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Social Security in Austria



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on behalf of Dachverband
der Sozialversicherungsträger



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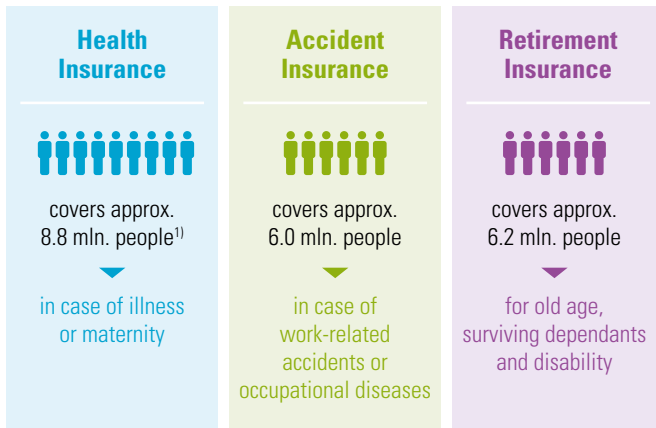
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The Social Safety Net

Social Insurance is a main pillar of the Austrian Social Safety Net and plays a major part in maintaining social cohesion in our modern society. Its three branches offer assistance and thorough protection in case of accidents, illness and old age.

The three branches of Social Insurance

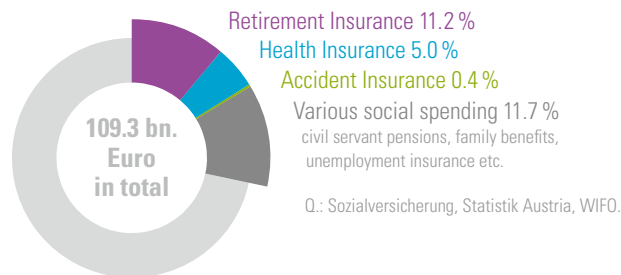


¹⁾ 8.9 mln. people including citizens residing abroad.

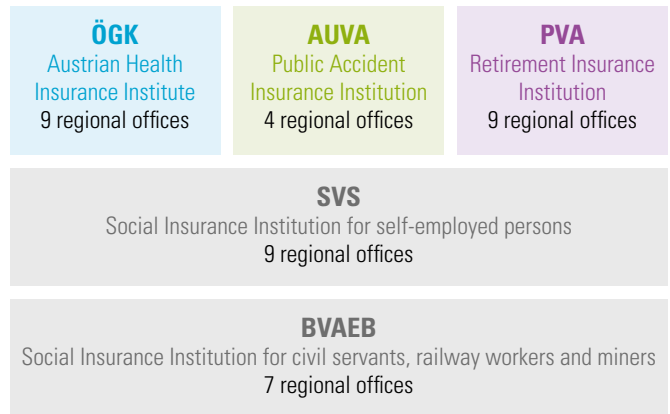
Apart from Social Insurance, the Austrian Social Safety Net also covers Unemployment Insurance, social benefits (family benefits, care allowance etc.) and social welfare / guaranteed minimum income.

Social spending in relation to GDP

Social spending 2018: 109.3 bn. Euro = 28.3 % of GDP

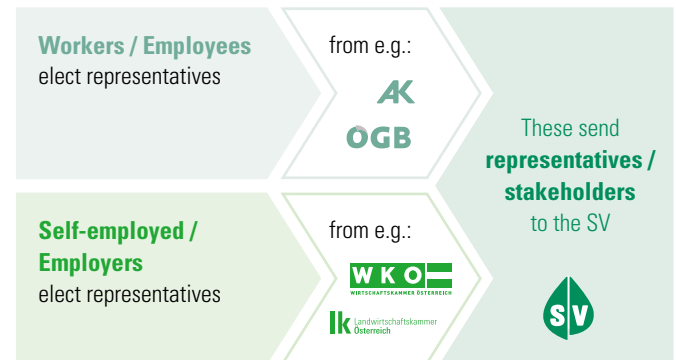


Austrian Social Insurances



Self-Government

Social Insurance in Austria is organized according to the principle of Self-Government. The state transfers certain administrative tasks and responsibilities to those groups that are directly affected.

