



MINISTRY OF LABOUR AND
SOCIAL PROTECTION



Survey on pension adequacy and expenditure of single elderlies

Ulaanbaatar
2023



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¹ The “single elderly” refers to the women aged 55 or above and the men aged 60 or above and who are living alone. They may or may not have children.

The survey was carried out by:
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FOREWORD

In 2022-2023, the Training, Assessment and Research Institute for Labor and Social Protection conducted a “Survey on single elderly pension adequacy and expenditure” with the participation of social security and employment experts from SOCIEUX+, the EU expertise for social protection, labour and employment. The distinguishing feature of this survey was its specific focus on the pension adequacy of elderly people living alone as a household.

SOCIEUX+ is a facility for technical cooperation between public and social partner peers established and co-funded by the European Union (EU), which aims at expanding and improving access to better employment opportunities and inclusive social protection systems within the framework of technical cooperation. The purpose of the survey was to examine the pension adequacy and expenditure of elderly people living alone as a household and, in doing so, the intent was to use the method of measuring the pension adequacy in the European Union.

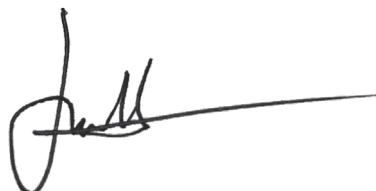
We would like to express our deep appreciation to the team of the four EU public experts mobilized by SOCIEUX+, including Dr. Heikki Hilamo from Finland, Dr. Jorge Miguel Bravo from Portugal, Mr. Steven Janssen from Belgium and Mr. Slavomir Duriska from Slovakia, who collaborated on this survey online and in person and gave feedback on the methodology, questionnaire, sample, and report and also to Ms. Amandine Moignard, Project Manager, who supported the work from SOCIEUX+.

We would like also to express our sincere gratitude to 401 elderly people who participated in telephone interviews and gave their opinions in this survey, and to wish them good health and long life.

Please familiarise yourself with the findings of the survey and feel free to use them in your activities. We welcome also your cooperation and feedback related to the survey methodology, methods and results.

Sincerely,

Executive Director



B. Batbaatar

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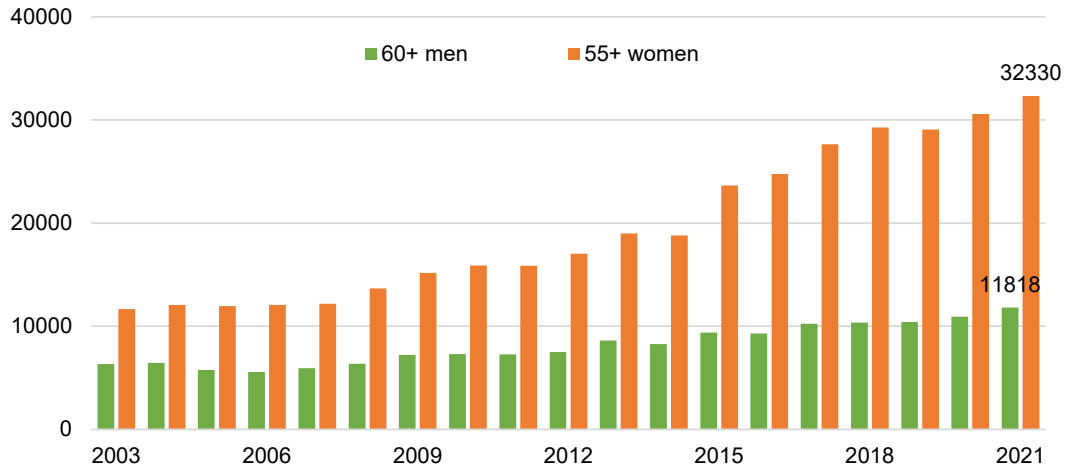
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INTRODUCTION

The number of older people living alone as a household has been increasing year on year, for instance, from 17,966 single older people in 2003 to 44,148 in 2021, or by more than 20 thousand people in 18 years. These single older people account for 10.7% of the total older population.

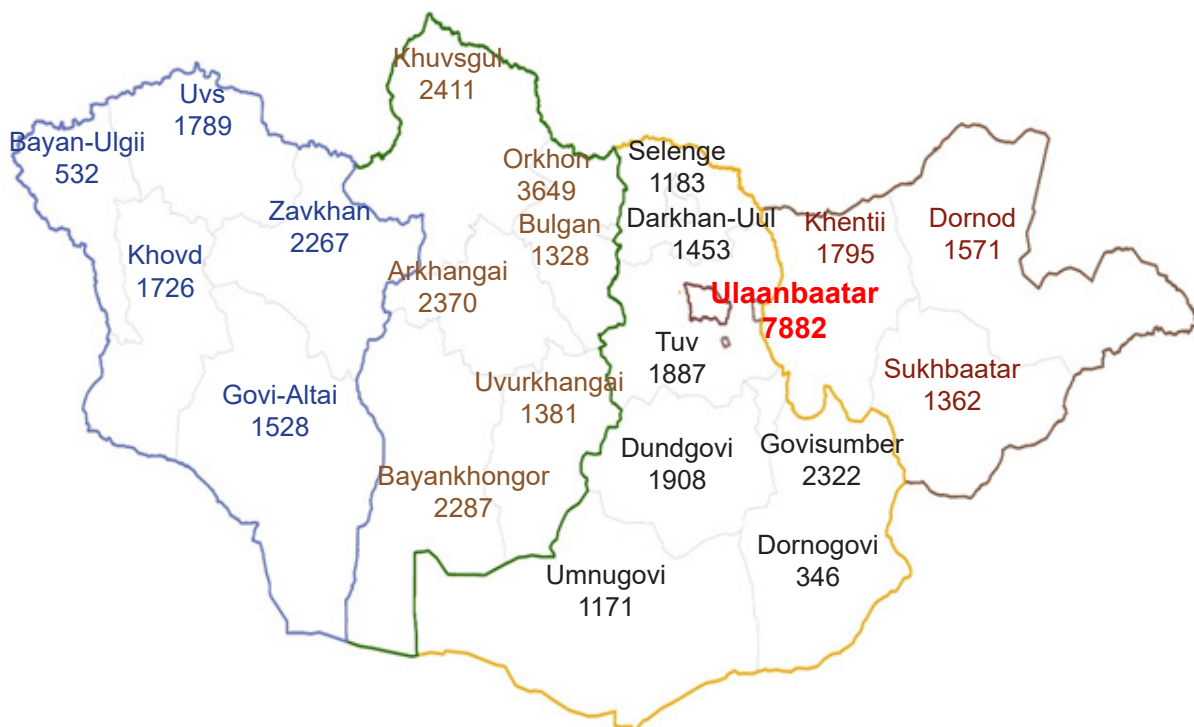
Figure 1. Number of older people living alone as a household



Source: www.1212.mn

Due to the difference in the average life expectancy among the population, it has become a common trend for older women to live alone as a household. The largest number of these single older women are in Ulaanbaatar city (17.9%) and Orkhon (8.3%), Khuvsgul (5.5%), Arkhangai (5.4%) and Govsumber (5.3%) provinces.

Figure 2. Number of older people living alone as a household, by province



Studies on the topic

The following studies have been conducted in Mongolia on the elderly and pension adequacy.

In 2018, the National Statistics Office completed a “Survey of certain socio-economic indicators of the elderly”, which shows that pensions and allowances account for the majority of the monthly income of the households headed by an elderly person.

In 2019, a team led by Dr. B.Narantulga from the Management Academy conducted a study on the “Current state of the old-age pension system”, where the adequacy of pensions is considered based on the statistical data of the Social Insurance Authority and National Statistics Office.

In 2020, the National Statistics Office conducted also a thematic research “Elderly” based on the results of population and housing census, which focused on the socio-economic situation of the elderly.

In 2022, the Institute of Philosophy conducted a baseline study “Social issues of the elderly: Implications and trends”. The findings of the study showed that 96.2 percent of the elderly make their living from pensions.

While these studies are based on the administrative data of the total older population, we aim to investigate the adequacy and expenditure of pensions for the elderly people living alone as a one person household through this survey.

Purpose

The purpose of this survey was to examine the adequacy and expenditure of pensions for the older people living alone as a one person household. The following objectives were set within the framework of the main goal, including:

- Obtaining quantitative data on the elderly living alone as a one person household;
- Determining the size of pension for the elderly;
- Determining the share of pension in total income of the household;
- Determining pension expenditure and purpose;
- Determining pension adequacy; and consequently
- Delivering necessary data to policy makers.

