



2004

# POMOČ DELAVCEM IN OTROKOM

Lani število zahtevkov za pomoč delavcem ni naraslo

Na jamstvenem skladu pomagajo delavcem, ki ostanejo brez zaposlitve, s terjatvami do podjetja v stečaju. Lani so pomagali 2180 upravičencem iz 122 podjetij. Preživninski sklad pa pomaga otrokom, za katere eden od staršev tri mesece zapored ali tri mesece v letu dni ne plača preživnine – leta 2004 je bilo takšnih otrok 3576. O tem je na novinarski konferenci govorila Lilijana Madjar, direktorica javnega jamstvenega in preživninskega

Iz Planike pa so zahteve pršele decembra 2004, zato konca leta niso mogli izdati ločb, saj niso prejeli podatka stečajnega upravitelja. Delavcem bodo izplačali zahteve prvi polovici marca.

Jamstveni in preživninski sklad upni terja kar j sred tven sedn so p

LJUBLJANA - Jamstveni sklad Republike Slovenije je bil ustanovljen pred petimi leti, poravnava pa naj bi obveznosti delodajalcev v položajih, ko podjetja zaradi nesolventnosti ne morejo več poravnati svojih obveznosti do zaposlenih delavcev. Pred tremi leti so izplačila sklada razširili še na nadomestila za neplačane preživnine.

Kljub temu, da so se pogoji izplačil ves čas delovanja skladov soreniniali, je na današnji novinarski konferenci direktorica

Načrti jamstvenega in preživninskega sklada

Jamstveni in preživninski sklad je ob koncu leta 2003 izplačal nadomestila preživnine 2856 otrokom, skupna izplačila v letu 2003 pa so preseгла 476 milijonov tolarjev. Podobna gibanja so predvidena tudi za leti 2004 in 2005. Ob koncu leta 2004 naj bi prejemale nadomestilo preživnine približno 3700 otrok, ob koncu leta 2005 na 4200. Povprečno nai bi v



vir: © L

## Jamstveni sklad dela brez zaostankov

It is not enough to have the right - we help to enforce it.

Jamstveni sklad je v petih letih delovanja 46 tisoč upravičencem izplačal skupno 6,6 milijarde tolarjev. Prejeli 2437 zahtev, največ za preživnine. Preživninski sklad pa je v letu 2004 izplačal paše za okoli 6,0 milijarde tolarjev. Pri tem se lahko ponvalijo, da okoli 70 odstotk predstev je zagotovljena iz državne

### VKLJUČEVANJE JAMSTVENEGA IN PREŽIVNINSKEGA SKLADA V SISTEM E-UPRAVE



Mag. Lilijana Madjar

Javni jamstveni in preživninski sklad Republike Slovenije je bil ustanovljen leta 1997 kot ustanova, ki bo skrbela za premoščanje težav delavcev, ki so zaradi stečaja ali prisilne poravnave ostali brez zaposlitve in brez vseh poplačil, ki jim po Zakonu o stečaju pripadajo. Ker je delo potekalo zelo počeno, so bile leta 1999 dotodanja Skladova naloga

so morali vlagatelji predložiti potrdila o stalnem prebivališču, za 5.571 otrok pa so morali vlagatelji predložiti še izpiske iz rojstne matične knjige. Pridobivanje vseh potrebnih listin je za marsikaterega vlagatelja zelo naporno in dolgotrajno, tako da smo se na Skladu ves čas delovanja soočali s problemom nepopolnih vlog. Izdaja ustreznih listin pa terja veliko časa tudi od zaposlenih na pristojnih upravnih enotah, tako da smo se že od vsega začetka zavedali, da je za uspešno delo nujno prožno sodelovanje z drugimi državnimi ustanovami, ki razpolagajo z različnimi bazami podatkov.

Spremembe zakona o jamstvenem in preživninskem skladu

## Dve omejitvi odpravljene

Do nadomestila preživnine po novem ne bodo upravičeni le revni otroci – Denar iz jamstvenega sklada tudi za manj kot tri mesece zaposlene – Skupaj 350 novih upravičencev

Ljubljana – Z novim letom bo odpravljena omejitev, po kateri imajo pravico do nadomestila preživnine le otroci iz revnih družin, drugi pa ne, čeprav roditelj ne plačuje preživnine, delavci, ki so bili pri delodajalcu zaposleni manj kot tri mesece,



## > Efficient work in exercising rights can only be possible in an open society enabling the establishment of mutual connections

Lilijana Madjar, M. Sc.  
Director of  
Public Guarantee  
and Maintenance Fund  
of the RS



For Slovenia the year 2004, especially 1 May, was the period of great expectations, but also the period of uncertainties due to the changes brought by formal membership in the European Union.

At the Public Guarantee and Maintenance Fund of the Republic of Slovenia we were looking forward to this events with optimism, since it results in greater openness and thus the transfer of knowledge, experience, comparisons and co-operation with foreign organisations. Certainly the crossing dynamics of domestic and foreign persons between the countries of the European Union will increase, due to which the Fund in the future expects a higher number of cases expanding across the borders of Slovenia. The goal of the Fund in 2005 is to further help enforce individual rights through efficient work, both in the field of operations of the Guarantee and Maintenance Fund.

We are aware that great expectations instigated by the open European area can only be realised if our work is constantly improving. This can only happen by fast flow and access to information. For this reason last year the Fund was one of the first institutions in Slovenia to launch the e-administration project and already at the start of the year regularly exchanged information with the Central Population Register of the Republic of Slovenia. This was an extremely important step towards more efficient work, as we gained direct access to the latest information and data, which we need on a daily basis to carry out our work. We strongly support such connections and the use of information technologies to improve work efficiency as well as participate therein.

The Fund's orientation to constant development is reflected in the overview of the entire seven-year operations of the Guarantee Fund and the operations of the Maintenance Fund over the last five years. Throughout these years, the employees tried hard to introduce improvements in a broader area covered by the Fund's operations. Even though our operations depend on legal framework and provisions, we constantly point out that the practice and experience are what actually reveals the advantages and weaknesses of exercising the right to payment and the right to maintenance. Therefore, we feel that a constituent part of our operations is to draw attention to the necessary changes and improvements, which may boost efficiency. A great contribution to this is international activities, particularly the exchange of opinions with the organisations boasting a rich history in the regulation of these issues. Our perseverance and good organisation are proved also by the fact that similar institutions are established in some European transitional countries following our, Slovene, example.

In 2005 all employees of the Fund will to the best of their abilities, with due expertise and commitment continue to devote their knowledge and effort to exercise the right to payment for work and the right to maintenance, firmly convinced that the quality of work can always be further improved.

A handwritten signature in black ink, reading 'Lilijana Madjar'.



## > Table of Contents

1	Mission and Vision	36
2	Fund Profile	37
3	Presentation of Activity	38
4	Highlights in 2004	39
5	Guarantee Fund in 2004	41
6	Guarantee Fund from the Beginnings to 2004	46
7	Maintenance Fund in 2004	49
8	Maintenance Fund from Beginnings to 2004	54
9	International Activities of the Fund	56
10	A Look in 2005	57
11	Financial Statements for 2004	58

## Mission

**The Guarantee Fund** helps employees to exercise their fundamental right to payment for their work, when a company goes into bankruptcy or forced settlement. The Fund offers advice in relation to these issues to employees and unions as well as bankruptcy and forced settlement's managers.

**The Maintenance Fund** helps children to exercise their right to maintenance replacement payments through legal guardians and advises on decisions regarding the enforcement of these rights. The Fund urges the persons liable to pay maintenance to fulfil their obligations and settle disputes with the child's legal guardian.

**Debt recovery from debtors of the Guarantee Fund** is an ongoing task, which provides an important source of income for employees' payments.

**Debt recovery from debtors of the Maintenance Fund** is one of the priority tasks, which is not reflected only in income, but also in changing the philosophy of the persons liable to pay maintenance who wish to avoid payment.

The Fund consolidates knowledge, efficiency and professionalism by **international experience** and the commitment of all its employees.

Major constituent elements of the Fund's mission are **informing and establishing a dialog** with all those at whom the Fund's basic activity is aimed.

## Vision

**The Guarantee Fund** wishes to be recognised as an expert institution which in the Slovene social sphere operates as an initiator of the exercising of employees' rights to payment for work in cases when a company goes bankrupt or into forced settlement.