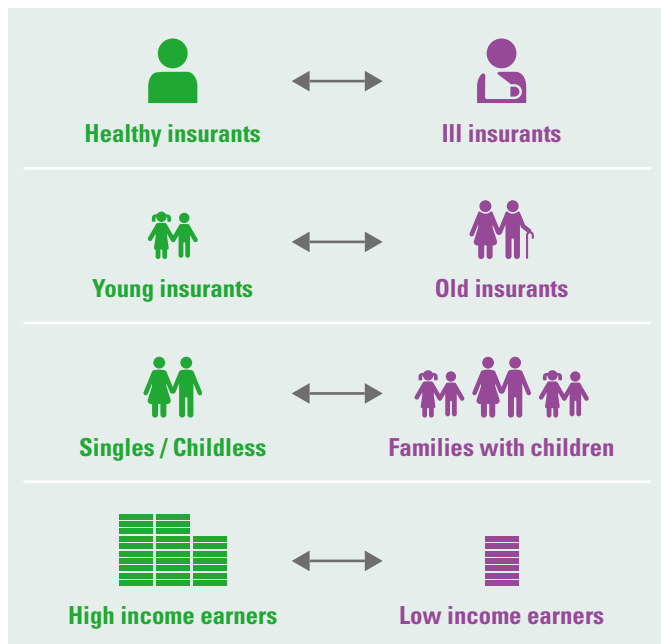


Solidarity

Solidarity is an act of conscious consideration, based on the insight that we all rely on each other. Each person contributes according to their capabilities without demanding anything in return. Solidarity keeps a society together.

Solidarity is the premise for Social Insurance

A functioning society contains all manners of solidary relationships. Between healthy and ill people, between young and old people, between single households and families, between high- and low-income earners etc.



The intergenerational agreement

An especially impressive kind of solidarity is the intergenerational agreement or contract. The intergenerational agreement is not a paper contract but refers to a balance of interests between generations. Parents finance their children's education; in return the children finance their parent's retirement once they have started their professional life. Currently approximately 19 % of the Austrian population is 65 years or older. There are as many senior citizens as children and teenagers.



Austrian population by age 2019¹⁾

/ / = 100,000 people

Age	People	in total 8.9 mln.
65+		1.7 mln.
20 – 64		5.5 mln.
0 – 19		1.7 mln.

Q.: Statistik Austria. – ¹⁾ Sum of population at the beginning of the year.

Compulsory Insurance

A typical feature of the Austrian social security system is the Compulsory Insurance, which includes almost all employed persons in the social security system. If a person is gainfully employed, there is Compulsory Insurance which provides insurance cover. Social Insurance benefits are mainly financed by „compulsory contributions“ paid by the employed and their employers.

Working population in Austria 2018

annual average

👤 = 100,000 people



Q.: BMSGPK, Statistik Austria. –

¹⁾ incl. freelancers and civil servants: officials and contract staff.

There are about 4.3 million people in employment in Austria. That is almost half of all inhabitants. Employers are also obliged to make contributions for their employees.

Dependent employee (Worker / Employee)

Employer

PAY SLIP

Gross salary EUR **2,200.00**

Social Insurance contributions **Employee**

- Health Insurance (3.87 %)* EUR 85.14
 - Retirement Insurance (10.25 %)* EUR 225.50
 - Accident Insurance (0.00 %)* EUR 0.00
 - Unemployment Insurance (3.00 %)* EUR 66.00
- EUR 376.64**

Chamber allocation (0.50 %)* EUR 11.00

Housing subsidies (0.50 %)* EUR 11.00

Income tax EUR **212.38**

Net salary EUR **1,588.98¹⁾**

Employer

- (3.78 %)* EUR 83.16
 - (12.55 %)* EUR 276.10
 - (1.20 %)* EUR 26.40
 - (3.00 %)* EUR 66.00
- EUR 451.66**

Employee

Social Insurance contributions
EUR 376.64²⁾

Employer

Social Insurance contributions
EUR 451.66²⁾



Q.: AK, BMF, ÖGB – *%-Information relating to gross salary.

¹⁾ does not include „family bonus plus“,

²⁾ incl. Unemployment Insurance.

No Risk Selection

In Austria, medical services are available to all socially insured persons regardless of their individual risk. Social and Private Insurance differ in essential ways.