Sample design

Based on the data provided by the National Statistics Office, the target group for this survey consists of individuals aged 60 and older for men, and 55 and older for women, who live alone as a household. The estimated size of this population, used as the sampling frame, is 44,148.

The sample was drawn by the simple random sampling method or the following formula.

$$X = \frac{Z_{\alpha/2}^2 p(1-p)}{MoE^2} \quad n_i = \frac{N_i * X}{X + N_i - 1}$$
$$\begin{aligned} \alpha &= 5\% \\ Z_{\alpha/2} &= 1.96 \\ p &= 0.5 \end{aligned}$$

The sample size: We calculated 5 percent margin of error at a 95 percent confidence level and included 401 elderlies in the sample.

Table 1. Sample size

		Age group			All
		55-64	65-74	75 and older	
Men	Urban	14	15	8	38
	Rural	21	22	18	61
Women	Urban	49	34	20	104
	Rural	77	67	54	198
Total		161	139	100	401

The sample breakdown was done proportionally, taking into account the age, gender and location of the elderly.

Data collection

Data collection for the survey was done using a quantitative survey method or by telephone interviews in December 2022. The operators could contact only one out of each 3 elderlies. In case of failure to contact the sampled respondent (e.g. the phone number is not in use, the respondent is deceased, cannot be reached, wrong number), data was collected for replacement seniors whose age, gender, and location characteristics were similar to those selected in the sample.

Questionnaire

As we obtained the address and contact phone number of the elderlies from the list of elderly people living alone as a household, registered with database of the National Statistics Office and included in the sample, we acquired responses to the following questions through a quantitative survey questionnaire.

- Type and ownership of dwelling where the elderly lives;
- Pension size;
- Debt under a pension-backed loan;
- Pension adequacy;
- Health status of the elderly;
- Future pension expectations;
- Feedback on pensions.

GENERAL INFORMATION OF SURVEY PARTICIPANTS

By age group, out of total survey respondents, 161 (40.1%) were the people aged 55-64, 139 (34.7%) were the people aged 65-74, and 101 (25.2%) were the people aged over 75.

Table 2. Survey respondents, by gender and age group

		Age group			All
		55-64 years old	65-74 years old	75 years old and over	
Gender	Male	35	37	26	98
	Female	126	102	75	303
Total		161	139	101	401

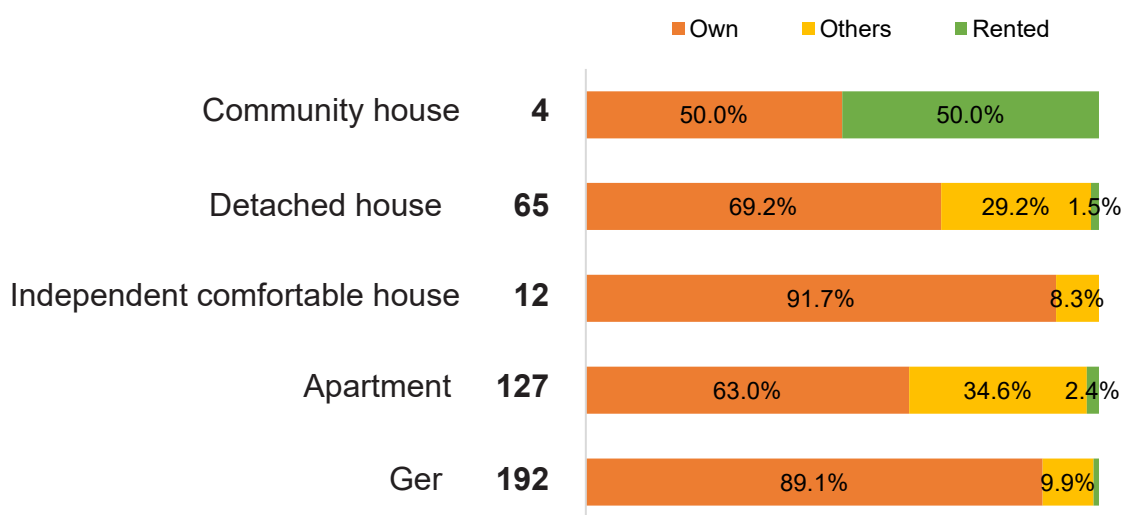
By gender, 24.4% of the respondents were men and 75.6% were women.

Table 3. Survey respondents, by location and age group

		Age group			All
		55-64 years old	65-74 years old	75 years old and over	
Location	Urban	63	49	28	140
	Rural	98	90	73	261
Total		161	139	101	401

In terms of location, 34.9% of the respondents lived in Ulaanbaatar and 65.1% in rural areas. In the rural areas, the survey respondents were mostly women aged 55-64 years old.

Figure 3. Type and ownership of dwelling where the elderly live



By type of dwelling where the sampled elderly live, 48% of the surveyed lived in gers, 31.7% in apartments, 16.3% in detached houses, 3% in houses, and 1% in community houses. In terms of ownership, 77.2% lived in their own dwelling, 20.8% lived in someone else's or their child's or relative's house, and 2% lived in a rented apartment. However, in terms of gers, 89.1% of the elderly owned their gers, 9.9% lived in other people's gers, and 1% in rented gers.

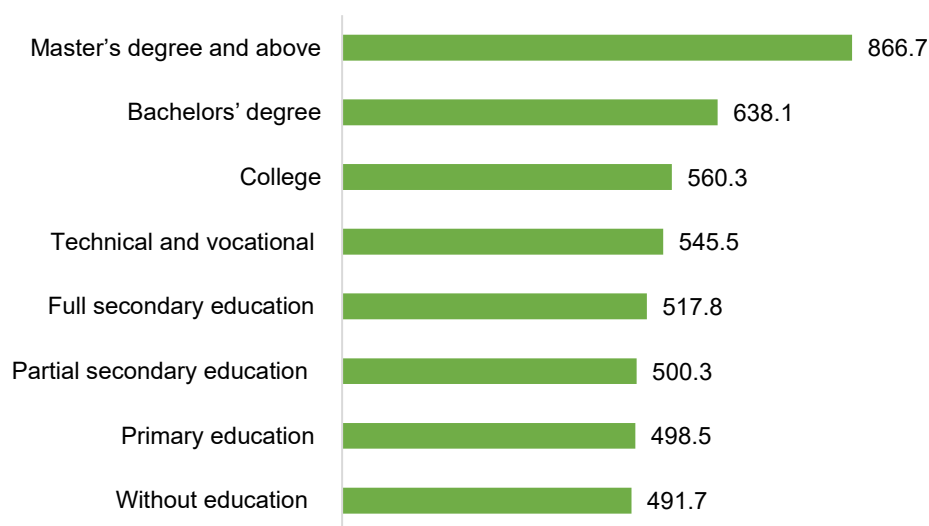
MAIN FINDINGS OF THE SURVEY

Pension size and average income

The average pension of the single elderly people surveyed was MNT 544.1 thousand. In Ulaanbaatar city, the average pension of an elderly person was MNT 560.7 thousand and, in rural areas, the average pension was MNT 535.2 thousand, while the average pension of men was MNT 568.8 thousand, and the average pension of women was MNT 536.1 thousand.

Elderly people who receive a pension of MNT 500,000, which is the minimum size of the full pension of the Social Insurance Fund, constituted the majority of the respondents, or 65.3%. This figure was close to the figures published in the Social Insurance Statistical Yearbook 2022².

Figure 4. Average pension size of single elderly people surveyed, by education level

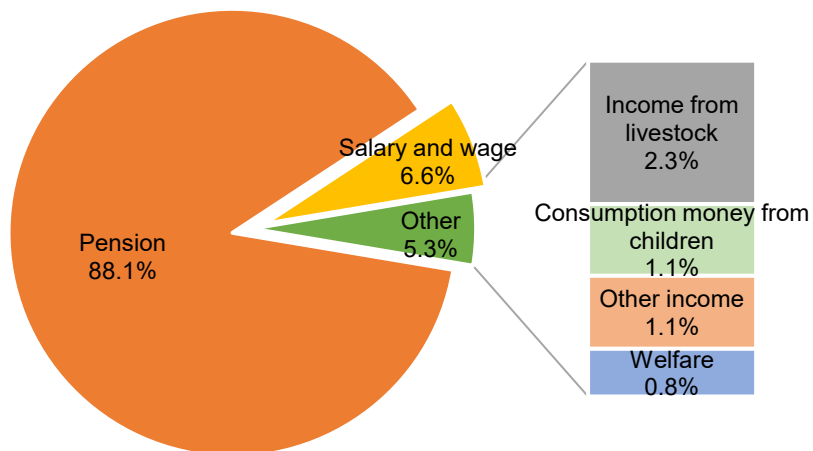


It was observed that the average pension size increased with the level of education.