**The Maintenance Fund** strives to be recognised as an institution enabling the enforcement of the right to receive maintenance replacement. In the long run, its objective is to attain, together with other social factors, the awareness that the right to maintenance is the fundamental right of children of divorced parents. Through debt recovery procedures the Fund will try to reach the maximum number of people who are aware that they cannot avoid paying maintenance for a child.

By efficient communication the Fund wishes to consolidate its role of an expert and reference institution in the provision of information, advice and exercising of rights within the scope of its operations. The Fund will ensure efficient contents and organisation of work, so that it will provide an example for the establishment of similar institutions also in the European area, especially in transitional countries.

The employees of the Fund make sure that its mission is implemented and vision realised through expert knowledge and responsible actions.

## General information about the Fund

Name: Public Guarantee and Maintenance Fund of the Republic of Slovenia

Head Office: Kotnikova 28, Ljubljana

Telephone: + 386 1 472 09 90

Fax: + 386 1 472 09 91

E-mail: [jpsklad@ess.gov.si](mailto:jpsklad@ess.gov.si)

Website: [www.jps-rs.si](http://www.jps-rs.si)



### Toll-free numbers:

**Guarantee Fund:** 080 11 21

**Maintenance Fund:** 080 14 14

## Fund management

**Director:** Lilijana Madjar, M. Sc.

**Secretary:** Ajda Likar, LLB

**Head of Legal & Administration Department:** Miriam Ravnikar Šurk, LLB

**Head of Finance & Accounting Department:** Ana Šparemblek, B. A. Econ.

## Supervisory Board

### Chairman:

Janez Drobnič, M. Sc., Minister of Labour, Family and Social Affairs

### Members:

Alenka Bratušek, representative of the Ministry of Finance

Nevenka Lekše, representative of unions representative of the country

Vitko Roš, representative of the employers' organisations representative of the country

Nives Vogrič, representative of the Association of Departments of Social Security

## Fund's operations

**Legal status:** public fund

**Date of founding:** 9 May 1997

**Founder:** Republic of Slovenia

**Number of employees:** 21

### Start of operation:

Guarantee fund: 3 November 1997

Maintenance Fund: 18 October 1999

### Legal base:

Public Guarantee and Maintenance Fund of the Republic of Slovenia Act (Official Gazette of the RS, no. 25/97, 10/98, 41/99, 53/99, 119/02)

Public Funds Act (Official Gazette of the RS, no. 22/2000)

The activity of the Public Guarantee and Maintenance Fund of the Republic of Slovenia covers the following areas and contents:

**Guarantee Fund:**

the protection of the **rights of employees** whose employment was terminated **due to insolvency of the employer** (bankruptcy or forced settlement) or due to the company being stricken from the Companies Register under the provisions of the Financial Operations of Companies Act.

**Maintenance Fund:**

providing for the enforcement of the **right to maintenance replacement** of those children who have been allocated maintenance under a final court ruling, a temporary injunction or an agreement with the Department of Social Security which the person liable is not paying.

**Debt recovery:**

**recovery of debt from the companies** which are debtors based on payments to employees whose employment was terminated due to the employer insolvency and **recovery of debt from persons liable to pay maintenance** which arose based on payments of maintenance replacement to legal guardians.

In 2004 the operations of the Public Guarantee and Maintenance Fund of the Republic of Slovenia were characterised by the following events:

**January:**

**Start of regular exchange of data with the Central Population Register of the RS within the framework of e-administration;** Public Guarantee and Maintenance Fund of the RS is one of the first institutions in the country to be included in e-administration. Thus, for instance, when the employees of the Fund make administrative decisions, they regularly exchange data with the Central Population Register (CRP), while in the future the Fund expects to co-operate in a similar way also with some other institutions.

**April:**

**The Government of the RS adjusted the maintenance replacement to the increase in consumer price index and salaries;** the maintenance replacement rose by 4.5%.

**April:**

The Guarantee Fund received most funds through subrogation, i.e. SIT 95,878,905.40.

**May:**

**Amendment to criminal law.** This amendment does not refer directly to the operations of the Fund. It is, however, expected to help reduce the number of persons liable to pay maintenance that are avoiding payment and, consequently, the number of children entitled to maintenance replacement will decrease. Failure to pay maintenance will be considered a criminal offence, penalized by up to one-year imprisonment, provided that the person liable to pay maintenance replacement should and could pay maintenance replacement, regardless of whether the child's maintenance was on account of this jeopardised or not.

**June:**

The Maintenance Fund recorded the largest number of children that were in a particular month issued the decision entitling them to maintenance replacement. This number of children equalled 113.

**October:**

Five years of operation of the Maintenance Fund.

**November:**

Seven years of operation of the Guarantee Fund.

**December:**

The Guarantee Fund received most claims in December, i.e. 719.



*Between 1 January and 31 December 2004 the Guarantee Fund received 2,437 claims filed by employees of 120 companies.*

The operations of the Guarantee Fund in 2004 were smooth and uninterrupted. This was perhaps mainly due to subsequent regulation of the area by the new Employment Relationship Act in 2003 and the establishment of practice of bankruptcy managers and the case law.

## Right to payment

The right to payment of funds from the Guarantee Fund is enjoyed by those employees whose employment was terminated due to the initiation of bankruptcy proceedings, validly initiated forced settlement or the company being stricken from the Register of Companies under the provisions of the Financial Operations of Companies Act. Moreover, the employees who wish to claim the rights stipulated in the Public Guarantee and Maintenance Fund of the Republic of Slovenia Act (hereinafter: the Act) have to register their claims by the deadlines and in the manner prescribed in the Compulsory Composition, Bankruptcy and Liquidation Act or exercise protection of their rights by the deadlines and in the manner set in the regulations governing employment relationships.

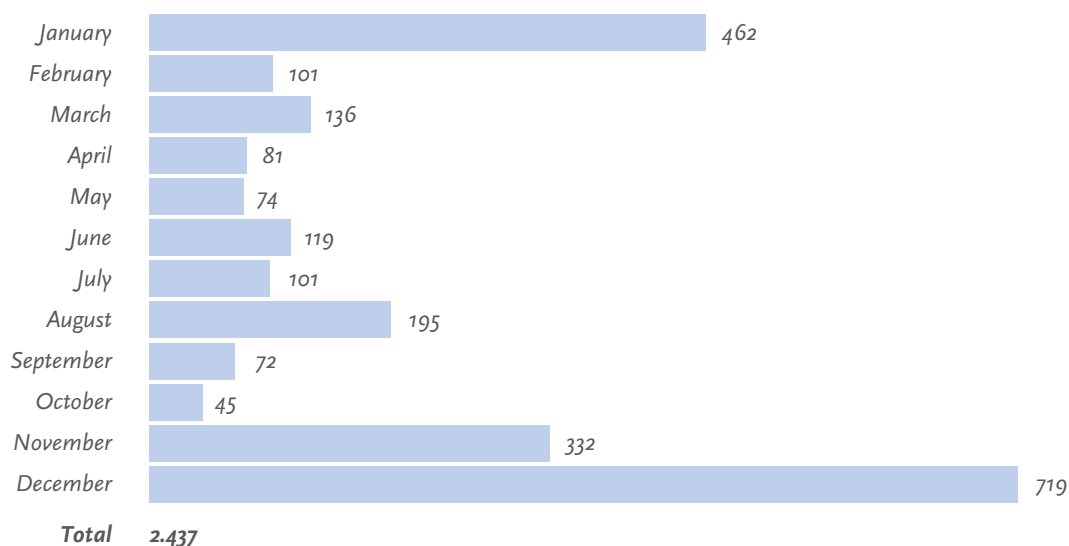
## Claims filed

The procedure for claiming entitlements always begins with an application to the Regional Employment Office by a beneficiary who files a claim for compensation of debt arising from employer's insolvency (hereinafter: the claim). The deadline for submitting the claim is 90 days from the day of termination of employment. In 2004 bankruptcy proceedings were in Slovenia initiated against 712 companies, while the respective number the year before was 688.

**Between 1 January and 31 December 2004 the Guarantee Fund received 2,437 claims for entitlements due to employer insolvency submitted by employees of 120 companies.** 2,185 decisions were issued, of which 2,040 were positive (93.4%), while in 145 the Fund completely or in part rejected the claim (6.6%).

The overview of filed claims by month shows there was an unequal distribution of claims through the year 2004. The Fund received most claims at the beginning and at the end of the year, i.e. in January and December (48.4% of the total), and the least in September and October (4.8% of all filed claims).

