



Interview with Montserrat Capdevila ▶ Assessment of her first months in office and the main



EL PERIÒDIC
Montserrat Capdevila
in her office.

Montserrat Capdevila

President of the CASS

«Future generations should enter a different system from the one we've had»

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Montserrat Capdevila was appointed president of the Andorran Social Security Fund (CASS) in April, a position held until then by the current Minister of Health, Albert Font, and in which the pensioners' representative, Jacint Risco, were acting as a substitute. Capdevila then debates, among others, the next most important lines of action at the head of the parapublic: the new retirement pension system and the implementation of the service portfolio.

–The CASS board of directors appointed her as president in April. How did you find the parapublic when you entered office?

–I joined in mid-April and found myself in an organization with very frenetic activity. So, I had to catch up on a lot of issues that were on the table. Among them, the pension sustainability commission had already been created, and the meetings that were being held at the General Council were just beginning;

this was one of the most important topics. Thus, I had to study the 14 measures proposed by the CASS board of directors. Another relevant topic was the approval of the 2022–2025 Strategic Plan, which had already been approved before the pandemic, but could not be carried out because with covid everything was paralyzed. For this reason, it has resumed and adapted. Also, I had to put the batteries in with all the internal workings, which was my biggest challenge.

–Recently, you commented that your goal is not to stay in office for the long term.

–The head of government offered me this position and I am very grateful, but at that moment I told him that I would accept it until the period of Albert Font's mandate ends, that is to say, when there were elections I wanted to go. However, he asked me to wait until there was a new Executive, and so it will be.

–Getting to the subject, one of the objectives of the 2022–2025 Strategic

Plan that they have presented is to work for the sustainability of social security. How will this issue be addressed?

–The sustainability of social security is divided into two branches. On the one hand, the sustainability of the retirement branch is being discussed at a parliamentary level, and previously there were proposals from all the social actors, but now it goes through the politicians. On the other hand, in the general branch, expenditure on health benefits continues to grow. There are more and more chronic diseases, drugs are more expensive, there are more pathologies... In this sense, a growth in mental disorders has recently been detected. In addition, in the service portfolio there are also more health benefits that are being adhered to and, therefore, spending is increasing. Regarding income, this 2022 is being a good year, because we have more insured, more own accounts, and the income from contributions is above the forecasts we had. We will close the 2022 financial year with a deficit lower than expected.

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–CASS has presented 14 measures to reform pensions. What is the impact they want to achieve?

–The full impact will not be achieved with these proposals, because more and more people are retiring. When social security started, those who started contributing were relatively young, and they have been retiring, but the large volume of wage earners who entered, for example in my generation, there is a very large amount of people who will retire in the coming years, and the money in the reserve fund will not be enough to cover these pensions. I think that in Andorra, as a country, we have acted late, because the life expectancy of the population has increased, luckily, and we are very happy about it. The quotes, however, have not been adapting to this situation, and now we find that some urgent measure must be taken.

–They want to link the retirement age with life expectancy.

–Today, contributions are very low compared to the pensions that people who live a long life are recei-

ving. We have a conversion factor that means that if you have contributed 100 euros, you recover three times more over the years, and this must be adapted or the system will not support it. At the moment, the retirement branch has no deficit, and it won't have one this year either. So the result will be a higher surplus than we expected. But of course, from the moment there is a deficit, the State will have to cover it with public money until a solution is found to resolve the sustainability of pensions.

–According to a report presented to the commission, the pension fund will have been exhausted in 2038. Are we forcing future generations to maintain a system that, as the report states, is already failed?

–I think that the future generations, our children, should enter a system different from the one we have had. Business plans are very important, and then, savings plans in the private sector, I think are also very relevant.

–We also want to increase the legal retirement age by two years. Do you think it is a criterion to be maintained in the future?

–It's a difficult question. It was expected to be done in eight years given that life expectancy is increasing. I don't really know what to answer.

–One of the measures is to increase contributions by four percentage points of the gross salary. Does this mean that in the future the worker, self-employed or employer will have to pay more to maintain pensions?

–The measures presented by the board of directors provided for this contribution increase and it had to be seen how it should be distributed, a percentage for the worker and a percentage for the company. What cannot be done is to charge all of this percentage to the company or all to the worker, a balance must

be sought.

–What do you want to achieve with the creation of the individual contribution accounts provided for by the measures? Does this mean that we are transitioning from a pay-as-you-go system to a pension capitalization system?