20% of the surveyed responded that they earned additional income in addition to the pension, and the income structure is shown in the following figure.

² As of the first half of 2022, 67.8 percent of total senior citizens were receiving the minimum full pension.

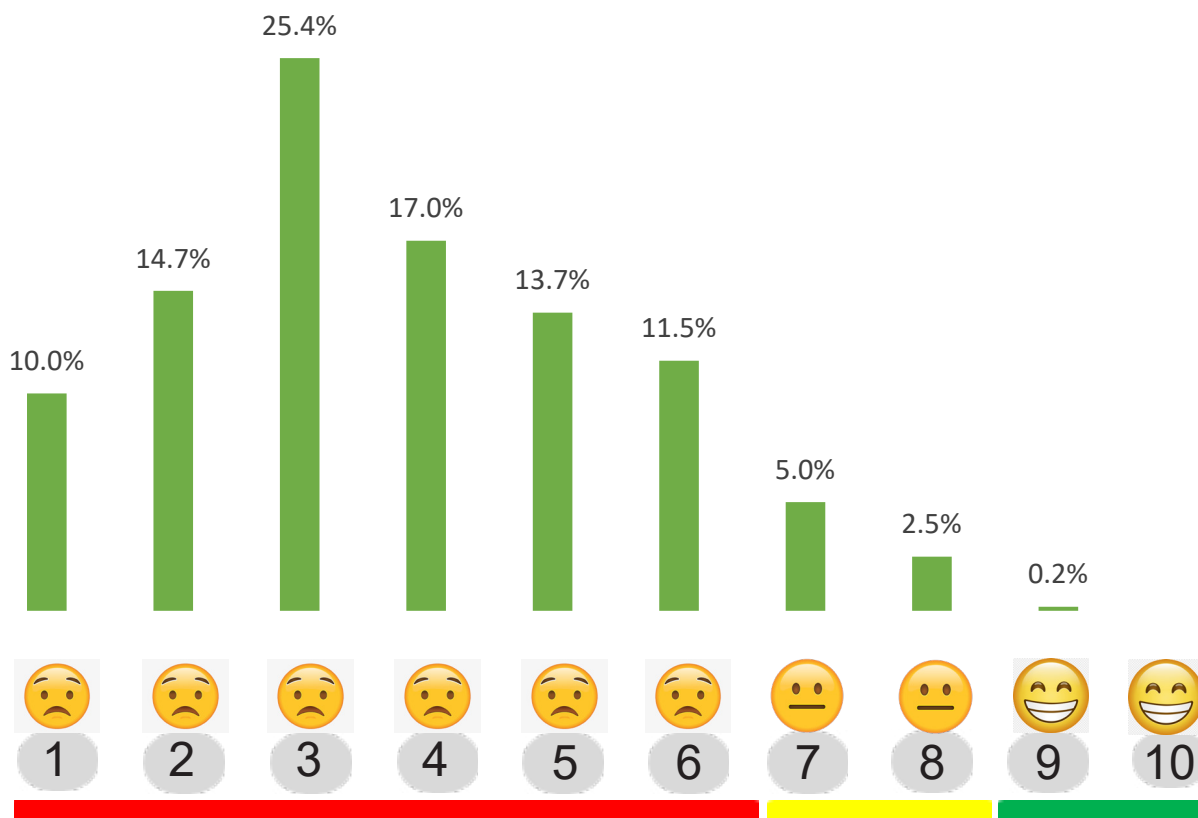
Figure 5. Structure of single older people's income, by share



88.1% of the total income earned by the single elderlies is made up of pension alone, 6.6% comes from salaries and wages, 2.3% comes from livestock, 1.1% comes from children, and 0.8% comes from welfare money. 1.1% is other income, or money earned from rent and temporary work.

The average total income of the older people surveyed is MNT 617.4 thousand, and the average salary of working older people is MNT 604.4 thousand.

Figure 6. Income satisfaction of surveyed single elderlies



³ 6.7 percent of total surveyed elderly

Survey respondents were asked to rate income satisfaction on a scale of 1-10. The average of the income satisfaction rate of the surveyed elderlies was 3.7, which showed dissatisfaction with their income. The level of satisfaction was 4.1 for men and 3.7 for women respectively.

Pension expenditure

The responses to the questions “What do you buy first with the pension income?” were

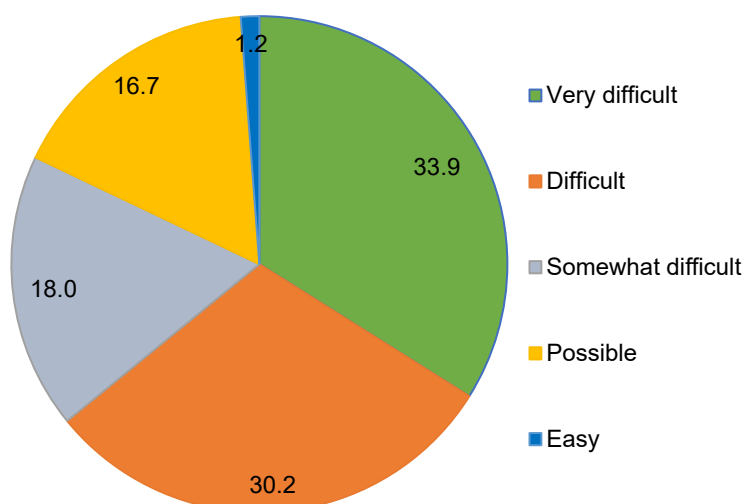
1. Food
2. Medicine
3. Electricity and water bills
4. Heating and fuel bills,
5. Transport and transportation..

Most of the elderly responded that the pension covers only the cost of food and medicine. Some elderly responded that there are times when the pension is not even enough for buying food.

We also asked the elderly whether they can pay for vacations, resorts, sanatoriums with their own money, and 81.8% responded “no”.

When asked whether it is possible to make a living by the pension, 64.1% responded that it is difficult and 18% responded that it is possible.

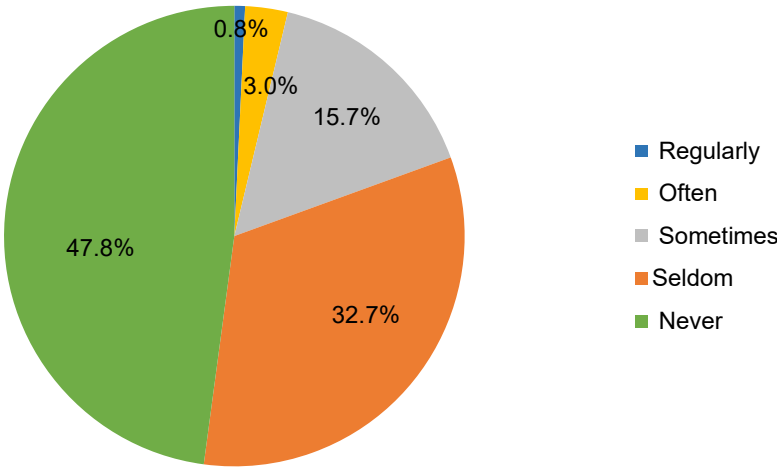
Figure 7. Responses to the question “What is it like to live on a monthly pension?”, by percentage



Of the elderly who responded “very difficult” or “difficult” to the above question, 56.1% responded that they are assisted by siblings and children when asked about the help that they receive to make up for the insufficient part of the pension.

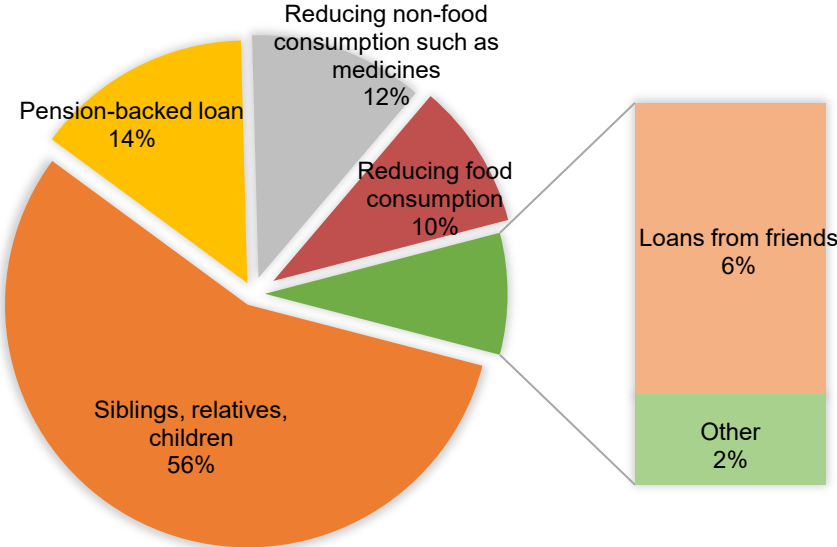
95.8% of the older people surveyed have children, and 59.4% of them receive help from their children.