**Chart 1: Number of claims by month, 2004**



**In 2004 the Guarantee Fund received more than 100 claims from five companies:**

- Planika d.d., Kranj ..... 672 claims,
- Tekstilna tovarna Prebold d.d., Prebold ..... 213 claims,
- Elektronika Velenje d. d., Velenje ..... 146 claims,
- STTIM d. o. o., Trbovlje ..... 130 claims,
- Tovarna volnenih izdelkov Majšperk d. o. o., Majšperk ..... 114 claims.

In all other companies the average number of claims was around 10.

In 2004 the Guarantee Fund received more than 100 claims from five companies.

The statistics of claims filed by Regional Employment Office show that most claims in 2004 were forwarded from the Kranj Regional Employment Office: 710 claims, accounting for as much as 29.1% of the total. This is followed by the Ljubljana Regional Employment Office with 504 claims (20.9%) and Maribor Regional Employment Office with 346 claims (14.2%). From the above three Regional Employment Offices the Fund last year received as much as 64.2% of all filed claims. Fewest claims were filed with the Sevnica Regional Employment Office - only seven (0.3% of the total). In 2004 no claims were forwarded from the Novo mesto Regional Employment Office.

**Table 1: Number of claims filed by Regional Employment Office, 2004**

Regional Employment Office	Claims filed	Percentage
Kranj	710	29,1
Ljubljana	504	20,9
Maribor	346	14,2
Celje	345	14,1
Velenje	250	10,2
Murska Sobota	172	7
Nova Gorica	81	3,3
Koper	22	0,9
Sevnica	7	0,3
Novo mesto	0	0
<b>Total</b>	<b>2.437</b>	<b>100</b>

In 2004 the Fund received nine claims of employees from three companies stemming from the termination of employment due to the company being stricken from the Companies Register under the provisions of the Financial Operations of Companies Act. Of those one beneficiary received SIT 492,896 from the Fund.

Total number of claims filed with the Guarantee Fund in 2004 dropped by one fourth compared to the year before and the number of issued decisions and payments reduced as well. It has to be noted that the total amount of all paid funds decreased by as little as 8%. The key reason for this is higher average payment, as a result of an increase in minimum salary, and mainly higher claims of Guarantee fund's beneficiaries. On this basis it can be summarised that the companies going into bankruptcy are more and more financially drained. This conclusion is additionally supported by the fact that there are many bankruptcies in Slovenia which end immediately after the initiation of bankruptcy proceedings, since the bankruptcy estate does not suffice even for covering the expenses of the procedures.

## Decisions issued

**Based on claims filed by beneficiaries for entitlements stemming from employer's insolvency 2,185 decisions were issued in 2004. Of those 2,040 were positive (93.4%) and 145 (6.6%) were fully or partly denied. Negative decisions were issued as a result of failure to meet legal requirements or on the grounds of workers having already received compensation for their claims. 24 appeals were filed in 2004. In 10 cases beneficiaries appealed against positive decisions and in 14 cases against negative decisions.**

Based on claims filed by beneficiaries for entitlements stemming from employer's insolvency 2,185 decisions were issued in 2004. Of these 2,040 (93.4%) positive decisions were issued.

**Table 2: Number of claims filed, decisions and payments by Regional Employment Office, in 2004**

Regional Employment Office	Claims filed	Positive	Negative	Decided	Paid
Celje	345	335	9	344	357
Koper	22	6	19	25	4
Kranj	710	34	2	36	34
Ljubljana	504	506	45	551	628
Maribor	346	462	7	469	462
Murska Sobota	172	129	2	131	129
Nova Gorica	81	83	0	83	79
Novo mesto	0	0	0	0	1
Sevnica	7	10	56	66	11
Velenje	250	475	5	480	475
<b>Total</b>	<b>2.437</b>	<b>2.040</b>	<b>145</b>	<b>2.185</b>	<b>2.180</b>

**Note to the table:**

In certain Regional Employment Offices the number of decided claims is higher than the number of filed claims, which is the result of the fact that some claims were forwarded to the Fund at the end of 2003 and the Fund could decide on them only in 2004. The fact that the number of paid claims is higher than the number of decided claims in some Regional Employment Offices is the consequence of some claims, issued in December 2003, becoming valid in January 2004, so that the beneficiaries received payment only in 2004.

The beneficiaries can receive a maximum of 4.5 minimum salaries from the Guarantee Fund.

**Payments**

The amount received by beneficiaries under the decision on entitlement can include unpaid wages and allowances for the last three months prior to the termination of employment (no more than 3 minimum salaries as stipulated by a special regulation in force on the day of issuing of the decision), salary replacement for unused annual leave to which the beneficiary is entitled in the given calendar year (no more than one half of one minimum salary), and severance pay in the amount and under the conditions prescribed by labour regulations (no more than 1 minimum salary). **This means that beneficiaries can receive a maximum of 4.5 minimum salaries from the Guarantee Fund.**

Funds for the payment of claims to Guarantee Fund beneficiaries were provided from the National Budget (57%) and from assets acquired through subrogation (43%).

**Table 3: Number of beneficiaries receiving compensation in 2004 by Regional Employment Office**

Regional Employment Office	Number of beneficiaries	Percentage
Ljubljana	628	28,8
Velenje	475	21,8
Maribor	462	21,2
Celje	357	16,4
Murska Sobota	129	5,9
Nova Gorica	79	3,6
Kranj	34	1,6
Sevnica	11	0,5
Koper	4	0,2
Novo mesto	1	0,0
<b>Total</b>	<b>2.180</b>	<b>100</b>

**Based on decisions recognising entitlement to compensation due to employer's insolvency 2,180 beneficiaries from 121 companies received compensation in the total amount of SIT 836,996,830.**

The total amount of payments by the Guarantee Fund in 2004 was below the 2003 figure, however, it was higher than in 1999, 2000, 2001 and 2002. Thus it is not possible to anticipate that such trend could continue in the future only based on a smaller amount of payments in 2004, mainly because most claims in 2004 were forwarded to the Fund in December. These claims will be decided on in 2005.

The highest cumulative payments by company were as follows:

- Tekstilna tovarna Prebold d. d., Prebold,
- Elektronika Velenje d. d., Velenje,
- Gradis nova d. o. o., Maribor,
- Stol Ambienti d. o. o., Kamnik,
- STTIM d. o. o., Trbovlje,
- Tovarna Muta – kmetijska mehanizacija d. o. o., Muta,
- Konsi, proizvodnja in trgovina d. o. o., Kobilje.

The payments to beneficiaries from the above-mentioned companies in 2004 accounted for a good 59% of the total. Most payments were made in December, 411 beneficiaries receiving a total of SIT 178,478,117.

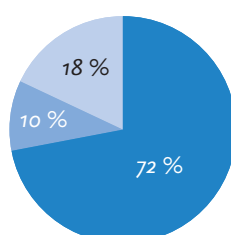
**Table 4: Number of beneficiaries receiving compensation and total payments by month, 2004**

Month	Number of beneficiaries	Payment in SIT
January	176	75.069.481
February	28	10.714.510
March	390	139.910.920
April	255	107.526.601
May	403	121.621.205
June	68	28.389.730
July	152	43.071.423
August	123	58.592.843
September	30	15.703.856
October	41	10.002.291
November	103	47.915.853
December	411	178.478.117
<b>Total</b>	<b>2.180</b>	<b>836.996.830</b>

The average payment per beneficiary in 2004 was noticeably higher than in 2003. Thus the average gross payment per beneficiary rose by 11% and the average net payment by 22.3%. **The average net payment of compensation per beneficiary in 2004 equalled SIT 251,086** (SIT 205,365 in 2003), **while the average gross payment in 2004 amounted to SIT 340,014** (SIT 302,990 in 2003). Most payments (28.8%) were received by beneficiaries in the Ljubljana Regional Employment Office, while least payments (0.04%) were made in the Novo Mesto Regional Employment Office.

**Chart 2: Types of payments in 2004**

■ Salary	606.966.223 SIT
■ Leave	83.615.994 SIT
■ Severance pay	146.414.613 SIT
<b>Total</b>	<b>836.996.830 SIT</b>



**In 2004 most funds (72%) were paid to beneficiaries for unpaid salaries and unpaid salary replacement for paid leave**, while 18% of all payments covered unpaid severance pay and the remaining 10% of payments were made by the Guarantee Fund to compensate for unused annual leave.