- **Social Insurance**

The Social Insurance **may not refuse** an insurant assigned to it by law.

- **Private Insurance**

Private Insurance **can reject high risks** (in the case of occupational high risk of accidents, because of age, because of previous illnesses ...).

Non-profit oriented

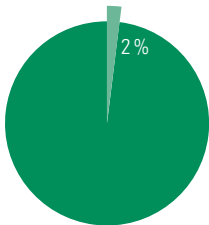
The Social Insurance institution is legally required to use contributions in a cost effective and expedient way. It pursues social rather than market-based objectives.

The social security system provides high-quality services for all insured persons. Of every 100 euros in premium income, about 98 euros are spent on benefits for the insured.

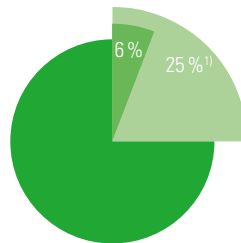
Comparison of administrative costs

The administrative costs of the Austrian social security system are very low at around 2% of total expenditure. In comparison, Private Insurance companies require about 6% (or 15 – 30% with professional expenses) of their total expenditure to cover their administrative costs.

Social Insurance

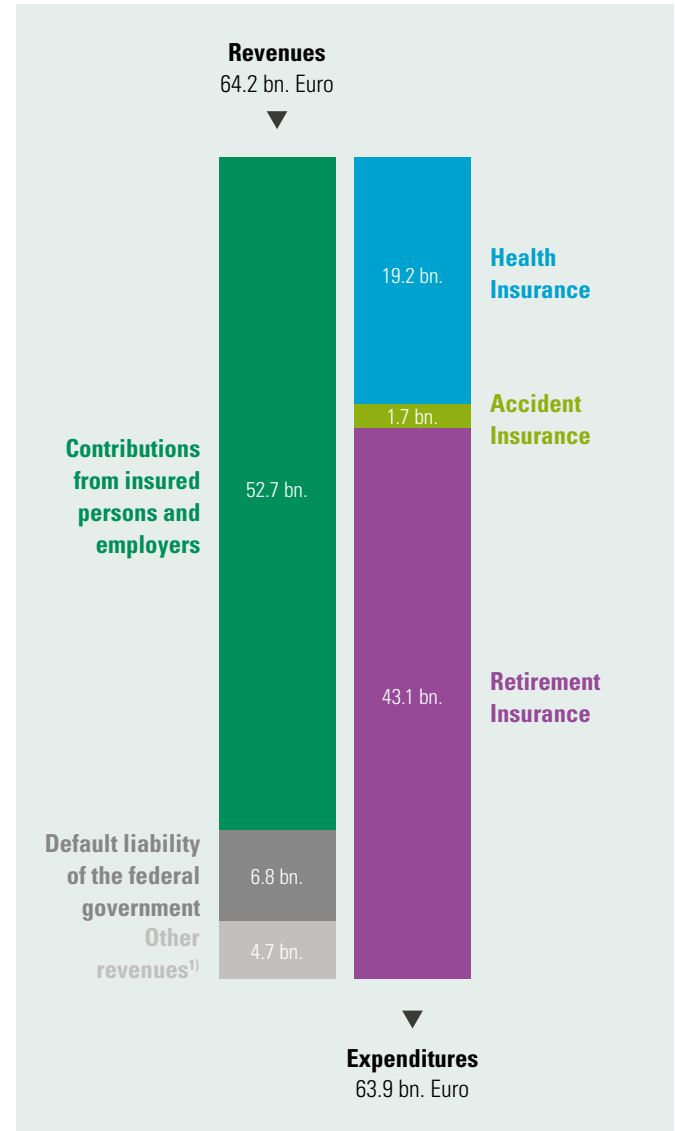


Private Insurance



¹⁾ Professional expenses (administrative costs and professional expenses average 25% of total expenses)

Social security revenues and expenditures 2018



Q.: Sozialversicherung. –

¹⁾ Replacements for compensatory allowances, other service charges, cost-sharing etc.

Protection in case of illness

In Austria 99.9% of the resident population are protected by Social Health Insurance.