Figure 8. Financial support provided to children and grandchildren, by percentage



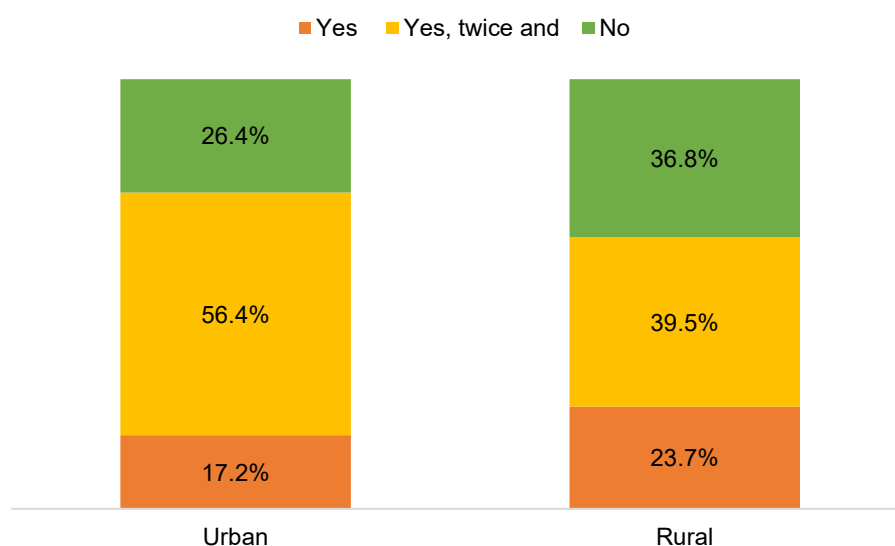
When asked whether they provide financial support to their children and grandchildren, 52.2% of the elderly responded that they help in some way, while 47.8% responded that they could not.

Figure 9. Response actions taken by the elderly in case their pension is not enough to support their livelihood, by percentage



When asked if “there was a case in the last year when you were unable to pay your utility bills”, 33.2 percent responded “no”. The responses are shown in the figure below with a breakdown by urban and rural areas. Single older people living in the urban areas failed more often to pay utility bills (electricity, water, housing maintenance), and, especially, failed to pay 2 or more times.

Figure 10. Percentage of responses on whether there was a case of not being able to pay utility bills in the last year, by location



In order to investigate the elderly's financial preparedness for unexpected expenses, we asked whether they are able to pay MNT 1 million in expenses and 80.55 percent responded that they could not or were not ready to pay. The pension of those elderly, who responded that they could afford to pay, was higher than the average pension or MNT 621.2 thousand.

Table 4. Preparedness for unexpected expenses and average pension size

	Can you pay without obtaining a loan if there is an unexpected expense (1 million MNT)?	Average pension MNT thousand
Yes	19.45%	621.24
No	80.55%	525.46

Pension adequacy

Starting from 2012, a Pension Adequacy Report (PAR)⁴ is published every 3 years from the Social Protection Committee (SPC) of the European Union in order to compare the pension systems of the member states (the current and future adequacy of old-age income). This report measures adequacy in three dimensions: (i) poverty prevention (ii) income maintenance, (iii) retirement duration.

The first dimension shows the adequacy of pensions by their ability to prevent and reduce old-age poverty, considering such factors as material and social deprivation among women and men aged 65 and over.

⁴Pension adequacy report 2021: Current and future income adequacy in old age in the European Union

The second dimension measures the adequacy of pensions by their capacity to replace pre-retirement income and, hence, limit the financial impact of transiting from work into retirement, thereby assessing the extent to which pre-retirement standards of living can be maintained. This can be measured either by comparing the incomes of the same individuals before and after retirement, or by comparing the incomes of the older/retired population to those of the younger/working population.

The third dimension considers the adequacy of pensions for the entire duration of retirement, depending on the average life expectancy of the population. Adequacy changes over the time of retirement, reflecting impacts and changes in income levels, household structure, health status and care needs, and countries consider these at the policy level.

The first measure – At-Risk of Poverty rate - is the percentage of pensioners with an income below the poverty line or below 60 percent of the median after-tax income of the population as calculated in the EU Survey on Income and Living Conditions. .

The next metric is the Aggregate Replacement Ratio, which compares the pensions of people aged 65-74 against the earnings of active old persons (ages 50-59).

The third measure is Income Inequality, which compares the income of the wealthiest 20 percent against the income of the poorest 20 percent within the population aged 65 and over.

The fourth measure is Material and Social Deprivation, which is calculated as the percentage of people in the age group of 65 and over who cannot to afford to buy 5 out of 13⁵ items.

The above indicators were calculated for the single elderly households in Mongolia who participated in the survey.

Table 5. Pension adequacy calculation results for Mongolia

	At-Risk of Poverty, %	Aggregate Replacement Ratio	Income Inequality	Material and Social Deprivation, %
Total	72.8	43.2 ⁶	14.8	38.2
Men	62.2	43.2	7.2	35.7
Women	76.2	43.2	18.4	38.9

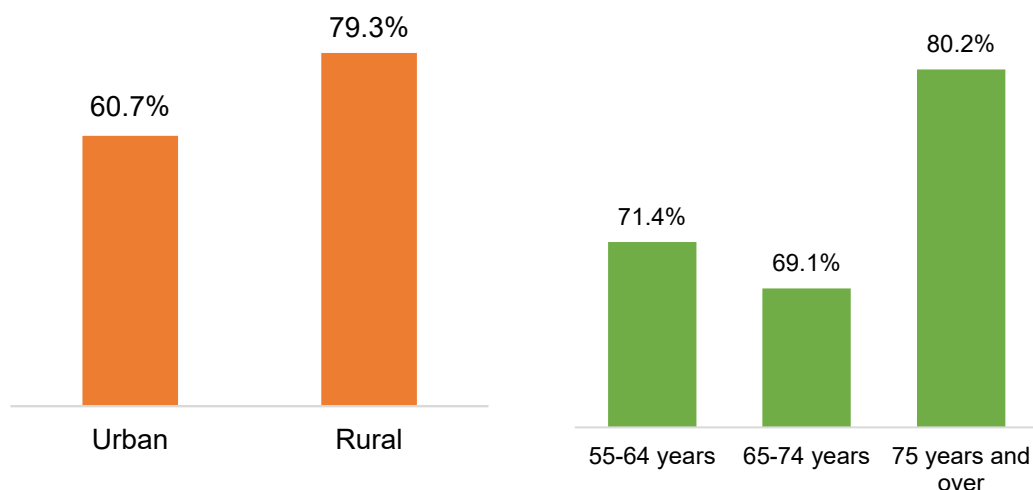
⁵A list of 13 items is included in the appendix.

⁶Calculated by median salary.

At-Risk of Poverty

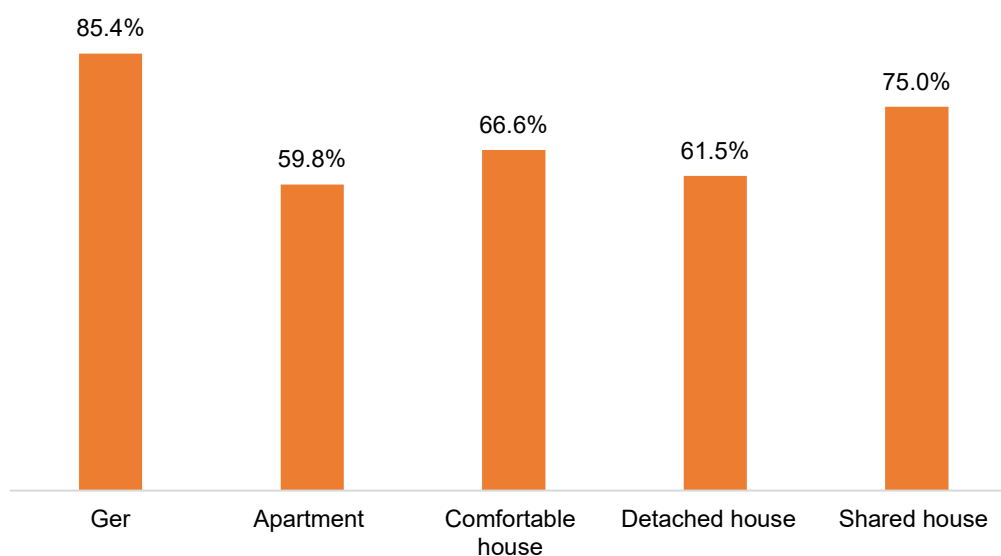
We used 60 percent of the median after-tax⁷ salary⁸ to calculate the at-risk-of-poverty rate. The at-risk-of-poverty level among single elderly households was 72.8 percent, or very high, which means that almost 3 out of 4 people are poor. The at-risk-of-poverty rate is especially higher among women.