The share of funds paid out for entitlements in 2004 remained approximately the same as the year before; only the shares of payments for unpaid severance pay and unused annual leave slightly decreased in 2004, while the share of compensation for unpaid salaries and salary replacement increased.

Based on decisions recognising entitlement to compensation due to employer insolvency 2,180 beneficiaries from 121 companies received compensation in the total amount of SIT 836,996,830.

Last year, average net payment and average gross payment of compensation per beneficiary amounted to SIT 251,086 and SIT 340,014 respectively.

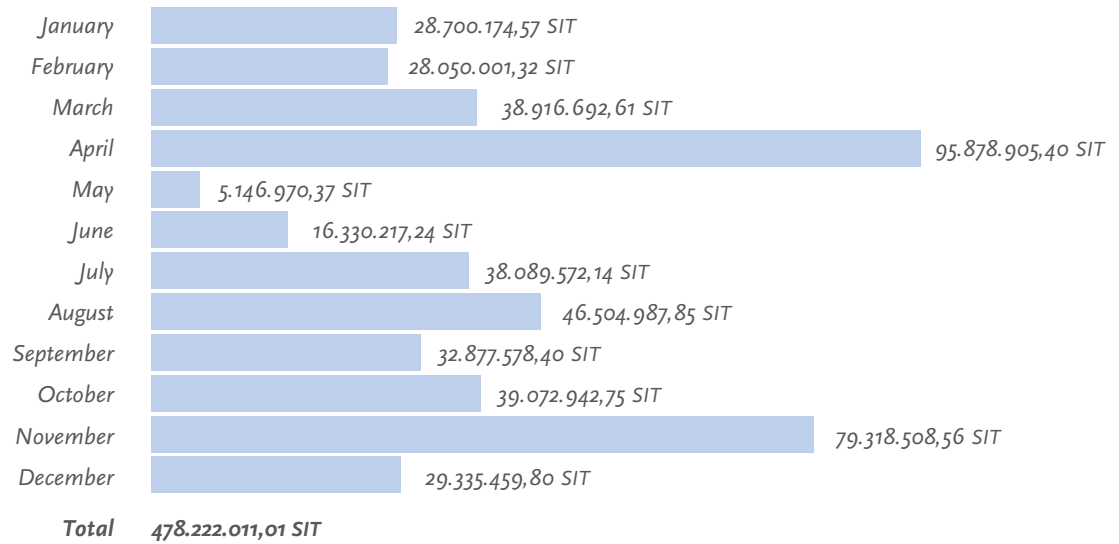
In 2004, the beneficiaries received most funds (72%) on account of unpaid salaries and salary replacement for paid leave.

In 2004 the Fund received SIT 478,222,011 through subrogation.

## Debt recovery

In 2004 the Guarantee Fund received SIT 478,222,011 from subrogation (whereby the enforcement of decisions issued by the Guarantee Fund transfers the worker's claims against employers onto the Fund up to the amount compensated for by the Fund). Most subrogations in 2004 occurred in April, equalling SIT 95,878,905.

**Chart 3: Recovery through subrogation by month, 2004**



As at 31 December 2004 the Fund had claims on 273 companies in the total amount of SIT 2,323,508,584.

As at 31 December 2004 the Fund had claims on 273 companies in the total amount of SIT 2,323,508,584. Over a third of all debt is owed by 10 companies, the major debtor owing almost 10% of all outstanding amounts. The Guarantee Fund's activity is aimed at recovering most of the compensation it pays, thus providing an important source of funding for compensation stemming from employer's insolvency. In cases where the debtor company is in forced settlement, the Guarantee Fund attempts to achieve, within the scope of applicable legislation, an agreement with the company's management on a manner of payment of the outstanding debt that would be acceptable to the company from the perspective of future operation. In case no agreement is reached, the Guarantee Fund files suit for debt recovery in order to secure its debt. In the event of unsuccessful forced settlement proceedings and a resulting bankruptcy, the Fund files its claim by the required deadline. The claim on those companies that were as at 31 December 2004 in bankruptcy proceedings and the Fund's debtors, amounted to SIT 2,220,642,767.

As at 31 December 2004 24 companies under forced settlement had outstanding debt to the Fund amounting to SIT 94,916,410. This figure is of particular importance as the Fund is eligible for full compensation of debt in the event of forced settlement, while in case of bankruptcy the level of recovery depends on the aforementioned factors which the Fund has no influence on. The Fund's claim is due for payment on the day of payment to the beneficiaries of compensation. It should be underlined that the Fund is aware of the financial difficulties of a company undergoing financial reorganisation, which is why within the scope of applicable legislation the Fund attempts to reach an agreement with the debtor company as to the manner of debt recovery that would be most acceptable for the said company in terms of future operation. Following the receipt of a court decision the Fund waits for its finality and enforceability, then calls on the debtor to fulfil the obligation as determined by the court. In case of failure to comply on the part of the debtor, the Fund can resort to executive enforcement.

## > Guarantee Fund from Beginnings to 2004 6

On 3 November 2004 the Guarantee Fund marked its seventh anniversary. In these seven years it paid more than 52,000 beneficiaries over SIT 8.5 billion in total. In a relatively short period the Fund attained an enviable continuity of work and by activities aimed at debt recovery significantly increased the inflow of funds through subrogation.

By intensive and persistent effort devoted to debt recovery in the past years, mainly by starting legal action, the Fund, among other things, prompted courts to adopt a uniform - and favourable for the Fund - stance on the rights which employees may exercise due to employer's insolvency. It should be noted that the stance of the Constitutional Court of the Republic of Slovenia often corresponded to the stance of the Guarantee Fund on the right to severance pay of employees whose employment was terminated due to employer's insolvency. This is a great success for the Fund and therefore considerably affects its operations. Success could only be achieved by consistent and professional argumentation of the stance before all courts.

An analysis of the problems that companies in forced settlement are faced with was carried out to facilitate the operations of the Fund, as it turned out that in view of the general economic situation the basic starting points have to be set for the recovery of amounts owed to the Fund by the companies in forced settlement. Thus, lengthy correspondence with companies showed that usually the debtors did not recognise the debt. The main reason for this being that most debtor companies were in such difficult economic situation that the repayment of the debt due to the Fund represented a severe problem. The stances adopted by the Fund were included in the General Terms and Conditions of the Fund's Operations and provide good basis for reaching agreements on debt recovery with debtor companies which are in forced settlement.

**Table 5: Number of claims filed, decisions and payments by year**

Year	Claims filed	Positive	Negative	Decided	Paid	Amount of payments in SIT
3 Nov.–31 Dec. 1997	18.676	/	/	/	/	/
1998	18.621	32.075	3.229	35.304	31.364	3.771.876.065
1999	3.984	5.199	1.059	6.258	5.150	815.167.640
2000	4.336	3.995	853	4.848	4.533	735.519.699
2001	2.651	3.121	499	3.620	3.085	599.473.483
2002	2.893	2.827	299	3.126	2.799	819.880.208
2003	3.308	3.052	137	3.189	3.008	911.393.710
2004	2.437	2.040	145	2.185	2.180	836.996.830
<b>Total</b>	<b>56.906</b>	<b>52.309</b>	<b>6.221</b>	<b>58.530</b>	<b>52.119</b>	<b>8.490.307.635</b>

Since 1997 and until the end of 2004 the Fund paid 52,119 claims in the total amount of almost SIT 8.5 billion.

**Table 6: Payments by right by year**

Year	Salary in SIT	Annual leave in SIT	Severance pay in SIT	Total in SIT
1998	1.816.150.459	707.339.780	1.248.385.826	3.771.876.065
1999	473.794.622	134.975.008	206.398.010	815.167.640
2000	426.020.307	96.031.965	213.467.427	735.519.699
2001	350.094.019	100.148.485	149.230.979	599.473.483
2002	537.349.204	114.054.204	168.476.800	819.880.208
2003	592.121.630	115.606.435	203.665.645	911.393.710
2004	606.966.223	83.615.994	146.414.613	836.996.830
<b>Total</b>	<b>4.802.496.464</b>	<b>1.351.771.871</b>	<b>2.336.039.300</b>	<b>8.490.307.635</b>

Since 1997 and until the end of 2004 the Fund paid 52,119 claims in the total amount of almost SIT 8.5 billion.

