of 400 € and a maximum of 1,700 €, in 13 yearly instalments. In comparison, the national poverty threshold stood at 10,022 € and the mean disposable income of households 34,227 € in 2021.

Many older persons have **specific consumption patterns**, which in the current context make them more vulnerable. For instance, more older persons live in **houses with high energy costs**, exposing them particularly to the rise in energy prices. Also, older persons spent more time in their own housing than many younger people and biologically need slightly higher temperatures than younger people because of a slower metabolism. In Sweden, Finland and Germany AGE members report that a large proportion of pensioners live in houses with high energy consumption (rather than more energy-efficient apartments) and are dependent on electricity for heating. In Italy, households with older persons spend on average 3 % more than average on all forms of energy and 14-15 % more on domestic energy. In France, many persons in rural areas still rely on heating fuel, which means that they might be more exposed to increased prices in the coming months.

> "Just yesterday, an 80-year-old lady informed us that from now on she will have to cough up € 350 in energy advances every month, with a pension of barely € 900. That is not sustainable,"
>
> Nils Vanderweghe, Vlaamse Ouderenraad, Belgium

AGE members in Belgium warn that **older tenants** are financially vulnerable people who could never buy their own home and unable to upgrade their existing housing, many spend already 30 % of their income on housing before energy costs. **Older homeowners** often live in poorly insulated homes and may face barriers to upgrading their homes in terms of low pensions, health issues, insecurity about how long they can continue to live in their home and digital exclusion, as they have less access to information about premiums and procedures to encourage energy efficiency.

According to Austrian research, households with persons over 61 years have **higher expenses for health care, services and food**. Older persons in France are worried about a possible, significant increase of the price of semi-private health insurance ("mutuelles"), which provide an important complement to public health insurance and might increase significantly their contributions in 2023, specifically for older persons who account for higher expenses of insurers. In Germany, prices for many care services have increased, however, this is not linked to the prices developments in energy: care staff benefit from a mandatory collective agreement that increased their salaries, which is carried over by the care providers on persons in need for care.

In terms of **mobility**, older persons have on average a stronger need for individual, fuel-based mobility because of the higher proportion of older persons living in rural areas with less dense public transportation networks, but also because many rely on individualised services linked to mobility, such as meals on wheels, home care, taxis or other transportation. Increased fuel prices have a knock-on effect on these services.

Austria has started to **calculate inflation rates for different age groups** and has determined that inflation is higher for older persons: namely, annual inflation is at 8.3 % for the under-30-year-old, 9.4 % for the 30-64-year-old and 9.5 % for the 65+ in August

AGE members in Italy point out that households of singles are particularly affected by the price increases, which raises the question of the situation of **older persons living alone** – the majority of single households in Italy. This concerns **disproportionately older women** with low incomes and higher poverty risk. In Cyprus, the increase in rents is particularly affecting older persons living with minimum or low pensions, as well as older persons caring routinely for their grandchildren and having, increases in food, energy and fuel are affecting them more than others.

Persons in need for long-term care and support often live in residential facilities and are dependent on the developments inside these facilities. For the moment, payments for residential long-term care services are not reported to have increased significantly, but it is a real question as to how the higher energy costs of residences will impact on the persons in need for care living in them. AGE members in Belgium mention that persons living in collective forms of housing do not have the choice to switch energy provider or the form of energy they are consuming. In many EU member States, residential care bills exceed the value of average pensions already.

The digital divide makes it difficult for many older persons to adapt their living styles to increased prices. Information on and access to home improvement support is often digital, as is the request for home improvement mortgages. In Flanders (Belgium), 43 % of the over-65s have never changed energy suppliers, compared to 31 % of younger people, mainly because they have less access to tools to compare prices and offers.