Figure 11. At-risk-of-poverty level, by age group and location



Among the elderly in the age group of 75 years and over, at-risk-of-poverty rate is even higher or 80.2 percent, and the risk of poverty is higher in rural areas. In other words, 4 out of 5 people living in the rural areas and older people over 75 years of age are at risk of poverty.

Figure 12. At-risk-of-poverty level, by type of dwelling



⁷ Calculated, on average, at 21.7 percent.

⁸ The median salary for the third quarter of 2022 was MNT 1,157,427.

When at-risk-of-poverty is considered by the type of dwelling, the elderly living in gers are at a higher risk, while those living in apartments and houses are at a slightly lower risk.

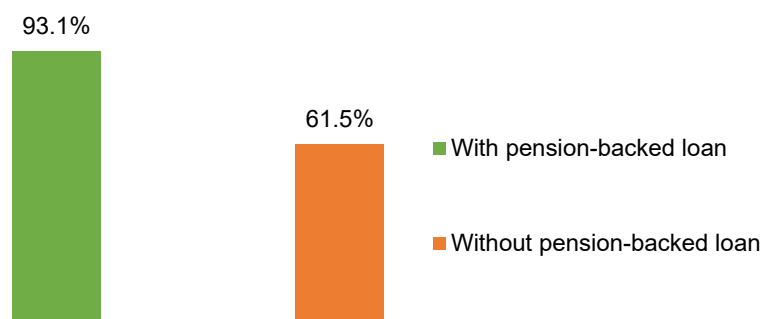
Pension-backed loan

35.9 percent of the survey participants responded that they currently have a pension-backed loan, and that the remaining amount of the pension after the loan payment is MNT 106.8 thousand on average. 31.3 percent of the elderly who have a pension-backed loan remain with no income after the loan payment. This shows that the remaining money is lower than the “2022 minimum living standard of the population”⁹.

Almost all seniors with pension-backed loans are becoming impoverished. The risk of poverty is high also among those who do not have pension-backed loans, which suggests that the elders overall are at risk of poverty even before they obtain a pension-backed loan.

According to the Bank of Mongolia’s “Money and Financial Statistics” as of December 2022, the outstanding balance of pension-backed loans was MNT 517.4 billion

Figure 13. At-risk-of-poverty level, by old people with and without pension-backed loans



Aggregate replacement ratio

Information on the pensions of pension recipients aged 65-74 and the incomes of citizens aged 50-59 is needed for this calculation; however, instead, we compared the average pension¹⁰ of the people receiving a pension to the average salary¹¹. Another way is to compare the median pension¹² to the median salary. This calculation shows what percentage of the income of the working people is received by the pensioners. In other words, based on the average salary, the income of the older people receiving pensions is equal to 44.2 percent of the income of the working citizens.

The aggregate replacement ratio for the elderly living alone was 43.2 percent, which is close to Denmark, Slovenia, and Latvia. The percentage and size by the member states of the European Union are shown in the appendix.

⁹ By Order of the Chairman of National Statistics Office dated 31 January 2022, the minimum living standard is MNT 277800 in Ulaanbaatar, MNT 238800 in Western region, MNT 239200 in Central region and MNT 236400 in Eastern region.

¹⁰ MNT 544.1 thousand based on the findings of the survey

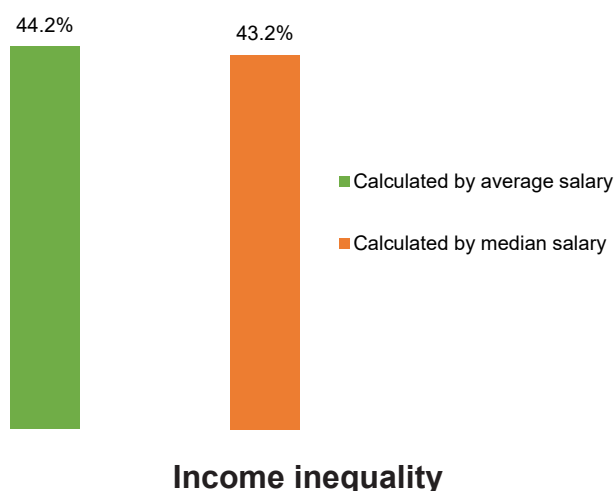
¹¹ The average salary for the third quarter of 2022 was MNT 1,573.1 thousand (or MNT 1,231.7 after tax).

¹² MNT 500 thousand

There no divergence in the median pension size between men and women and it is MNT 500,000, or equal to the minimum amount of full pension. Therefore, the aggregate replacement ratio was 43.2 percent.

There was very little difference between the ratios based on average and median salaries.

Figure 14. Aggregate replacement ratio, by average and median salaries

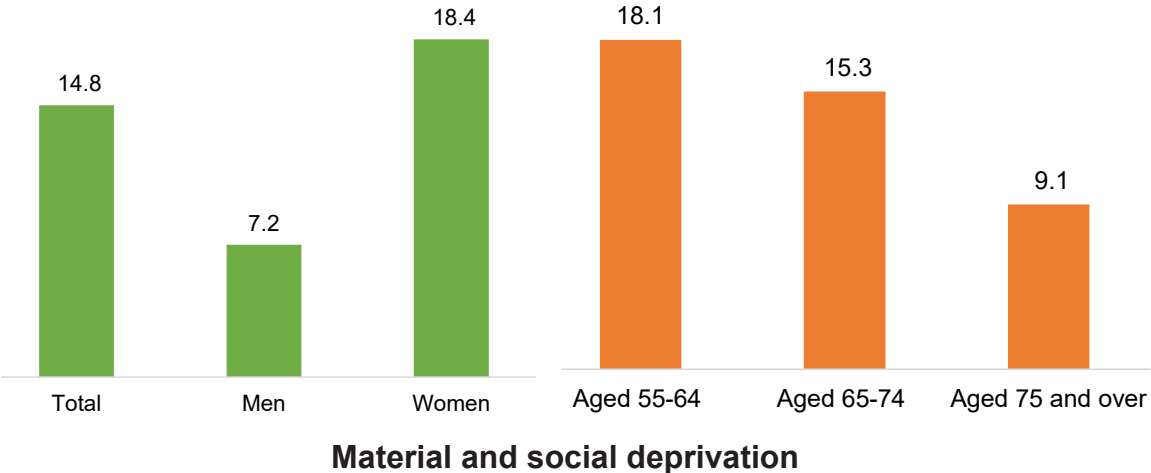


Income inequality was calculated for all seniors who participated in the survey and not only for seniors aged 65 and over because the sample of this study was small and was considered only for single elderly households. Again, the result was a high number. It shows that the income of the seniors with the highest income (20% with the highest total income) is 14.8 times more than that of those with the lowest income¹³ (20% with the lowest total income). The income gap is especially large among older women.

When comparing each age group, the difference in income is more noticeable for newly retired citizens. In other words, it shows that the gap among pensioners aged 55-64 is very high.

¹³ Pension-backed loans are taken into account.

Figure 15. Income inequality, by age group and gender



In the European Union statistical survey on Income and Living Conditions (EU-SILC), material and social deprivation is defined as not being able to afford to buy 5 out of 13 items. Inability to afford to buy 7 out of 13 items is considered as severe material and social deprivation.

We attempted to estimate in this survey material and social deprivation in Mongolia, and, in doing so, we asked the following based on 8 items that are considered more appropriate for Mongolia.