The year 1998 was characterised by a considerable deviation in the amount of total payment and entitlements from other years, the reason being retroactive application of legal provisions applying to employees whose employment was terminated due to employer's insolvency in the period between 2 January 1994 and the start of the Fund's operations. The above stated employees were entitled to file claims with the Guarantee Fund within 90 days of the start of the Fund's operations, while the relevant payments were made in 1998.

It is also true that in 1998 the severance pay and salary replacement for unused annual leave accounted for much of total payments (33% and 18.7% respectively). This was due to the fact that many claims filed by employees based on the afore-mentioned retroactive application of the law were filed to claim severance pay and salary replacement for unused annual leave. The share of severance pay and salary replacement for unused annual leave in total payments experienced a downward trend in the following years.

**Table 7: Fund recoveries by year**

Year	Recovery in SIT
1998	50.955.218
1999	638.228.844
2000	467.126.216
2001	421.319.391
2002	409.786.665
2003	414.091.346
2004	478.222.011
<b>Total</b>	<b>2.879.729.691</b>

From the day the Fund started operating and until the end of 2004 the amount recovered by the Fund through subrogation was SIT 2,879,729,691 or almost 34% of payments.

Data show that the amount recovered by the Guarantee Fund in 2004 was the second highest ever since the Fund started operating. The respective figure was exceeded only in 1999.

**From the day the Fund started operating and until the end of 2004 the amount recovered by the Fund through subrogation was SIT 2,879,729,691 or almost 34% of payments.** This figure has to be considered within the scope of entire operations of the Fund - the Fund recovers outstanding amounts from companies that are usually in financial straits. The Fund's employees have to closely co-ordinate the Fund's legal obligations, so that the debt is recovered in full as soon as possible, and a broader social interest that through financial and economic methods (financial reorganisation) the economic situation of a company - debtor in forced settlement improves. If the Fund insisted on immediate debt repayment, that is, as soon as the debt falls due, the majority of debtors in forced settlement would go bankrupt; at the same time, debt recovery cannot be postponed indefinitely, particularly so because recovery through subrogation represents an important share of the Fund's budget and also on account of the five-year limitation period.

Since 1998, when the Fund started recovering debt, almost SIT 3 billion has been acquired. If this were not the case, such amount necessary for the implementation of legally prescribed tasks would have to be provided from the National Budget. As regards the remaining amount (slightly more than 2 billion), the Guarantee Fund will strive to recover it from 273 debtors in the future.

# Neplačevanje preživnin še vedno problem

Izterjavo otežujejo dolgotrajni sodni postopki

**LJUBLJANA** – V letošnjem letu je javni jamstveni in preživninski sklad izdal 496 odločb o nadomestilu preživnine za 644 otrok. Lani so to pravico priznali tisoč otrokom, v zadnjih treh letih pa število zahtev za nadomestilo preživnine znova

## Preživnina iz sklada

Iz javnega preživninskega sklada je lani nadomestilo preživnine prejelo 312

na da sa pi de po ze re ze oc či

### Približno tretjina neplačnikov

#### Nadomestilo preživnine iz preživninskega sklada je lani dobivalo 3576 otrok

Preživnina je dolžna biti plačana za vsakega otroka, ki je v stiski. Če otrok, za katere ni po razpisnem postopku določil noben plačevati preživnino, pa je ne. Iz sklada se zagotavljajo nadomestila preživnine, njihova višina pa je odvisna od starosti otroka. Za otroke do 14 let znaša mesečno nadomestilo 14.167 tolarjev, za starejše do 14 let 15.583 tolarjev, za otroke stare od 14 do 18 let pa 18.416 tolarjev.

## A child is entitled to maintenance.

Kako do preživnine za otroka?

### PREŽIVNINA PO MERI OTROKA



jih lahko dobi otrok iz teh zneskov, je tudi nadomestil, ki jih izplačeval, je na predstavnicu Javnega jamstvenega

3576 otrok na mesec

ih zasto odstotkov za nadomestilo ki sta za pravičnejši edmimi je 95 c

po zakonu o jamstvenem in preživninskem skladu upravičen do izplačila nadomestila preživnine. To pravico je ljavljati za otroka, pravomočno sogovorom pri cenilno delo oz. z za lbo določena pre- jo zavezanec ne trok še ni star let, za plačilo pre- je že najmanj tri žen predlog za iz- otroka do šestega i znaša nadome- tolarjev, za stare- no.

Letos je izplačila prejelo 1625 upravičencev iz 91 podjetij, in sicer v povprečju 243.000 tolarjev na upravičenca (skupaj 600 milijonov tolarjev). Od tega so od otrok dobili največje izplačila

### Lani izplačano za 558 milijonov državnih preživnin

V letu 2004 je Sklad izplačal nadomestila preživnine v skupni vrednosti 558.374.760 tolarjev za skupno 3576 otrok. Povprečna mesečna višina nadomestila preživnine v decembru 2004 je znašala 16.332 tolarjev.

Število otrok in znesek izplačil iz meseca v mesec naraščata. Tako je sklad samo lani dreiel 599 za

ga od šest do štirinajst let 15.583 tolarjev in za otroka od štirinajstega do osemnajstega leta starost 18.416 tolarjev.

Kot je povedala direktorica javnega jamstvenega in preživninskega sklada mag. Lilijana Madjar, je lani sklad izplačal 558 milijonov tolarjev nadomestila preživnine, od tega 766 novih zahtev jih je bilo z Gorénijskega 65. Število otrok in znesek izplačil naraščata iz meseca v mesec, takšna gibanja pričakujejo tudi v prihod-

# Do preživnin odslej več otrok?

Novi zakon naj bi natančno opredelil odgovornost preživljanja otrok in višino preživnin - Odslej širši krog upravičencev - Najnižja preživnina v državi en tolar, najvišja kar 175.000 tolarjev - Na preživninski sklad prišlo najmanj zahtev iz Nove Gorice - le 1,5 odstotka

**SLOVENIJA, PRIMORSKA** - Čeprav sodi pravica otrok do preživljanja med njegove osnovne pravice, je v praksi socialna varnost otrok v razvezanih družinah zaradi neplačevanja preživnin pogosto ogrožena. Znano je, da preživnino marsikateri otrok kljub s sodbo ali dogovorom o določeni višini preživnine prejme šele po prisilni izvršbi. Ti postopki

za socialno delo Koper, kjer nam je direktorica Marija Perkovič povedala, da je do preživnin upravičenih 920 ljudi: 686 je mladoletnih, 206 je otrok, ki se še šolajo,

dohodek na družinskega člana ne presega 55 odstotkov povprečne plače v državi v preteklem letu. Z omejenjo spremembo naj bi dosegli enako obravnavanje ot-

seganja dohodkov, naj bi sklad nadomestila začel izplačevati 1. februarja letos. Upravičenci bodo pripadajoča izplačila dobili za obdobje od veljavnosti novele

otroka. Zahteve še vedno vlagajo zlasti ženske.

**Pomoč pri izterjavah**

In kako je izplačevanje

*The operations of the Maintenance fund are intended for children who have been allocated maintenance under a final court ruling, a temporary injunction or an agreement at the Department of Social Security but which the persons liable are not paying.*

**In 2004, the Maintenance Fund continued its efforts in decisions regarding the right to maintenance replacement payments and payment of granted rights. The Fund intensified its efforts in collecting debt from persons liable to pay maintenance. Particular attention was given to obtaining official data on debtors, which is a prerequisite for effective collection.**

## **The Right to Maintenance Replacement Payment**

The operations of the Maintenance fund are intended for children who have been allocated maintenance under a final court ruling, a temporary injunction or an agreement at the Department of Social Security but which the persons liable are not paying. It is deemed that the person liable to pay maintenance is defaulting on payment if maintenance has not been paid for three consecutive months or is being paid irregularly. Irregular payment occurs if the person liable to pay maintenance owes at least three monthly maintenance payments for the last 12 months. Any child who is a Slovene national permanently residing in the Republic of Slovenia or a foreign national permanently residing in the Republic of Slovenia if so agreed by bilateral agreement or by way of reciprocity is entitled to maintenance replacement. In order to enforce this right the legal guardian must initiate appropriate proceedings for recovering maintenance and such proceedings must be unsuccessfully concluded or ongoing for over three months. The right to payment of maintenance replacement expires at age 15 or 18, provided the beneficiary has not taken up employment.