- Provisional care
- Illness
- Remedies / Cures
- Maternity

Distribution of protected persons 2018

👤 = 1 Person out of 100 (100% = 8.8 mln. people)



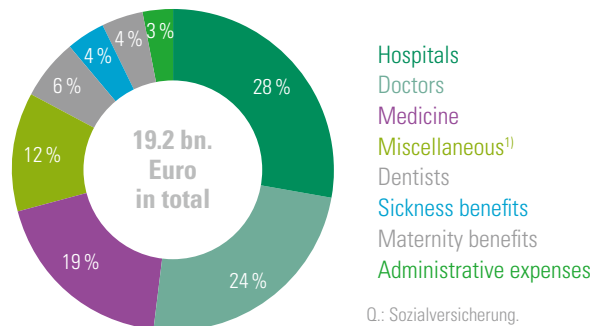
Q.: Sozialversicherung.

With an average monthly contribution of 83 euros, the insured person and his / her relatives enjoy comprehensive protection (care by doctors in private practice, hospitalisation, etc.). Around **22% of protected persons are relatives** who are co-insured free of charge.

The costs of health

The ever-increasing range of services and ever-improving medicines gradually increase expenses.

Social Health Insurance expenditure 2018



Q.: Sozialversicherung.

¹⁾ Rehabilitation benefits, medical rehabilitation, health consolidation and prevention of illness, transport costs, depreciation, etc.

The largest expenditures of Social Health Insurance

● = 1 bn. Euro

	Medical assistance	Institutional care	Remedies	Administrative expenses
1995	●●	●●●	●	●
2005	●●●	●●●●	●●●	●
2015	●●●●	●●●●●	●●●●	●
2018	●●●●●	●●●●●●	●●●●	●

Q.: Sozialversicherung.

Whereas the cost of medical assistance has more than doubled in the last 20 years, the administrative and billing costs have remained relatively constant.

Services of the Social Health Insurance

The progress in medical services is enormous. However, new technologies and increasingly effective drugs are not the only answers to new challenges and higher demands in the health care system and to demographic changes. Provisional health care and health promotion are becoming increasingly important.

Preventive examinations

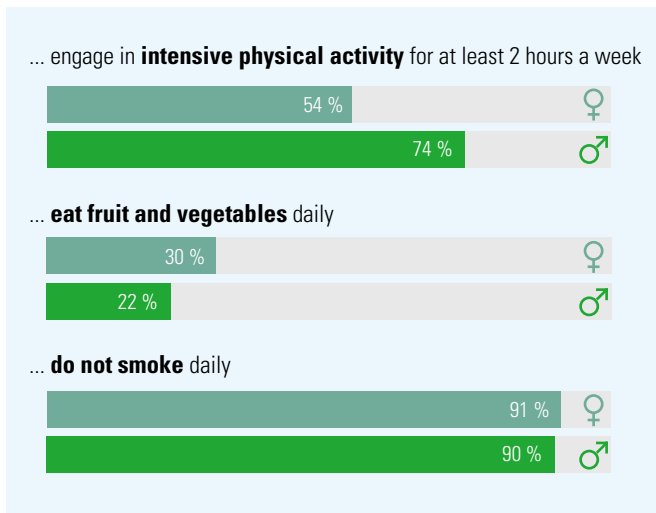
• Adolescent examinations

The eligible recipients are all compulsorily insured young people **up to the age of 18.**

• Preventive (health) check-ups

Insurants and their relatives are entitled to an examination **once a year from the age of 18.** In 2018, over 1.2 million preventive medical check-ups were carried out.

Percentage of 15-year-olds who...



Q.: BMSGPK.

The benefits of the Social Accident Insurance

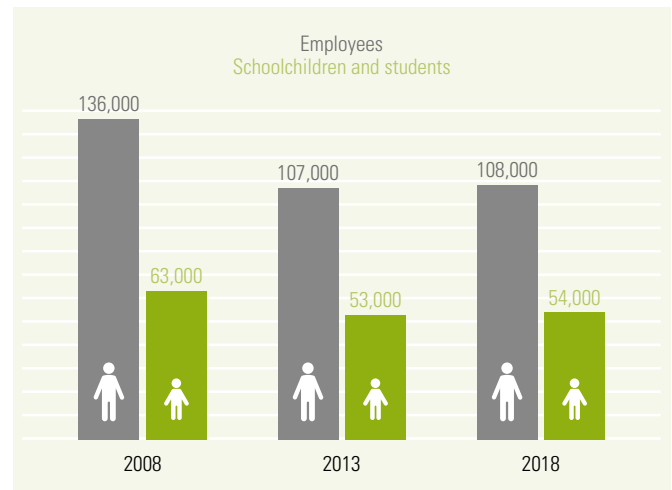
The Social Accident Insurance covers employed and self-employed persons, pupils and students as well as five-year-old kindergarten children. The total number of people insured against accidents averages 6.0 million in 2018.