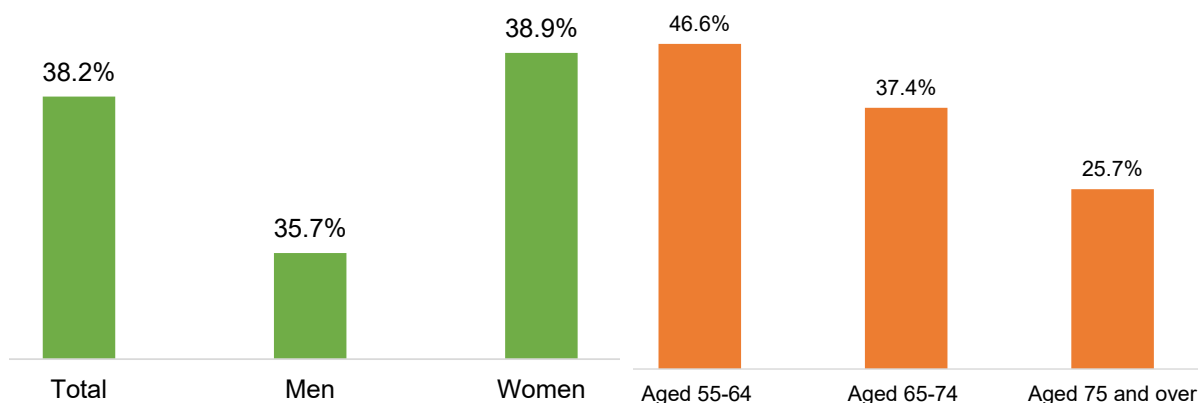
In the last year, have you been unable to afford to buy the following items due to financial difficulties?

1. Food (meat, flour, vegetables, etc.)
2. Medicines and injections
3. Clothes
4. Electricity and water bills
5. Heat and heating payments (housing maintenance, firewood, coal)
6. Communication costs (telephone charges, units)
7. Loan payments
8. Transportation expenses (car, fuel cost)

Inability to afford to buy 4 out of these items above was considered as severe material and social deprivation. The rate of severe material and social deprivation was 38.2%, and this rate was slightly higher for women.

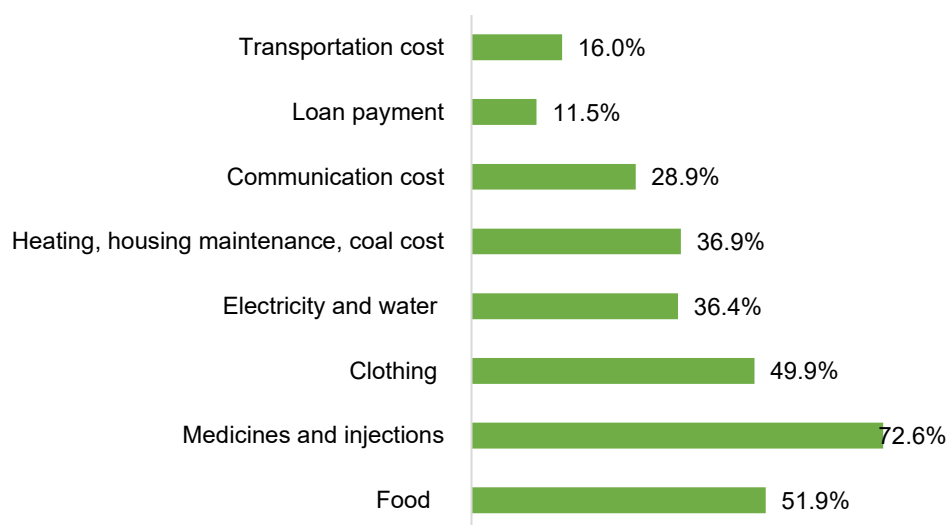
In terms of age, those in the age group 55-65 had more severe material and social deprivation. But in terms of location, there is almost no difference, or 38.6% for older people living in single households in the city and 37.9% of the elderly living in rural areas.

Figure 16. Severe material and social deprivation, by gender and age group



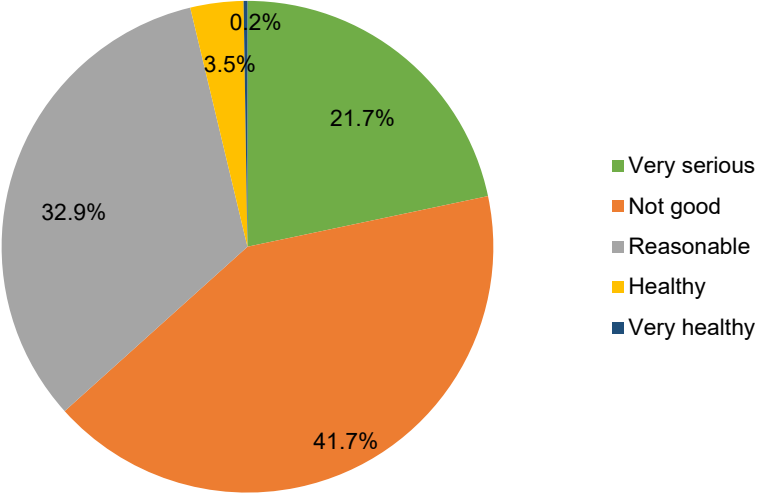
Among the single elderly who participated in the survey, there were many cases of not being able to buy medicines, injections, food, and clothing. However, the rate of not being able to pay loan payments and transportation costs (car, fuel cost) is relatively low

Figure 17. Items that could not be purchased/paid for due to financial difficulties in the last year, by percentage share



When evaluating their health, 41.7% of the elderly surveyed responded that their health was not good, 32.9% responded that it was reasonable, and 21.7% responded that their health situation was very serious requiring regular usage of medicines and injections. Only 3.7% or very few old people responded that they were healthy.

Figure 18. General health assessment of the elderly, self-assessed, by percentage



Suggestions and requests of the elderly

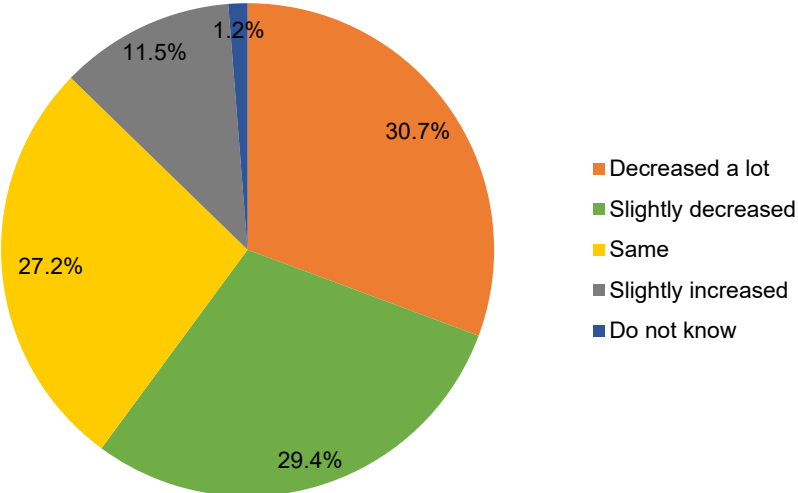
The survey participants were asked several open-end questions about pensions and income, and the first question was about the pension size that would be considered as adequate.

In their opinion, an average pension of MNT 926,000 would be sufficient to make a living. 5.2 percent responded that they do not know. Older people living in the city responded that the average pension should be MNT 973.3 thousand, while those in the rural areas responded that it should be MNT 900 thousand.

Older people who are at a high risk of poverty responded that MNT 893.9 thousand would be the desired average pension; however, those who are not at risk of poverty responded that it should be MNT1,006.9 thousand.

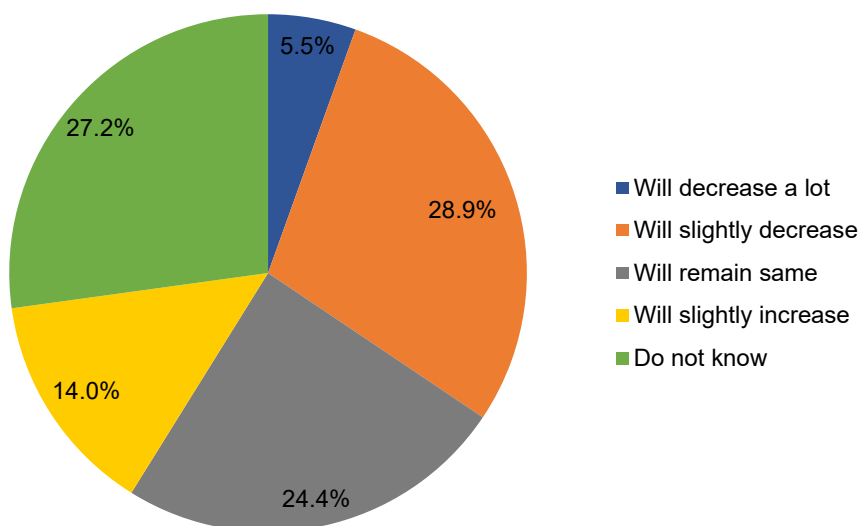
60.1% responded that the income level has decreased compared to 3 years ago. 27.2% responded that it remained the same, 11.5% responded that it increased slightly, and 1.2% answered that they did not know.