Automatic indexation and mechanisms to adapt older person's' income to inflation

The **Austrian** pension system foresees adaptation of pensions to inflation, however with a significant delay. Pensions in 2023 will be increased on the basis of inflation rates between August 2021 and August 2022. This can be overruled by the National Council if needed. The statutory increase would be 5.8% in January 2023, however the current inflation is 9.3% and 19.1% regarding goods of daily consumption. Therefore, pensioners' associations call for an increase by 10%. **Belgium** foresees automatic indexation of all wages and social benefits, including pensions, as soon as inflation hits 2 %, therefore Belgium already had 4 indexations in 2022. In **Cyprus**, indexation takes place on 1 July based on the inflation of the preceding six months, unless the increase is below 1%. In 2022, the increase was of 4.2%. **Denmark** also has a significant delay, as pensions are updated once a year based on the wage increases of two years before. In 2022, pensions will therefore be indexed by 1.2%, the lowest adaptation in more than twenty years, while inflation is at the highest level since the mid-1980s, at 9%. In **France**, basic pensions (social security) increased by 4% (relative to 6% of expected inflation) in September and supplementary pensions (ARRCO/AGIRC) by 5.1 % in November. Supplementary pension may be further increased but is subject to the negotiations between social partners. Wages are not automatically indexed, with an exception for the legal minimum wage. Still, the minimum wage is slightly under-indexed relative to inflation. In **Germany**, pensions are adapted annually on the basis of a statutory formula linked to the development of gross salaries, changes in the contribution rate and the ratio between contributors and beneficiaries (the so-called sustainability factor). A statutory guarantee prevents pensions from falling during this indexation, rather, future increases will be slowed down in this case. On 1 July, pensions increased by 5.35 % in the former Western-German and 6.12 % in the former Eastern-German regions. However, inflation and especially energy price increases are above this level, thus indexation is insufficient. In **Italy**, indexation takes place every six months, pensioners were increased in April by 2.5% and the adaptation to the current spike was normally expected for January 2023. In **Poland**, statutory valorisation of pensions is insufficient does not keep up with price increases; the government takes political decisions to pay a 13th and 14th pension month. This however will not cover the probable systemic and permanent rise of living costs. In **Spain**, pensions were increased by 2.5% and a higher increase was promised, but not yet implemented. However, those who receive non-contributory pensions because they did not work sufficiently to be eligible to a contributory pension had their benefits increased by 15%. However, to cushion the impact of inflation, the adaptation has been brought forward to the 4th quarter of 2022. In **Sweden**, pensions are not automatically indexed either, except for the guarantee pension, going to people with very low or no income. Here, indexation happens once per year.

Specific measures to support purchasing power and older persons

Governments have taken measures that were designed to cushion some of the impact of inflation, using often rapid tools with general effect rather than more time-consuming, targeted ones. These measures have differing impact on older persons. Many measures taken so far are one-off measures and will not shield citizens from the sustained increase in living costs.

> ‘Older people should be entitled to benefits, but they are ashamed to ask for it.’
>
> Katerina Bohata of Elpida, Czechia, running a senior helpline.

In **Austria**, the privileged avenue are one-off payments. A pensioner receiving gross 1,200 € per month will be supported by 1150 € over the year 2022 in a one-off measures: 150 € for energy, 500 € + 250 € for general cost increases and a 250 € ‘climate benefit’. Lower one-off benefits are foreseen for 2023. The Austrian Chamber of Labour puts this into perspective: an employee earning 3,100 gross will be supported by 350 € in 2022 and 352 € in 2023, a manager by 225 € in 2022 and 1.128 € in 2022. Pensioner’s associations regret that no measure has been addressed to lower prices rather than supporting income, such as reductions of VAT on basic consumption items, slowing of the increase of rents or an energy price cap. The funding of these measures is worrisome, as taxation of windfall profits in sectors benefitting from higher prices (namely energy) are not considered, increasing the risk of austerity policies at a later point

In **Belgium**, all households have received a 100 € discount from their electricity bill in July and will receive 100 € extra in the months of November and December. Pensions have been automatically indexed and minimum pensions have been increased, but AGE member OKRA campaigns for further increases in pensions.