–The current system would be maintained, which is distribution, together with a capitalization plan with the participation of the person and the company. But what we want to maintain is this system of solidarity, and that future generations continue to enjoy a retirement system, but with different pillars, what we currently have of social security distribution, pillar two of capitalization, and the pillar three personal savings. Therefore, we put in place more pillars to maintain a good future pension. The objective sought is that all retired people can have decent pensions to be able to live peacefully.

–Spain has indexed pensions to the IPC, one of the proposals also presented by the CASS, and it is estimated that in 2023 it will have a cost overrun of 15,000 million euros. If approved in Andorra, what additional annual cost would it entail?

–I can't say this fact. Perhaps it could be calculated, but it has not been done because it is a measure that has not been taken by the council.

–In addition, wouldn't it be a very reckless measure considering the current inflationary wave?

–At a parliamentary level, they will surely reach some agreement between them. Let's see, inflation is there, and it will be decided how to proceed. I assume that the same increase that will be announced for wages will be for pensions and for everyone the same.

–About the portfolio of services. In recent weeks it has been confirmed that they want to incorporate the



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acts of the psychologists with the hope that it will be at the end of the year. How do you rate this decision?

–I find it very good, because mental disorders are growing. Now I don't remember if the board of directors reported favorably or not with the portfolio of services. The decree must be developed, we do not have it on the table. But in any case, I think it is a good measure, because if mental disorders are growing, that psychologists can support these people can prevent these problems from going further and ending in more serious pathologies. Therefore, even more spending for the CASS. It is always better to prevent or detect a disorder in time than to have it later end in a more serious pathology.

–What kind of debt could the portfolio of services that you are proposing cause for Andorra, considering that you want to extend it to the entire population?

–It is a very active portfolio that keeps changing. For example, in the

budget we approved in July, psychologists were not included, but both these professionals and any other act that enters the portfolio of services, budget-wise, will represent an increase in spending. However, they are games that can be expanded up to the amount that is necessary. The most important thing is public health and that people are well taken care of.

–Is this expansion realistic without increasing the tax burden already borne by the Andorran population?

–Let's see, these health benefits have to be paid for somehow. Currently, the general branch is in deficit, and this deficit is paid by the State with public money. This year, this will be lower than expected, since last year we closed with a deficit of 45 million and this year we plan to close with a deficit of 39 million. These 39 million are provided by the State. However, the budget must already contemplate this deficit of the CASS and pay it with the income it has.

–On the other hand, the third payer of the dentists has been postponed due to the errors found in the computer system. Has progress been made in this regard?

–We received a letter in the name of the director and in my name in which they set out a series of reasons why they wanted to terminate the agreement with the CASS. One of the reasons is the increase in fees. It is perfectly legal for them to want and demand an increase in rates, because they have not been increased for many years. They also added other issues, such as for example that they had had a lot of expenses during the pandemic because they had had to buy material, such as PPE. I think that all businesses have had to make an effort and buy materials during the pandemic. Regarding the rate increase, I understand that the professionals are talking to the Government, which is the one that

sets the rates.

–Another of the points included in the 2022–2025 Strategy is the increase in controls.

–Yes. The improvement of control systems is one of the objectives, some of them in the regulatory field, and the CASS has hired a person who will take care of this typology, who will also review the internal functioning of all departments. On the other hand, they also want to carry out checks regarding withdrawals and collections. At the same time, CASS is negotiating with the Spanish National Security Institute to try to sign an agreement, since a significant number of pensioners in the country are Spanish. Therefore, we want there to be a crossing of data between the CASS and the Spanish Social Security to know exactly what the pensioner receives in Andorra and in Spain, to be informed if this person makes a claim for aid, what they are receiving or what notify of his death, since in the latter case it is difficult to recover the pensions that have been paid, although attempts are made to do so. At no time, however, we want to prosecute anyone for fraud; what we want is to try to correct irregularities both upwards and downwards.

–How do you rate the participation in the last elections to the CASS?

–They were the first I experienced and I saw the whole process, the expense it represented and the great work of the whole team. But I also had to see my disappointment on live, as only 2% of voters participated. I don't know if it's worth continuing with this procedure, 2% shows a lack of interest.

–What would you like to see accomplished before the end of your mandate?

–I would like an agreement to be reached on the sustainability of pensions and also that a solution be found. ≡

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