Accidents connected with their education lead to compensation from the Social Accident Insurance: e.g. accidents on the way to school, during participation in lessons, during excursions and on skiing courses. No contributions are collected from the insured pupils and students.

- **Prevention** of accidents at work and occupational diseases
- **Occupational medical care**
- **Accident treatment**
- **Rehabilitation**
- **Compensation** after accidents at work and occupational diseases e.g. disability pension, survivors' benefits, integrity compensation

Total claims

recognised by AUVA; figures rounded

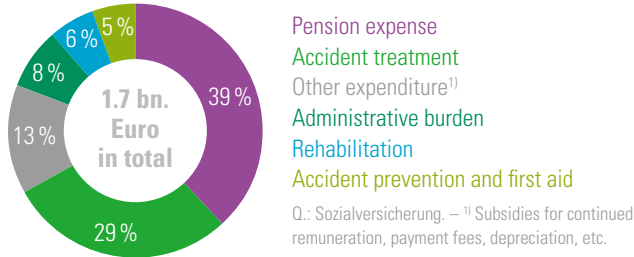


Q.: AUVA.

Financing Social Accident Insurance

96.7 % are financed by employer contributions and 3.3 % by other revenues (federal government and family equalisation fund).

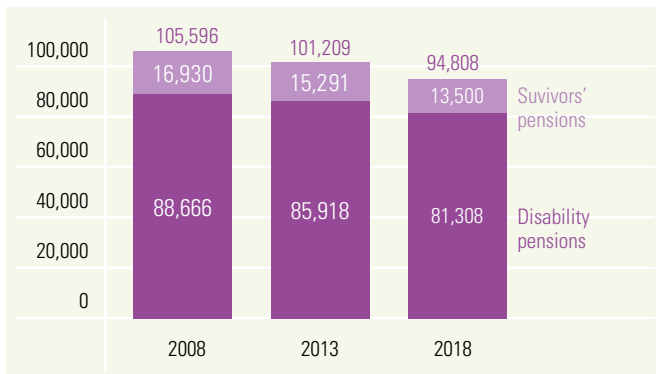
Accident Insurance expenditure 2018



Prevention, i.e. the prevention and avoidance of accidents at work and occupational diseases, is the most important aspect of Accident Insurance. Every year, about 650,000 accident victims receive medical care in Austria. After serious injuries, further treatments are often necessary. These range from remedies to rehabilitation measures and financial support.

Development of Disability pensions and Survivors' pensions

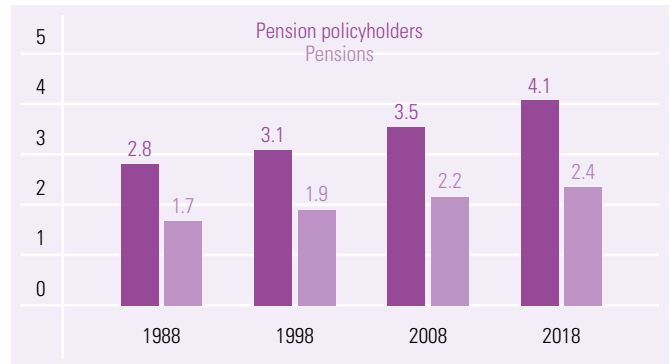
December figures



Approximately 4 million employees are covered by Retirement Insurance. Every month, about 2.4 million pensions are paid out to 2.1 million people. The Social Pension Insurance is by far the most important old-age provision in Austria. It ensures that the standard of living in old age is extensively secured.