In **Cyprus**, targeted support for vulnerable population groups has been included into the aid package to cushion inflation. Electricity benefits from lower VAT and subsidies for energy-efficient building have increased. The list of vulnerable customers benefitting from energy benefits has been extended to all households with an income below 19,000 €. Childcare services are better subsidized, which indirectly supports grandparents taking care of their grandchildren.

In **Denmark**, a 'heating check' of 807 was introduced as a tax-free subsidy to a specific group of households earning less than about 95.000 euros gross in 2022 and heating their homes either with electricity or gas. Retirees with low incomes and liquid assets receive a subsidy from the government once a year called a 'senior citizen's cheque', it was decided to introduce two 'extra' cheques in September 2022 and January 2023 of 336 euro each.

In **France**, a light subsidy is granted on the price of gasoline to cushion the impact of inflation especially for persons living in rural areas and more dependent on fuel, however there is a discussion about limiting this general support and better targeting citizens in need. There are for the moment only limited targeted measures, such as an increase of the widower's allowance.

In **Germany**, early support measures before the summer included tax breaks for employees (worth 300 €) and one-off benefits for recipients of social benefits (200 €, for unemployed or minimum income support recipients), a one-off family allowance for every child and increased tax exemption for transport expenses of employees – leaving out pensioners and students. AGE members BAGSO, VdK Sozialverband and others campaigned to correct this omission, which was included in a later support package adopted in September, with a 300 € one-off payment foreseen in December. Germany did plan to introduce additional compensation payments on natural gas for households to support gas importers to cope with high prices, a measure heavily criticized by social organizations, including VdK Germany and finally abandoned. For beneficiaries of certain social befits, other one-off payments are foreseen: beneficiaries of minimum old-age income receive 200 € and beneficiaries of housing allowance one-off payments of 270 € for singles and 350 € for couples; a second tranche of 415 € (singles) and 540 € (couples) is foreseen.

In **Italy**, a social bonus for electricity and gas has been increased and will further be increased by the 4th quarter of 2022. This is available to economically disadvantaged consumers and persons with serious health conditions. A one-off allowance of 200 € was granted to employees in July2022 and another social benefit was extended to persons receiving compulsory social security benefits (such as old-age or disability pensions). Other categories of people also received a one-off benefit of 200

€. Employees are further supported by the partial exemption from social security contributions for certain incomes and an increase of the tax-free amounts of social benefits, including pensions.

In **Latvia**, the Federation of Pensioners wrote a letter to the Minister for Social Welfare in Spring, warning about the dire situation of pensioners in the context of rising energy prices. The Minister responded by highlighting the governments plans for older persons: faster indexation of pensions in September 2022, one-off payments to older persons, increasing the transport allowance to persons with disabilities, a minimum income reform, revision of the housing benefit and raising the minimum wage.

In **Portugal**, the government has introduced a legislative package to mitigate inflation, called Families First. In this package, the government decides to raise pensions by the half of the amount expected for the 2023 pension increase already in October 2022 instead of January. However, pensioners are excluded from a one-off payment of 125 euros to all households for citizens with up to medium incomes (2,659 €). Pensioners' associations point out that the early increase might threaten the application of measures to compensate for non-indexation over the past 10 years in the current pension law and that an early indexation of 3 months of a taxable income (pensions) is not equivalent to the tax-free support provided to all other citizens. Therefore, the measures discriminate against pensioners.

In **Spain**, a reduction of VAT on electricity from 21% to 5% helped in cushion some of the inflation in this domain (but less in others). This is complemented by a social vouchers for electricity for people receiving non-contributory benefits, such as the non-contributory pension.

In **Sweden**, the main measure adopted was a support on electricity bills which was granted to all households. Income taxes have bene lowered for those with low incomes, including pensioners. The lowest pensions have also been raised because of the situation.

