URGENT ACTION

ARGENTINA: STOP REGRESSIVE RETIREMENT BILL

A proposal bill seeking to eliminate the moratoriums pension can be approved by the Senate in coming days. It would impact older people’s rights, especially of women and informal workers. We call for human rights scrutiny and to reject alternatives harming equal access to pensions and the dignified lives of older people.

TAKE ACTION: WRITE AN APPEAL IN YOUR OWN WORDS OR USE THIS MODEL LETTER

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Honorable Senators,

I am writing to express my deep concern about the proposal bill “Ley de Bases” which seeks to eliminate the "pension moratorium". If approved, 90% of women and 70% percent of men of pensionable age will not be able to retire; instead, they will receive a money transfer worth less than half the poverty line. We are alarmed that it will deepen inequities for women between 60 and 64 without 30 years of contributions, who today have guaranteed access to a pension, and would be left without any protection until turning 65.

The pension moratorium is a mechanism that guarantees a pension for those at the age of retirement who did not complete the 30 years of contributions required by law. It provides a minimum retirement pension with a monthly deduction depending on the number of years they have left to reach the 30 years established in the law. This scheme is critical considering that labor informality rate is over 47%. People working on education, construction and women doing unpaid domestic work, among others, will be severely affected since they have not received Social Security contributions from employers during their work life.

Even in times of economic crises and according to international standards, states must demonstrate that every effort has been made to use all resources at their disposal to meet human rights, including robust assessments to ensure that public policies are not regressive and do not have a disproportionate effect on the most vulnerable groups. Furthermore, States must take deliberate and targeted measures to safeguard the rights of people suffering discrimination and marginalization, including older people.

Therefore, I urge you to desist from the elimination of pension moratorium due to the risks that it represents for guaranteeing the right to social security and an adequate standard of living for older people and ensure that any reform on pensions meets Argentina’s international obligations on the matter.

Sincerely,

[NAME]
On April 30, the National Lower House gave preliminary approval to the proposal bill “Ley de Bases” which, among several economic and fiscal reforms, introduces changes in the Argentine pension system. The proposal bill is now being discussed in the Senate. If approved, it will become a law.

The draft bill sets out: i) the abolition of the pension moratorium and ii) incorporates a new figure, the Proportional Retirement Benefit for those who are 65 years old but do not comply with the 30 years of contributions required to have access to the minimum retirement pension. If approved, 9 out of 10 women and 7 out of 10 men will not be able to retire at the age of 60 or 65, having to opt for alternatives that do not cover the cost of basic needs. This modification will also have a significant effect on the access to retirement pension for thousands of people. According to official data, 8 out of 10 of people who registered to retire in 2023 did so through a moratorium plan.

Pension moratoriums are public policies to guarantee access to retirement for people who do not have 30 years of contributions. Their objective is to repair situations of inequality in the face of informal labor in a country in which more than 47% of the labor market is carried out without contributions or registration. The moratoriums allow a person who has not been able to contribute during his/her life to access pensions while also paying in to cover the gap in contributions.

If the pension moratorium is repealed, those who do not meet the requirements for retirement will only have access to the Universal Pension for Older People (PUAM), which is 80% of the minimum retirement pension. In March, the amount of PUAM was set at $107,000/$107 dollars, and the minimum retirement pension at $134,000 ($134 dollars), amounts far from the necessary income to avoid poverty according to INDEC (National Institute of Statisticians and Census) which is $250,000/$250 dollars. Those who receive the minimum retirement pension are well below the poverty line. The project proposes that most future retirees, both men and women, receive even less.

Even though the law will have an impact on all those who do not have sufficient contributions due to informality and/or specific personal trajectories, it will have a disproportionate impact on women as they have higher rates of informality than men. According to the National Directorate for Gender and Statistics: in 2022 almost 4 out of 10 women worked in the informal sector in care-related activities (domestic work, social and health services).

This historical inequality can be seen in access to retirement: according to official data, only 12.1% of women of retirement age (between 55 and 59 years of age) have more than 20 years of contributions. On the same vein, when the current social security moratorium was enacted, 90% of the women starting the procedure to access retirement pension reported they provided unpaid and unregistered care work for many years.

In addition, Argentina has been facing an economic and social crisis for several years. The proposed changes to pensions are taking place in a context where Argentina has borrowed from the IMF, through the largest loan ever granted by the international financial institution. The IMF has included among the conditionalities for Argentina the achievement of a “zero deficit”. Since the inauguration of the new government, this objective has been reflected in the adoption of strong fiscal adjustment and austerity measures. In its latest report on the country, the IMF has pointed out the additional cost to GDP of the pension moratorium, while calling for the protection of the most vulnerable.

The fall in pensions was one of the main drivers of the fiscal adjustment carried out by the current government. According to the Argentine Institute of Fiscal Analysis (IARAF), the total reduction of the national public administration's primary expenditure during the first two months of 2024 (Argentine pesos $ 3,869,000 million) was 43% ($ 1,682,000 million) explained by the reduction of expenditure on pensions and retirement, which was 33% compared to the first two months of 2023.

PREFERRED LANGUAGE TO ADDRESS TARGET: Spanish. You can also write in your own language.

PLEASE TAKE ACTION AS SOON AS POSSIBLE UNTIL: 15 June 2024
Please check with the Amnesty office in your country if you wish to send appeals after the deadline.

NAME AND PREFERRED PRONOUN: N/A

LINK TO PREVIOUS UA: N/A