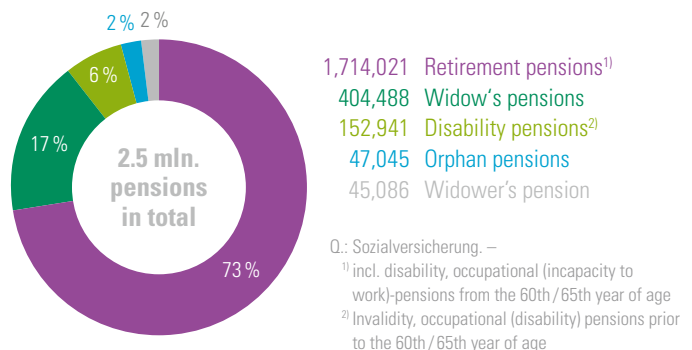
Pension beneficiaries and pensions

Almost 3.5 million out of 4 million pension policyholders (insurance relationships) are employed persons.



Pensions by pension type

all pensions as of December 2018



The benefits of the Social Pension Insurance

- **Payment of pensions in the event of**
 - old age
 - death: widows', widowers' and orphans' pensions (survivors' pensions)
 - reduced capacity to work: invalidity and occupational or disability pensions before the age of 60 or 65
 - long-term insurance
- **Rehabilitation measures**
- **Measures of preventive health care**

The total expenditure of Social Pension Insurance in 2018 amounted to approximately 43.1 billion euro.

Financing Social Pension Insurance – the pay-as-you-go system

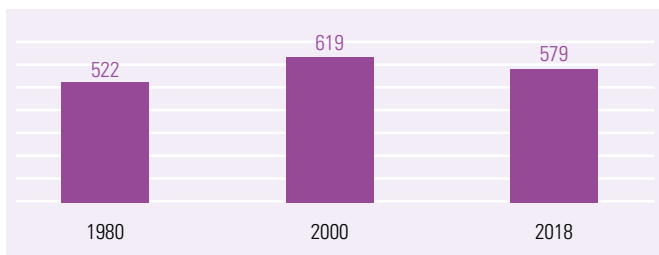
The pensions paid out are largely financed directly by the contributions paid by the working population. In addition, there is the federal contribution from general tax revenues. In 2018, the so-called „Deficiency liability of the Federal Government“ amounted to approximately 7 billion euros.

The pay-as-you-go system:

- has no investment and inflation risk
- is financed by contributions - fixed percentage of gross income
- strengthens the sense of solidarity
- has a low administrative burden

The pension burden ratio

1000 employees paying pension insurance cover ... pensions.



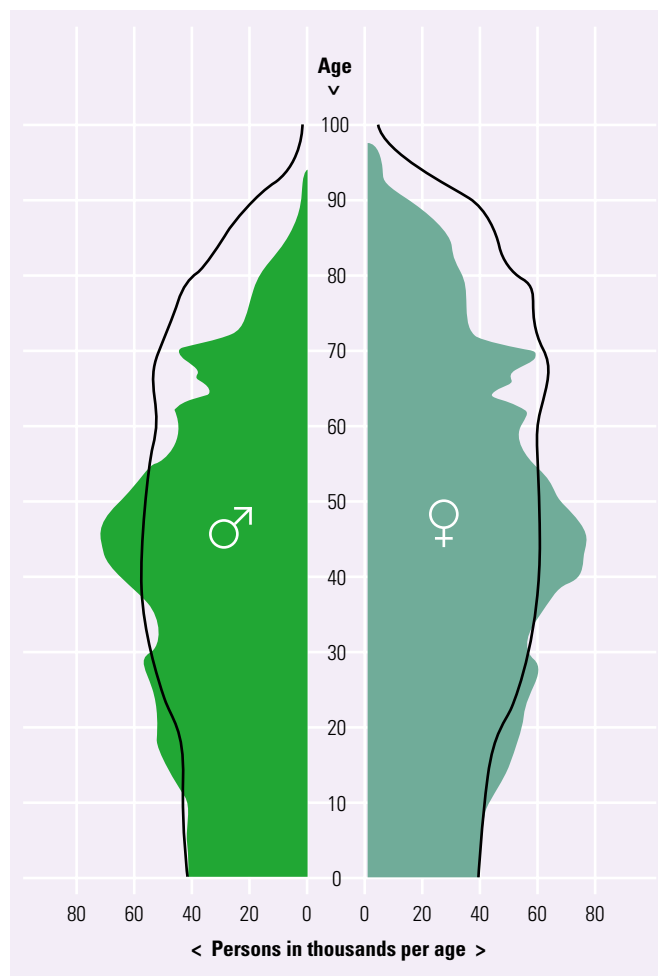
Q.: Sozialversicherung.