Impact on poverty and social exclusion

Especially in member States with high poverty and social exclusion rates of older persons, it is feared that **poverty and social exclusion of older persons will significantly increase in 2022** due to the factors outlined above. Additionally, people with lower incomes devote a higher share of their income to food and energy, which are precisely the areas first affected by inflation.

In **Cyprus**, more than 17 % of the population are at risk of poverty and social exclusion in 2020, an 0.3 percentage points decrease from 2019. While at-risk of poverty seems to decrease, material and social deprivation is on the rise from 2.6 % in 2019 to 3.2 % in 2020.

Even in countries with lower old-age poverty rates, such as **Denmark**, AGE members fear that older persons will chose not to participate in social activities to save money during winter.

In **Germany**, poverty and social exclusion has grown to 16.6 % in 2021, including the rate of old-age poverty (17.4 %) and of pensioners (17.9 %). The increase affects primarily women and old-age poverty in Germany has a female face.

In **Italy**, material deprivation rates have been growing until 2020. It is expected to have stayed stable in 2021 at this high level of 5.6 million people or 9.4 % in absolute poverty. At-risk of (relative) poverty rates are at 15.6 % in 2021, slightly lower than in 2020 and lower than the rate for the total population of 20.1 %

In **Sweden**, old-age poverty and social exclusion rates are 13 % for the 65+, but reach 19.5% for the 80+, showing that the oldest old are more at risk of not being able to finance the increased living costs.

Effects on supplementary, defined-contribution schemes

Supplementary, **defined-contribution schemes often do not hedge against inflation** and therefore are not increased in the pay-out phase. As there was an important transition towards defined-contribution schemes in recent years due to very low interest rates, more responsibility for investment and inflation risks have therefore been transferred to savers and pensioners. Given the upheavals on financial markets, which add to the increase in living costs, AGE expects that these schemes become more and more disadvantageous for savers.

In **Denmark**, about 75% have a defined-contribution scheme to supplement statutory pensions benefits. In Italy, pension funds have been estimated to have the size of 7.5% of GDP in 2018, with a majority invested in defined-contribution schemes.

In **Sweden**, only 17.3 % of employees had private savings for retirement. Pensioners rely on the state pension and premium pensions, a part for which saves can chose how to invest the money to a pre-selection made by the State. Employers also have occupational pension schemes anchored in collective agreements, and individuals can take out private life-insurance.

The demands from older persons' organisations

In **Belgium**, OKRA called on the government not to forget pensioners in the alleviating measures, noting pensioners often live in badly insulated houses.

In **Austria** and **Czechia**, AGE members PVÖ and Elpida have been calling out the digitalization of forms to receive public benefits, stating that it excludes many older persons who might be entitled but do not have the ability to apply to benefits.

In **Czechia**, AGE member ZIVOT90 warned against hidden traps in selectively increasing only certain benefits, if the thresholds for other benefits are not raised as well. For instance, one can receive a higher pension because of an indexation, but no longer be eligible for housing benefit, because he or she surpasses the maximum threshold to receive it.

In **Denmark** DanAge is calling for increasing statutory pensions by 3.5% instead of the automatic indexation of 1.2% in 2022.

In **Germany**, BAGSO warned on 1 October, the international day of older persons, not to overlook pensioners who are just above the thresholds eligible for certain benefits, such as minimum pension ("Grundsicherung") or housing allowance. BAGSO called on the government not to pursue blanket measures for all, but to target measures towards people who cannot stem the cost increases on their own. BAGSO also raised awareness for the situation of persons in need for long-term care, as they will face the increased costs in their care bills, while 30 % of them already rely on social assistance. BAGSO highlighted that many older persons might not request the introduced support measures as they might not know about them or be ashamed to ask for support. Local governments need to be activated to reach out to persons who live in social isolation, which often also are persons at risk of poverty and social exclusion. Before, BAGSO campaigned against the omission of older persons in the granting of energy benefits, which was later corrected.