Figure 19. How has the income level changed compared to 3 years ago?



However, when asked about their expectations regarding income in the next 3 years, 27.2% responded they did not know, while 34.4% thought that it would decrease. A small percentage, or 14%, had a positive expectation of a slight increase in income.

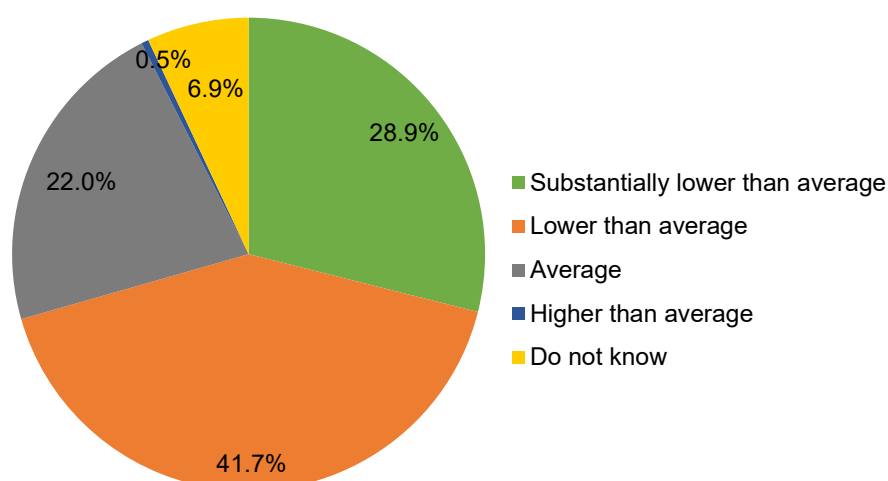
Figure 20. Level of expectation regarding future income (in the next 3 years)



The majority (70.6%) of older people who live alone in a one person household believe that their financial situation is lower than average, 22% think that it is average, 6.9% do not know, and 0.5% think that their income is above average.

These results indicate that older people are not satisfied with their income, pension and financial situation.

Figure 21. Self-assessed financial situation, by percentage



When older people living alone as a one person household were asked about pensions and support, the following were the most common responses.

<i>Proposals received</i>	
1	Increase pension
2	Introduce restrictions on the increase in food prices
3	Increase discounts on medicine prices and add certain medicines to the list of discounted medicines
4	Determine the pension amount according to the years worked
5	Introduce price regulation for medicines
6	Provide opportunities for employment, including SME and other soft loans
7	Add more quotas for firewood and coal price discounts
8	More attention from psychologists and social workers to the older people with disabilities and their social inclusion
9	Improve health services, including prevention and early detection, and introduce a “no waiting in line” rule for elderly health services
10	Pay the "age endowment ¹⁴ " benefit, starting from the age of retirement, and increase its amount
11	Build a center for the elderly that provides care, food, assistance and services to the elderly
12	Free spa, sanatorium, and treatment for seniors once a year
13	Make the Veterans Day a “welcome day” when the governors and social workers of baghs and districts meet the elderly who have never been formally employed

¹⁴ The “age endowment” benefit was approved by Government Resolution No.31.

CONCLUSION

In order to examine the pension adequacy and expenditure of the elderly people living alone as a one person household, data was collected from 401 elderly people by way of telephone interviews using the survey questions developed according to the EU methodology. The following are the conclusions from the findings of the survey.

The majority (78.6 percent) of the elderly people living in single households are women, which is due to the difference in average age between men and women and also to the fact that women's retirement age is 5 years earlier than that of men.

The average pension of the surveyed was 544.1 thousand MNT, or 88.1% of their total income, which means that they have no income other than pension. The standard of living is, therefore, directly related to the amount of pension.

In terms of pension spending, the majority of older people responded that they spend only on food and medicines, and 64.1% responded that it is difficult to live on monthly pension. Consequently, they are not satisfied with their income. 56.1% of them responded that they ask their brothers, sisters and children for help when their monthly pension is not enough to support their livelihood, which indicates that financial difficulties may be passed on to their children. The survey also showed that 4 out of 5 older people were not financially prepared for unexpected expenses.

Pension refers to monthly funds¹⁵ provided by the social insurance fund in order to provide old age income to the insured. In the case of a pension-backed loan, MNT 106.8 thousand¹⁶ remains on hand per month on average, which is lower than the minimum subsistence level.

We tried to calculate the pension adequacy based on 4 methods used by the European Union countries, and the first measure, or the at-risk of poverty rate, was 72.8 percent, which shows a very high risk of poverty. Pension-backed loans are one of the factors that put the elderly at risk of poverty. 93.1 percent of older people who have pension-backed loans are at risk of poverty, while the risk of poverty among those who do not have pension-backed loans is 61.5 percent. This indicator is higher among the elderly over 75 years old (80.2%) and the elderly in the rural areas (79.3%) are also in a difficult position.

The aggregate replacement ratio for single older people is 43.2 percent, which means that the pension is equal to 43.2 percent of the median salary of the currently working citizens, which is close to Denmark, Slovenia, and Latvia.

Income inequality was very high among the elderly people surveyed, with the highest-income seniors earning 14.8 times more income than those with the lowest-income. Especially for women, this indicator was 18.4, which shows large divergence between men and women. This is also impacted by pension-backed loans.

¹⁵ Social Insurance Law

¹⁶ Findings of the survey

The fourth indicator, or severe material and social deprivation, was 38.2% which is also not a good result.

Elderly people had the highest rate of not being able to buy medicine and pills, or 72.6%, and 41.7% of them responded that their health is not good, which indicates that the elderly have serious health issues.

Thus, the most common proposals received from the older people were to increase pensions, limit the increase in the price of food products, increase the discounts on the price of medicines, add certain medicines to the list of discounted medicines, determine pensions in accordance with the years of work, provide employment opportunities, and possibilities to obtain SME and soft loans.

RECOMMENDATION

Considering that the ability to purchase goods with pensions decreases year on year¹⁷, it is recommended that the pension be indexed annually to the increase in consumer prices.

There have been a lot of suggestions from the elderly that the pension should be linked to the years of work, therefore, it is recommended to consider this request. There are cases where the pension was determined at the minimum amount even for those who had paid social security contributions for 30 years.

The next recommendation does not directly affect the pension fund, but it is proposed to provide assistance to the senior citizens by increasing the amount of the discounts on the price of medicines needed or by providing food and food support.

It is recommended to pay a special attention to the discontinuation of pension-backed loans in the future to the older people because the risk of poverty is the highest among the elderly people who have pension-backed loans, and such seniors are directly affected by poverty.

The national holiday “Lunar New Year” is the time when the elderly obtain large pension-backed loans and, therefore, if the amount of the “Age Endowment” benefit is increased prior to the holiday, the need for loans may decrease.

If the amount of pension is to be increased, it is recommended to increase, as priority, the pension of elderly people over 75 years of age living in the rural areas in accordance with the years of work.

Also, since the majority of the elderly who participated in the survey live in gers, it is considered appropriate to direct the discounts on firewood and coal to such single elderly households.

Since this survey included those who already receive pensions, it was not appropriate to make recommendations on the rate and amount of social insurance contributions or the retirement age. Therefore, no recommendations are made regarding changes in these parameters.

The European Union advisor Stephen Janssen suggested that the minimum pension amount should be increased to MNT 543,000 in accordance with the years of work in order to lift out of poverty all the seniors who are at risk of poverty.

