

CHAPTER 5. SURVIVORS' PENSIONS

CONTENTS

5.1. Survey	48
5.2. Statutory pension insurance	48
5.3. Survivors' pensions in other social schemes	49

5.1. Survey

Survivors' pensions (widows'/widowers' pensions and orphans' pensions) play an important role in Austria. Slightly less than 19% of the total pension expenditure is attributable to survivors' pensions (16.9% widows' pensions, 0.9% orphans' pensions and 0.8% widowers' pensions). Over 25% of all pensions are survivors' pensions.

In 2003 the total expenditure on survivors' pensions under the statutory pension insurance scheme, the civil servants' pension schemes, the work-accident insurance scheme and the schemes in the context of victims' compensation amounted to over EUR 5 billion (over 7% of the social expenditure or 2% of the GDP).

Approx. 90% of recipients of survivors' pensions are women. Due to the low participation in gainful employment in the past, at present more than one third of all women over 60 years have no personal claim to an old-age pension. Therefore, survivors' pensions present an essential form of old-age income maintenance. Of all recipients of survivors' pensions, 45% draw an additional personal pension.

Just below 20% of the survivors' pensions are paid to persons under the age of 60/65 years. According to the ESSPROS methodology, only pensions for persons under 60/65 are defined as survivors'

Survivors' pensions for persons under 60/65 years, 2003

	in billion EUR
Statutory pension insurance scheme	0.60
Civil servants	0.23
Work-accident insurance scheme	0.04
Total	0.87

Source: Statistics Austria, BMSG ESSPROS databank social expenditures

pensions¹. The following table illustrates the expenditures attributable to survivors under the age of 60/65 years.

5.2. Statutory pension insurance

Conditions of eligibility

The conditions of eligibility under the statutory pension insurance scheme and for civil servants are regulated similarly and show a generous standard in EU comparison. According to this conditions, widows/widowers over the age of 35 years are entitled to this type of pension when their spouse dies unless they marry again. An entitlement to a recurring benefit exists also before the age of 35 if the widow/widower is incapable for work and was predominately maintained by the partner, if the marriage produced a legitimate child, if the woman is pregnant, or if the marriage has lasted for at least 10 years.

Persons, who do not fulfill one of the conditions mentioned above, are entitled to a survivors' benefit for the duration of 30 months. This time limit is also applicable to widows and widowers, who only got married at a time, when the deceased had already drawn an old-age pension or an invalidity pension. An entitlement to a permanent survivors' pension exists only, if the marriage has persisted for at least a certain period (3, 5 or 10 years). The required duration of marriage depends on the difference in age between the partners; if the difference in age lies over 25 years, the marriage must have lasted for a minimum of 10 years. However, a recurring benefit is granted also in these cases, if the marriage produced a legitimate child.

Widows'/widowers' pensions can also be granted to divorced partners, if maintenance claims against the divorced

¹ Survivors' pensions for persons over the age of 60/65 are considered as old-age pensions (for the corresponding expenditures see Chapter 4: Old-Age Pensions)

SURVIVORS' PENSIONS

partner existed, or corresponding payments were made at the time of death. In this case the survivors' pension has a ceiling to the amount of the maintenance payment. For certain cases (in particular depending on the type of divorce) there is no such limit.

Level of survivors' pensions

Decisive for the level of survivors' pensions is the relation between the income of the deceased and the surviving spouse during the past two calendar years. The margin of the pension lies between 0% and 60% of the (fictitious) pension of the deceased. Survivors with a total income below a certain threshold (in the calendar year 2005: EUR 1,526 per month) may in any case claim 60% of the pension of the deceased.

In 2004 the average widow's pension amounted to EUR 558, the average widower's pension to EUR 257 (14 times per year).

45% of all recipients of survivors' pension under the statutory pension insurance scheme had an additional claim to an old-age or invalidity pension. In 2004, women obtaining only one pension received an average of EUR 655 (14 times per year). In the case of two or more pensions this amount increased to EUR 1,170.

Orphans' pensions

Besides completing the qualifying period of the deceased parent (as in the case of invalidity pensions) children are entitled to an orphans' pension, if they have not yet

completed their 18th year of life. Orphans' pension is also granted after the 18th birthday, as long as the orphan is in (professional) training/education or, if he/she is incapable of gainful employment. The level of orphans' pension for half orphans amounts to 24% of the pension due to the deceased parent and to 36% for full orphans.

Including civil servants' pensions, in the year 2004, just under 60,000 children or adults obtained an orphans' pension. About one quarter was already over 27 years old. For this group (adult orphans who are incapable of gainful employment) orphans' pension has the function of minimum income provision.

5.3. Survivors' pensions in other social schemes

The eligibility requirements for civil servants are regulated similarly as those under the statutory pension insurance scheme.

The victims' compensation acts (see Chapter 4) offer a survivors' pension. More than half of the pensions in these schemes are paid to survivors. At the beginning of 2005, 27,000 survivors' pensions were paid out in the context of the Act on Compensation to War Victims, 700 in the context of the Act on Compensation to Political Victims, 76 in the context of the Act on Army Victims' Compensation and 42 in the context of the Crime Victims' Act.