In **Latvia**, the Pensioner's Federation has called for revising the indexation mechanism for pensions to allow for adaptations two times per year instead of one time and for the introduction of a basic pension. Given the exceptional situation, the Federation also called for a one-off allowance of 200 euros to each pensioner.

In **Italy**, ANP-CIA welcomed the second support package from the government, but pointed out that it is insufficient. Minimum pensions will be increased by only 10 euros per month, for instance. ANP-CIA advocates for an increase of the minimum pension to 780 €, a continuation of a 14th month payment, to revise the pension indexation mechanism to better reflect inflation and to reduce the tax burden on pensions. The provision of social and helaht services in rural areas needs to be significantly improved.

In the **Netherlands**, a new pension law is being debated and KBO-PCOB, ANBO and Koepel Gepensioneerden have sent in a petition to ask for adjustments of the bill. Indexation needs to be automatic, the distribution of pensions in the new pension system needs to be fair and pensioners must have a real voice throughout the process of changing the pension system.

In **Spain**, a proposal is to reduce the VAT on food, and to further reduce it on electricity and gas.

In **Italy**, older persons' associations have mainly been calling out the reality of old-age poverty and social exclusion.

In **Portugal**, Arpe! has addressed a press release to the government calling out the discriminatory measures in the current relief package, which foregoes pensioners, and warning against the revision of the laws regulating pension indexation to not compensate for foregone pension indexation in the past 10 years (due to the 2008-2014 financial crisis).

In **Sweden**, [the pensioners' association SPF has calculated increased costs of living] in terms of food and electricity and have called for additional measures to support the most vulnerable. SPF points out that this particularly hits older women who have lower pensions, calculating that an average older woman makes a loos of 2,111 SEK (194 €) per month for basic goods, leaving no budget to buy presents for grandchildren or have a coffee in town. [SPF has also called out the fact that two in three retired women] only receive the minimum pension, showing the imbalance in the pension system. [PRO calls for a further increase of the general pension] and points out that pensioner pay often higher taxes than wage earners in Sweden.

In the **United Kingdom**, the [Civil Service Pensioner's Alliance calls on the new government] to restore the triple lock on pensions (pensions increase in line with inflation, wage increases or 2.5 %, whatever is higher), as pledged during the Tories' leadership campaign. The triple lock has been suspended because of the COVID-19 related economic developments. Earlier, the [CSPA warned against pensioners' energy bills] that might increase by 80 % this year.

Conclusion and AGE Recommendations

After having surveyed our members about the situation, AGE can summarise the experience in the following recommendations to ensure that the measures to support citizens in the current high-inflation environment do not leave older persons behind

- Non-take up needs to be addressed by favouring automatic means of supporting income, such as regular, transparent and adequate indexation of pensions, with a short time-lag between inflationary developments and indexation
- Governments must be vigilant about the people who might be excluded from a measure and be particularly vulnerable, such as people on minimum income, or just above the threshold for certain raised benefits.
- Targeted measures should be preferred than indiscriminate measures, so that public money is invested where it is most needed
- Given energy is a main driver for inflation, older persons need to be specifically addressed, as they are less likely to have the financial capacity, knowledge or legal ability to adapt their consumption patterns. Good practices include:
    - Energy advisors who seek contact with people who are more secluded from society, especially the digitally excluded, to inform about supporting measures
    - Support to older tenants, who might not be able to adapt their home to be more efficient
    - Targeted support to older homeowners, who might not have the financial capacity to invest, be excluded from mortgages, have access to information about available options, not willing or able to face major renovations in their living space due to their health situation
- In member states relying more heavily on pension systems with individualized risk (many supplementary defined-contribution pensions) public authorities should collect information about the exposure of pensioners to inadequate income

The European Commission has recently published its proposal for a Council recommendation on adequate minimum income. AGE calls on member States to swiftly adopt the recommendation and to include benefits that are relevant to older persons, such as minimum pensions or housing allowances, into the process of improving quality, take-up and adequacy of minimum income under this recommendation.

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