It should be noted that as regards operations of the Maintenance Fund, an individual case can be on file for up to 18 years, starting with the application. During this time the circumstances impacting the right to maintenance replacement could change several times, while the Fund must take every change into account and act accordingly. Thus the child's age influences the amount of maintenance, while any payments by the person liable to pay maintenance could result in stopping of replacement payments or suspension of the right to payment of maintenance replacement. In case the child finds employment after the age of 15, (s)he shall lose the right to maintenance replacement. The amount of maintenance may also change as determined by a court in a new decision, a new agreement may be reached at the Department of Social Security, etc.

*An important function of the Maintenance Fund is also preventive actions. The Fund attempts to achieve by its existence and operations that persons liable for payment of maintenance start voluntarily paying their underlying obligations.*

## **Follow-Up of Positive Decisions**

Data on the number of applications for receiving maintenance replacement submitted to the Maintenance Fund in 2004 are data on the number of new applications. The major part of the Fund's work is directed to follow-up of cases regarding children with a positive decision on recognition of the right to maintenance replacement, which is regularly paid or withheld in case the maintenance is duly paid.

The Fund claims the paid maintenance replacement from the person liable for payment, and cases are for the most part extremely demanding, complex and take long time to solve. The success rate of debt recovery is strongly influenced by the fact that the Fund's debtors are mostly persons liable for payment from whom it is very difficult to recover any debt. One of the requirements for granting maintenance replacement payments is that an execution on the part of the legal guardian was unsuccessful in court or has been taking more than three months.

## **Preventive Actions**

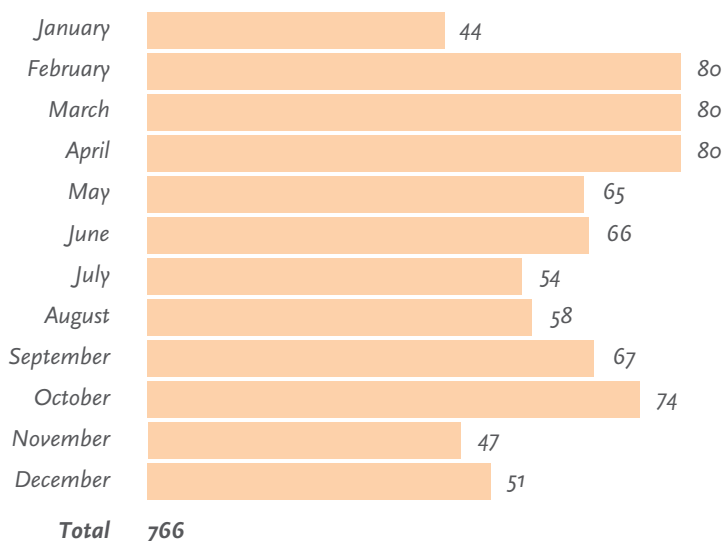
An important function of the Maintenance Fund is also preventive actions. The Fund attempts to achieve by its existence and operations that persons liable for payment of maintenance start voluntarily paying their underlying obligations. In the years since the Maintenance Fund has been established, we can see that the attitude of persons liable for payment of maintenance has changed – the Fund has thus often encouraged persons liable for payment of maintenance to voluntarily pay maintenance or to settle their relations with the child's legal guardian. We estimate that in this way maintenance payment for as many as 500 children was resolved. This information is extremely important and should not be disregarded because of complexity and long periods of solving these cases.

## Filed Applications

The procedure for claiming the right to maintenance replacement begins by submitting of the application for claiming the right to maintenance replacement by the child's legal guardian on a prescribed form (a form printed by Državna založba Slovenije no. 8.42 – hereinafter referred to as: the Application). The Application and attachments thereto is submitted directly to the Maintenance Fund by mail or in person. A legal guardian can by a single application claim maintenance replacement for several children of the same person liable to pay maintenance, although the Fund keeps records of each child separately. The right to payment of maintenance replacement expires at age 15 or 18, provided the beneficiary has not taken up employment. **In 2004 the Fund received 599 applications for 766 children.**

*In 2004 the Fund received 599 applications for 766 children.*

**Chart 4: Number of children for whom applications were filed in 2004, by month**



The Maintenance Fund received the most applications in three consecutive months, i.e. from February to April, namely for 80 children each month. In this period, the large majority of legal guardians submit applications for child benefit to the Department of Social Security. As the document confirming submitting of the application to the Fund is one of enclosures in the procedure for granting child benefit, we may assume that the reason for increased number of applications in that period lies in that fact. The smallest number of applications, for 44 children, was received by the Fund in January, smaller number of applications was also recorded in November (47 children) and December (51 children).

**Table 8: Number of children for whom applications were filed in 2004, by region**

Region	No. of children	Percentage
Ljubljana	273	35,6
Maribor	155	20,3
Celje	70	9,1
Kranj	65	8,5
Koper	58	7,6
Murska Sobota	44	5,7
Velenje	39	5,1
Novo mesto	24	3,1
Sevnica	22	2,9
Nova Gorica	16	2,1
<b>Total</b>	<b>766</b>	<b>100</b>

In 2004 the Fund received most applications from the Ljubljana region (35.6%) and the Maribor region (20.3%), and least from the Nova Gorica region (2.1%).

In 2004 the Fund issued 666 decisions for 863 children. The right to maintenance replacement was approved for 730 children,

In 2004, legal guardians of children also used one application to file for maintenance replacement for all children of one person liable to pay maintenance. In 2004 the average number of children per application was 1.3. Most legal guardians (74%) filed for one child, 22% filed for two children, while 2% of legal guardians filed for three children and two legal guardians filed for four children.

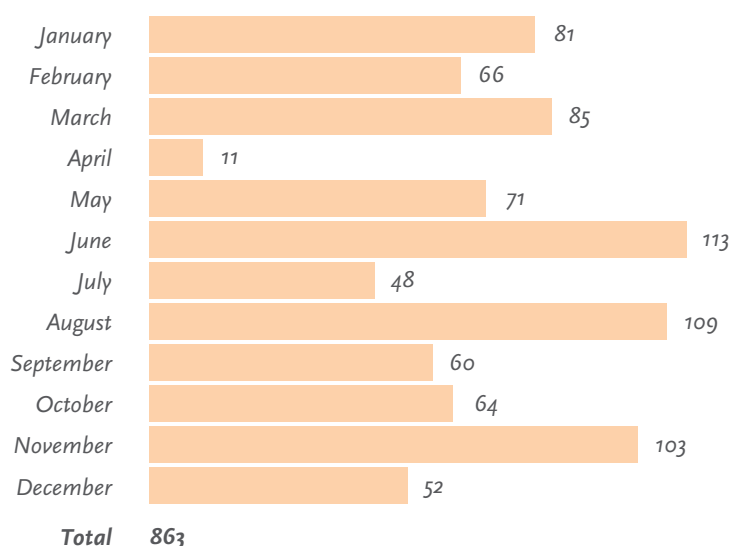
### Decisions Issued

In 2004 the Fund issued 666 decisions for 863 children. The right to maintenance replacement was approved for 730 children, 52 children failed to meet the requirements for eligibility for the said right, mostly as a result of being over the age of 18.

The bulk of decisions was issued for children from the Ljubljana and Maribor regions, and the least for those from the Nova Gorica region.

In 2004, legal guardians withdrew applications for 11 children even before the Fund adopted a decision. The reason for withdrawing of the application in majority of cases was that persons liable for payment began to pay maintenance. In 2004, the Fund rejected incomplete applications for 70 children as the legal guardians failed to produce the required documentation in spite of being called on to do so.

**Chart 5: Number of children for whom decisions were issued in 2004, by month**



In 2004, legal guardians withdrew applications for 11 children even before the Fund adopted a decision.

The bulk of decisions was issued in June, namely for 113 children. A larger number of decisions was also issued in August (for 109 children) and November (for 103 children), while the least decisions were issued in April, namely only for 11 children. The average number of children for whom decisions were issued in one month was 72.

**Table 9: Number of children for whom applications were filed, decisions issues and replacement payments made in 2004, by region**

Region	Filed	Positive	Denied	Denied		Decided	Paid
				Dismissed	Withdrawn prior to decision		
Celje	70	70	6	3	1	80	353
Koper	58	54	2	4	0	60	210
Kranj	65	58	3	10	0	71	312
Ljubljana	273	247	28	26	5	306	1.053
Maribor	155	157	8	13	2	180	794
Murska Sobota	44	51	0	2	0	53	225
Nova Gorica	16	12	0	5	0	17	66
Novo mesto	24	24	2	3	0	29	153
Sevnica	22	20	0	0	3	23	140
Velenje	39	37	3	4	0	44	270
<b>Total</b>	<b>766</b>	<b>730</b>	<b>52</b>	<b>70</b>	<b>11</b>	<b>863</b>	<b>3.576</b>

The discrepancy in the number of applications filed and decisions issued in certain regions stems from the fact that some applications were only forwarded to the Fund at the end of 2003 and thus came up for decision in 2004. While the discrepancy in the number of paid and decided cases in certain regions resulted from the fact that certain decisions issued in December 2003 became final in January 2004, hence the beneficiaries did not receive payment until 2004.