Funding of pensions

Rising life expectancy and low birth rates are changing the age composition of the population. The resulting challenges to the pension system can be overcome if timely reforms are implemented to adapt to the changed structures.

Population pyramid

■ 2010 — Forecast 2060



Q.: Statistik Austria.

The e-card: key to the healthcare system

The e-card is the personal key of each insured person to the Austrian health system and enables access to the electronic health file (ELGA). No medical data is stored on the card itself; it opens secure access to data and services in the e-card system. These include the digital illness and recovery notification and electronic assignment among others. By inserting the e-card medical professionals can confirm health insurance cover or other ongoing medical treatments.



On the back of the e-card is the European Health Insurance Card (EKVK). The EKVK is a verification of insurance in the member states of the European Union and in some other states with which Austria has signed an agreement.

How your photo gets on the e-card

Since 1. 1. 2020, every newly issued e-card for persons aged 14 and over must include a photograph of the insured person.



You have an ...

- Austrian passport or
- Austrian identity card or
- Austrian driving licence or
- Residence permit, alien's passport, convention passport or any other document from the Register of Foreigners?

You don't have to do anything – your new e-card with photo will arrive in time before the old one expires, at the latest by the end of 2023.



If you have none of these documents ...

You need to **bring a passport photo** to the local authority responsible for you **3 – 4 months before your e-card expires**. You can find the expiry date on the blue back of your e-card.

Exceptions

- **Children under the age of 14** will continue to receive an e-card without a photo – regardless of whether a photo from one of the registers is available.
- **Persons of the age of 70 and care level 4 and above** are exempt from the photo obligation. If a photo from one of the above-mentioned documents is available, it is placed on the e-card. If no photo is available, an e-card without a photo will be issued. However, these persons can voluntarily bring a photo for the e-card.

Further information:

www.chipkarte.at/foto

Examples of IT-projects

The digitisation strategy of the Austrian social security system is diverse. The “Austrian Social Insurances” is the central coordinator of numerous IT-projects.

• My SV – The social security service portal

With the social security service portal at www.meineSV.at, insured persons can take care of many things online:

- Check insurance periods.
- View doctor’s visits and treatments.
- View personal pension account.
- Submit bills from preferred physicians.
- And much more.

• ELGA – Electronic health record and e-medication

ELGA provides a better overview of health data and medicines prescribed and dispensed in pharmacies – for treating physicians, hospitals, nursing homes, pharmacies and above all for the patients themselves:

- ELGA findings are available independent of time and location.
- Undesirable drug interactions can be avoided.
- Patients can view their ELGA results and their e-medication list via the ELGA portal www.gesundheit.gv.at.

• 1450 – Health advice by telephone

- Telephone health advice for sudden health problems.
- Covers all of Austria, around the clock, seven days a week and free of charge.
- A specially medically trained and qualified nurse advises directly on the phone, gives a suitable recommendation and can also immediately send the emergency service (with / without emergency doctor).

Overview of IT-projects

• Identity verification



e-card

Implementation of the e-card with photo

• Organisation



MeineSV

Digital online service portal



ELGA

Digital health record



e-Medikation

All medications at a glance



eKOS

Electronic communication service (e-assignment)



mBGM

Monthly contribution base notification

• Information



MedBusters

The app for healthy knowledge



Therapie Aktiv

Care and therapy plan for type 2 diabetics



1450

Health advice by telephone

• Innovative treatment methods

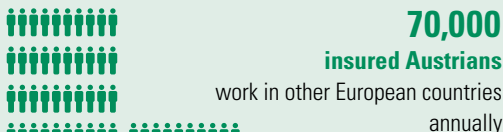


AI

Implementation of artificial intelligence

Social security and health care system in the European context

The cross-border mobility of insured persons is constantly increasing. People study, work, live and go on holiday in other European countries. In order to maintain the high quality of care, social security must increasingly be thought of as Europe-wide.



Q.: Sozialversicherung. – Reference period 2018 for EU and EEA countries.