¹⁷ Consumer price index was 129.2% as of December 2023 (2020=100%)

APPENDICES

Figure 22. At-risk of poverty pensioners, European Union EU-SILC 2021 survey, by member states

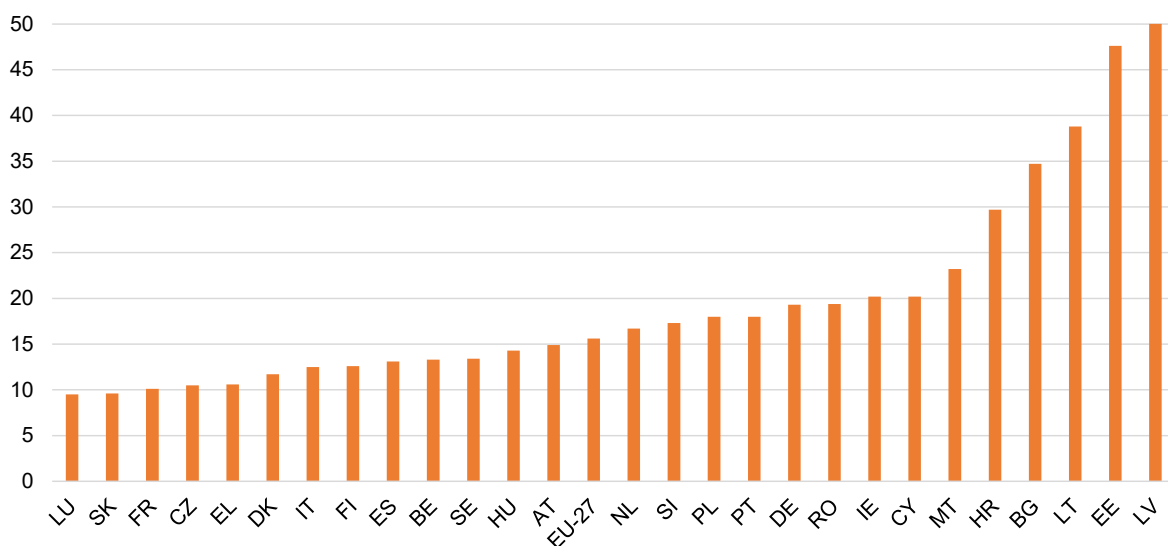


Figure 23. Aggregate Replacement Ratio, European Union EU-SILC 2021 survey, by member states

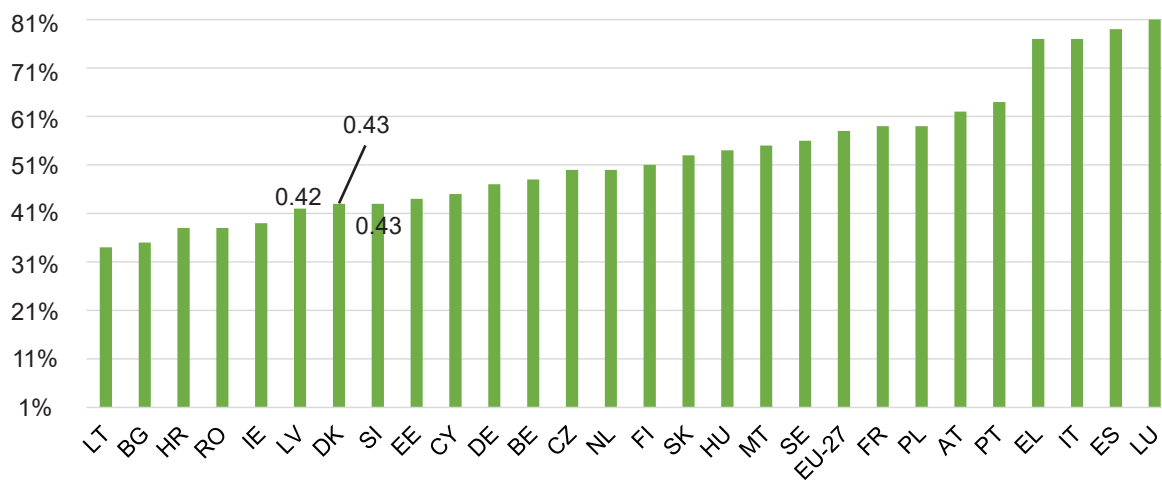
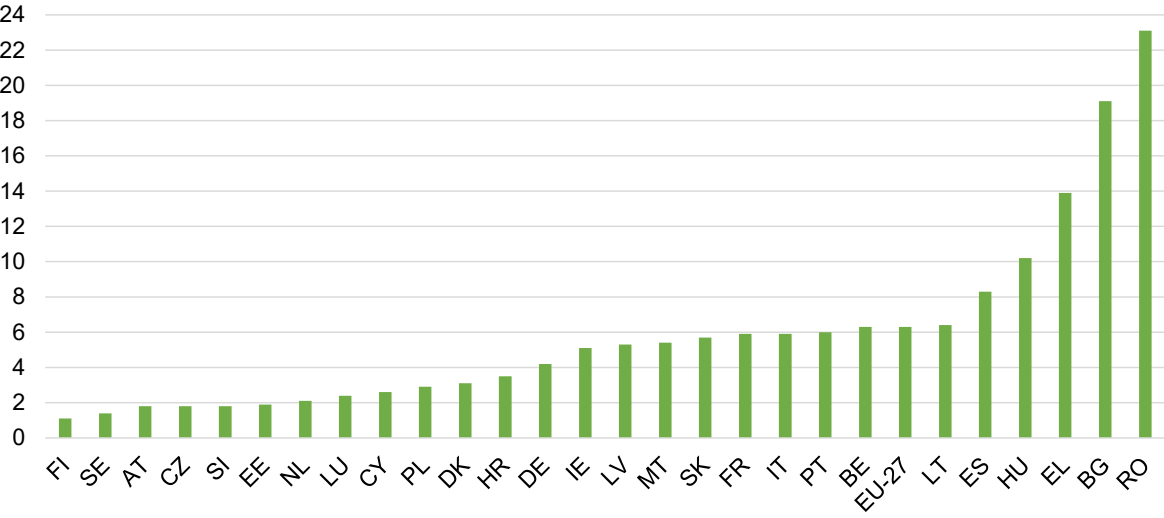


Figure 24. Income Inequality of the elderly in the age group of 65 and over, European Union EU-SILC 2021 survey, by member states



Figure 25. Severe material and social deprivation of the elderly in the age group of 65 and over, European Union EU-SILC 2021 survey, by member states



13 items for calculating Material and Social Deprivation

1. Ability to be prepared for unexpected expenses;
2. Be able to go on vacation for 7 days away from home every year;
3. Absence of any overdue mortgage, utility or purchase payment;
4. Be able to eat an equivalent amount of meat, chicken, fish or vegetarian meals every two days;
5. Keep home warm enough;
6. Have a car for personal use;
7. Be able to replace worn furniture;
8. Have an Internet connection;
9. Replace old clothes with new ones;
10. Have two pairs of appropriate shoes (including shoes for every season);
11. Ability to spend a small amount of money for own needs every week;
12. Be able to spend free time actively;
13. Drinks or a meal with family or friends at least once a month.

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About this cooperation

This report originates from a technical cooperation action carried out between the Training, Assessment and Research Institute for Labor and Social Protection (TARILSP) of Mongolia and the European public expertise mobilised in the framework of the [EU Facility SOCIEUX+](#). The action, entitled Survey on pension adequacy and spending of the single elderlies (SOCIEUX+ cooperation 2022-23), was developed under a peer-to-peer cooperation approach between November 2022 and February 2023, with the support of the EU Delegation in Mongolia.

Thus, the public experts mobilised by SOCIEUX+ and staff from TARILSP worked together to develop a survey on pension adequacy and spending of the single elderlies through two activities of technical cooperation:

- The first peer-to-peer activity was conducted online through the SOCIEUX+ platform and focused on an analysis of tools and sampling for the data collection for survey on pension adequacy for single elderlies.
- The second activity, conducted on site in Ulaanbaatar, strengthened the capacities of the TARILSP staff on data collection and analysis through on-the-job trainings, to develop recommendations and suggestions for policies for single elderlies, with a focus on pension adequacy.

For this technical cooperation, SOCIEUX+ has mobilised the European public expertise from the following institutions: NOVA University of Lisbon (Portugal), University of Helsinki (Finland), Ministry of Labour, Social Affairs and Family (Slovak Republic) and SIGEDIS, the Belgian public non-profit agency that manages the Belgian databases for Complementary Pensions and for Career Data.

About SOCIEUX+

[SOCIEUX+ EU Expertise on Social Protection, Labour and Employment](#) is a facility for technical cooperation established and co-funded by the European Union through the European Commission's Directorate-General for International Partnerships (DG INTPA) and the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). The general objective is to expand and improve access to better employment opportunities and inclusive social protection systems.

Based on the peer-to-peer exchange model, SOCIEUX+ shares knowledge, best practices and experience through the mobilisation of European public experts for short-term cooperation activities. SOCIEUX+ is results-oriented and demand-driven, responding to the requests of public institutions and social partners [in more than 160 eligible countries and territories](#).

The Facility is implemented by a partnership composed by Expertise France (the partnership lead), the Belgian International Cooperation on Social Protection (Belincosoc), the Belgian Development Agency (Enabel), and the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP).

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