## Payments

The amount of maintenance replacement depends on the child's age and on the amount of maintenance specified in a final court ruling, a temporary injunction or an agreement at a Department of Social Security. The Government of the Republic of Slovenia on 1 April 2004 aligned the amount of maintenance replacement with consumer prices and wages growth, hence the maintenance replacement has increased by 4.5%. **After the alignment, the maintenance replacement for a child of up to 6 years old equalled SIT 14,167, and for a child from 6 to 14 years old and above 14, the respective numbers were SIT 15,583 and SIT 18,416.**

**Age group Amount of maintenance replacement in SIT** Up to 6 years 14,167 From 6 to 14 years 15,583 From 14 to 18 years 18,416

In case maintenance is set below the legally defined maintenance replacement, the child shall receive maintenance replacement in the amount specified in the court decision, temporary injunction or agreement.

*After the alignment, the maintenance replacement for a child of up to 6 years old equalled SIT 14,167, and for a child from 6 to 14 years old and above 14, the respective numbers were SIT 15,583 and SIT 18,416.*

**Table 10: Number of children receiving maintenance replacement payments in 2004 and total payments by month**

Month	Number of children	Amount of payments in SIT
January	2.876	43.795.589
February	2.906	43.654.818
March	2.897	43.383.671
April	2.914	43.645.608
May	2.902	43.492.331
June	2.929	48.590.487
July	2.929	48.765.592
August	2.981	48.643.593
September	3.015	48.138.146
October	3.047	48.459.048
November	3.040	47.370.978
December	3.088	50.434.899
<b>Total</b>		<b>558.374.760</b>

**Note:**

*In 2004 the Fund paid maintenance replacement to 3,576 children in the total amount equalling SIT 558,374,760. In December 2004, the Fund paid maintenance replacement to 3,088 children in the total amount of SIT 50,434,899, which equals the highest monthly payment in 2004. The difference in the number of children stems from the fact that certain persons liable for payment occasionally pay maintenance and that some children lose the right to maintenance replacement during the year. The average maintenance replacement payment in December amounted to SIT 16,332.*

The amount of average maintenance replacement payment depends on the amount of maintenance allocated to children and the structure of beneficiaries by age group. No less than one third of all children receives maintenance replacement payment in the amount equalling set maintenance, as stipulated by law. These amounts are lower than the maintenance replacement amount set for a particular age group.

*The Fund submits execution proposals to execution court divisions all over Slovenia, whereby demanding from persons liable for payment to refund amounts paid by the Fund to legal guardians of children on their behalf.*

*The number of cases involving attorneys has been decreasing in time. The Fund by conducting numerous inquiries and by appropriate links to external institutions quickly and effectively obtains data required for completion of execution proposals.*

*In 2004, the Fund collected SIT 80 million, and during its five years of operations, the respective number equals SIT 185 million.*

## Claims

A very important area of work of the Maintenance Fund is also collection of debt from persons liable for payment of maintenance as well as recovering of debt from legal guardians unduly receiving funds from the Maintenance Fund. **The Fund submits execution proposals to execution court divisions all over Slovenia, whereby demanding from persons liable for payment to refund amounts paid by the Fund to legal guardians of children on their behalf.**

As at the day of payment of maintenance replacement to legal guardians of children the Fund becomes a creditor in relation to the person liable to pay maintenance, up to the amount of the paid replacement. This means that the Maintenance Fund enters in the child's outstanding claim to the person liable to pay maintenance, up to the amount of the replacement paid. 31. As at 31 December 2004 the Maintenance Fund had outstanding claims to over 3.000 debtors, i.e. persons liable for payment of maintenance.

## Execution Procedures

Since the beginning of operation the Fund has been recovering debt from persons liable to pay maintenance by itself and through attorneys managing recovery on behalf and in the name of the Fund. **The number of cases involving attorneys has been decreasing in time. The Fund by conducting numerous inquiries and by appropriate links to external institutions (the Central Population Registry kept by the Ministry of Internal Affairs, the Health Insurance Institute of Slovenia, Ministry of Internal Affairs, the Clearing and Depositary Company Plc. and other) quickly and effectively obtains data required for completion of execution proposals.** Nevertheless, certain cases still require co-operation of attorneys. The Fund is obliged to involve them in accordance with the principle of sound management as submitting of execution procedures against debtors takes place all over the country. Additionally, the legal framework also requires that of the Fund as certain actions may be performed before the court only by attorneys acting as legal representatives.

## Collection Success Rate

A large part of work related to filing execution proposals and lawsuits is carried out by the Fund's employees, which is a revealing piece of information given the complexity, scope and duration of legal and execution procedures and relatively small number of employees. The percentage of funds, collected by the Fund, equals nearly 15% of all payments made in the same year. It should be noted that this percentage is similar to those in other European countries. The Federal Republic of Germany, which has a model closest to Slovenia as regards regulation of maintenance replacement, has roughly 22% collection rate, but it should be taken into account that the German counterpart of the Fund has been operating since 1981 and that income per capita is much higher in Germany than in Slovenia. **In 2004, the Fund collected SIT 80 million, and during its five years of operations, the respective number equals SIT 185 million.**

## > Maintenance Fund from Beginnings to 2004 8

The Maintenance Fund of the Republic of Slovenia started its operations on 18 October 1999 and has since acquired many experiences in exercising of the right to maintenance replacement. Since the beginning of operations until 2004, the Maintenance Fund has received 4,897 applications for 6,337 children. However, there are still many cases of incomplete applications submitted by legal guardians of children.

*The number of children and amounts paid have been increasing in time and such trend can be expected in the future.*

Such applications usually lack certain documents, required by the Fund for correct, legal and swift decisions. Unless such documents can be obtained by the Fund ex officio, the Fund calls upon the legal guardian to supplement the application.

**Table 11: Number of submitted applications and the number of children, by year**

Year	Number of applications	Number of children
1999 (od 18.10.1999)	1.156	1.534
2000	1.119	1.441
2001	638	811
2002	619	785
2003	766	1.000
2004	599	766
<b>skupaj</b>	<b>4.897</b>	<b>6.337</b>

**Note to the table:**

*The legal guardian may by submitting one application claim maintenance replacement for several children.*

The biggest number of applications was received by the Fund in the first months of operations, i.e. at the end of 1999 and in the beginning of 2000. From then on, the number of submitted applications has held steady. Similar trend is expected in the next few years.

*In five years of operations the Fund has by subrogation collected nearly SIT 185 million.*

**Table 12: Total payments of maintenance replacement in SIT by year**

Year	Payment in SIT	Percentage
2000	205.240.546	10,6
2001	308.832.296	16
2002	379.927.139	19,7
2003	476.770.155	24,8
2004	558.434.899	28,9
<b>skupaj</b>	<b>1.929.205.035</b>	<b>100</b>

The number of children and amounts paid have been increasing in time and such trend can be expected in the future as the number of children and the average amount of maintenance replacement are increasing.

**Table 13: Repayments by debtors to the Maintenance Fund in SIT by year**

Year	Repayment in SIT	Percentage
2000	6.459.408	3,5
2001	23.593.890	12,8
2002	27.997.276	15,2
2003	46.851.584	25,3
2004	80.083.443	43,2
<b>skupaj</b>	<b>184.985.601</b>	<b>100</b>

**In five years of operations the Fund has by subrogation collected nearly SIT 185 million.** Active debt recovery from those liable to pay maintenance has another important effect. As a result of the Fund's entering in the creditor-debtor relationship, the latter are more willing to voluntarily pay maintenance as stipulated by a court ruling or an agreement at the Department of Social Security.

## > International Activities of the Fund 9

Successful and efficient operations of the Guarantee and Maintenance Fund are also influenced by co-operation with other similar organisations in Europe involved in this area. Monitoring developments in other European countries is also relevant with regard to dissemination of knowledge and constant improvement of expertise of the Fund's employees. At the same time, the Fund by its organisation and methods of operations influences establishment of similar institutions notably in European countries in transition.

### Guarantee Fund

Ever since it has been established, the Guarantee Fund has developed contacts with similar institutions abroad. The exchange of experience with individual countries and the International Labour Organisation has confirmed efficiency of organisation of the Guarantee Fund, which provides enforcement of rights to workers in case their employers become insolvent and has also established an effective system for collecting debt. **Exchange of opinions with representatives of the International Labour Organisation and representatives from Belgium, the Czech Republic, Sweden and Greece has confirmed that Slovene model regulating the system of enforcement of rights regarding payment for work may serve as an example to different countries, which have just begun to regulate this area or intend to do so.**

The International Labour Organisation enables to countries in transition and candidate countries for European Union membership to familiarise themselves within the wider education related to payment systems with institutional and legal framework of operations of guarantee funds in various countries. Thus, several countries have familiarised themselves with operations of the Guarantee Fund in Slovenia, for example Latvia, Romania, Bulgaria and Croatia. Representatives of some of these countries also held discussions in Slovenia with regard to establishment of a similar institutions in their country.

Co-operation with similar institutions abroad and wider co-operation with the International Labour Organisation are extremely beneficial for the Fund's development. International exchange of experience also expands the horizon with regard to relevant issues and presents a valuable source for planning even more efficient operations of the Fund.

### Maintenance Fund

International co-operation of the Maintenance Fund enables familiarising with examples of good practice and achievements as well as any deficiencies in other countries. By exchanging knowledge and practical experience, employees build their expertise and knowledge and use them in daily operations for the benefit of beneficiaries, assisted by the Fund in enforcement of their rights.

According to data currently available to the Fund, the non-payment of maintenance is systematically regulated only in few European countries (Sweden, Austria, Germany) and even they have varying regulations with regard to family legislation and regulations and implementation in other closely related systems (judiciary, etc.).

Generally, systems for solving issues related to non-payment of maintenance in individual countries vary greatly between countries and institutions dealing with the problem even more so. Comparison with other European countries, notably in collection from persons liable for payment of maintenance reveals that different countries face similar problems.

Entry in the European Union has resulted in several cases with international dimensions, hence international co-operation will be strengthened and experience gathered by the Fund in contacts with other countries will be of great assistance to the Fund's operations and development.

*Exchange of opinions with representatives of the International Labour Organisation and representatives from Belgium, the Czech Republic, Sweden and Greece has confirmed that Slovene model regulating the system of enforcement of rights regarding payment for work may serve as an example to different countries, which have just begun to regulate this area or intend to do so.*

*Generally, systems for solving issues related to non-payment of maintenance in individual countries vary greatly between countries and institutions dealing with the problem even more so.*

**The justification for establishment and existence of the Guarantee and Maintenance Fund has been confirmed in the past few years as it has become a part of the system regulating family and work related issues in Slovenia. In our opinion, the volume of work will increase in both funds in 2005 as the number of beneficiaries is expected to increase.**

As regards the **Guarantee Fund**, payment to a large number of beneficiaries submitting applications to the Fund in December 2004 (Planika) will have to be provided for. We forecast that the number of newly filed applications will remain within the average of the last few years, i.e. around 3000, hence the total amount paid will exceed that paid in 2004. The fact that the amount of average payment is increasing from year to year should also be taken into account.

Therefore the Fund shall in 2005 – as it was the case before – pay a lot of attention to debt recovery thus providing a significant source of income used for payments to beneficiaries.

It is forecasted that as regards the **Maintenance Fund**, the number of newly submitted applications will remain within the average of the last few years, namely for a bit more than 800 children. But as the maintenance replacement will also be paid to the majority of recipients from the previous year, the number of potential recipients at the end of the year will be around 4000. Some children will lose the right as they become adults (turn 18), some persons liable for payment will start to fulfil their obligations, some children will be placed in an institutions or care or will have a joint household with the person liable for payment of maintenance. In certain cases, children will not be eligible for maintenance replacement payments as persons liable will occasionally pay maintenance.

The total amount of payments made by the Maintenance Fund will to a great extent exceed that from 2004. As the funds collected by the Maintenance Fund on the basis of subrogation, represent a significant source of funding for maintenance payments, the Fund shall continue with its efforts regarding collection. Work related to collection of funds from persons liable for payment includes very dispersed tasks as each person liable to pay maintenance is a debtor in his/her own right. Thus more than 2,100 execution proposals were submitted to courts by the end of 2004, and in 2005 the number is expected to increase by additional 1,000 execution proposals.

The Fund will co-operate intensively with the **Supervisory Board** chaired by the Minister of Work, Family and Social Affairs and also consisting of a member representing the trade union representative for the whole country, a member representing the employers' organisation, representative for the whole country, a member representing the Association of Departments of Social Security and a member representing the Ministry of Finance.

The Fund will continue its **co-operation with external institutions**. Particularly important is co-operation with the competent Ministry of Labour, Family and Social Affairs, departments of social security and the Ministry of Finance. The Fund also intends to keep constructive co-operation with the Ministry of Justice and other institutions, notably the Pension and Disability Insurance Institute of Slovenia, the Employment Office of Slovenia, the Health Insurance Institute of Slovenia and the Tax Administration of the Republic of Slovenia. Such co-operation enables more efficient work to the Fund and exchange of data, experience and knowledge.

The Fund will continue its **international co-operation**, exchange of opinions and experience with other guarantee and maintenance institutions and other international institutions. A number of countries have extensive experience in these areas, which may significantly assist in operations of both funds.

## Balance Sheet as at 31 December 2004

A. Assets	In '000 of SIT
<b>1. Long-term assets and assets under management</b> .....	<b>18,077</b>
Intangible long-term assets .....	59,062
Value adjustment of intangible long-term assets .....	46,694
Equipment and other tangible fixed assets .....	46,696
Value adjustment of equipment and other tangible fixed assets .....	41,287
<b>2. Short-term assets; excluding inventories and accruals</b> .....	<b>5,216,582</b>
Cash In hand .....	159
Goodwill with banks and other financial institutions .....	315,065
Advances and deposits made .....	0
Short-term financing receivables .....	67
Other short-term receivables .....	4,893,995
Unpaid expenses .....	7,296
<b>Total assets</b> .....	<b>5,234,659</b>

B. Liabilities	In '000 of SIT
<b>3. Short-term liabilities and accrued items</b> .....	<b>4,901,359</b>
Short-term liabilities to suppliers .....	7,297
Other short-term operating liabilities .....	4,140,511
Unpaid revenues .....	753,551
Deferrals .....	0
<b>4. Own resources - own assets</b> .....	<b>333,300</b>
<b>Total liabilities</b> .....	<b>5,234,659</b>

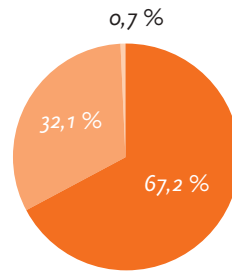
## Profit and Loss Account for 2004

	In '000 of SIT
Revenues from the Budget of the RS .....	1,171,112
Revenues from subrogation .....	558,925
Other revenues .....	11,838
<b>Total revenues</b> .....	<b>1,741,875</b>
Payments to beneficiaries .....	1,395,372
Fund operations .....	206,395
<b>Total expenditures</b> .....	<b>1,601,767</b>
<b>Surplus of revenues over expenditures</b> .....	<b>140,108</b>

## Revenues and Expenses

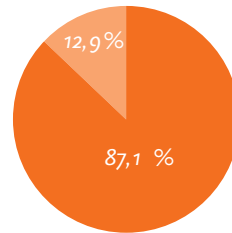
**Chart 6: Fund's Revenues in 2004**

Revenues from the Budget of the RS . . .	67,2 %
Revenues from subrogation . . . . .	32,1 %
Other revenues . . . . .	0,7 %
<b>Total . . . . .</b>	<b>100 %</b>



**Chart 7: Fund Expenses in 2004**

Payments to beneficiaries . . . . .	87,1 %
Fund operations . . . . .	12,9 %
<b>Total . . . . .</b>	<b>100 %</b>



## Auditing of the Fund

Independent auditors BDO EOS Revizija d.o.o. from Ljubljana audited operations of the Fund for the business year 2004 in March and April 2005. The report states that the Fund operated legally, purposefully, and under the principles of sound management and efficiency.

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*Uporaba podatkov je dovoljena le z navedbo vira.*

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