

## PENSION SYSTEM REFORM

# The CEA defends a transfer from the general branch to retirements

It proposes to establish a «fair» distribution of the contributions of the points between Government, workers and companies

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The Andorran Business Confederation (CEA) defends a temporary transfer of contributions from the general branch of the CASS to the part of retirement to adjust the imbalances of the accounts. In this way, the employer believes that, in a period of eight years and in a progressive way, this transfer would be carried out with a posteriori return of the assets of the health branch. With this, the CEA states that it will be extended until 2039 when the retirement reserve fund should be used instead of the current forecast which places the date in 2024. As stated by the President of the confederation, Gerard Cadena, «we are aware that there are some measures in our proposal that have a broad consensus among the actors involved, but in general, the positions are very far apart».

Going into detail of the text agreed by the employer, the representative of employers and self-employed workers at the CASS, Francesc Zamora, explained that the increase of the four contribution points «should enjoy a fair and balanced distribution to everybody». In this sense, the CEA argues that the contribution of three points is by the employee and the other point, at the expense of the employer, in order to «approach the procedures of our countries of reference» with similar issues, such as Luxembourg, Liechtenstein or Switzerland, and «make us more equitable». In any case, the desire of the employer is to advance to an equity close to 50% of the contribution of each party; however, this proposal «should be finalized,» according to Cadena. Basically, the text approved by the employer revolves around new adjustments that reduce the tax burden on employers while trying to avoid increasing taxes «because we are not interested in anything».



► The President of the CEA, Gerard Cadena, and the representative of employers and self-employed workers at the CASS, Francesc Zamora.



### Gerard Cadena

PRESIDENT OF THE CEA

«We are aware that some measures will have broad consensus, but the positions are far apart»

The representative of the self-employed continued to break down the amendments, explaining that we consider that the maximum pension is 2.5 times the Economic Threshold of Social Cohesion (LECS), which is a long-standing claim of the confederation, in order not to reduce the competitiveness of the tax system».

In the same way, he presented the modification of the cut of the 45 years, one of the points in which the CEA differs from the proposal of the CASS. Thus, what the amendment suggests is to place the beginning of the listed rights from the age of 47 in parallel with the increase in the life expectancy of the population. However, «it is necessary



### Francesc Zamora

REP. CASS BUSINESSMEN

«We want to move closer to the procedures of our countries of reference and evolve towards a more equitable model»

to make the relevant calculations to see if this expansion can be beneficial,» said Cadena. He also added that in the event that the text is approved soon, «all those sectors of the population that reach this age, the new proposed formula will be applied, to advance the changes as soon as possible».

In relation to periods of absence, the CASS text advocates a 15-year maintenance in order to be able to receive the retirement pension, transforming the contributions of workers who do not reach the mi-

**The amendment states** that the maximum pension is 2.5 times the Social Cohesion Economic Threshold

nimum into contributions to the Public Capitalization Plan. In contrast, the CEA proposal calls for an extension of the minimum years to be entitled to recover what is contributed to the system, progressively and in line with the increase in life expectancy. It also highlights the private savings in which, according to the CASS, the contributions are divided into 1% by the employer, another 1% by the employee and 0.5% contributed by the Executive. Thus, the text of the CEA considers that the contribution of the Government should be equivalent to that of the other two actors involved.

Finally, Zamora recalled that the future obligations of the pension system already exceed 7.5 billion euros, while the reserve fund barely reaches 1.5 billion. In addition, the President of the CEA stated that the implementation of the proposals «should be carried out in the short term; We can't expect five more years to pass, because then we will have to look for new formulas». ≡

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FOOTBALL ► FIRST DIVISION

# Red numbers

Most teams in the Multi-Insurance League are in negative figures during 2021 and accumulate more debt

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The teams that make up the current Multi-security League (First Division of Andorran football) will have to fight hard to find an effective mechanism that will serve to clean up the accounts left by the year 2021. The vast majority of the teams in the Principality finished the year in red numbers, seeing a parallel increase in its debt, and this situation could lead to changes in the action plan of many of the boards to avoid, precisely, reach cases such as the Lusitans, as most recent.

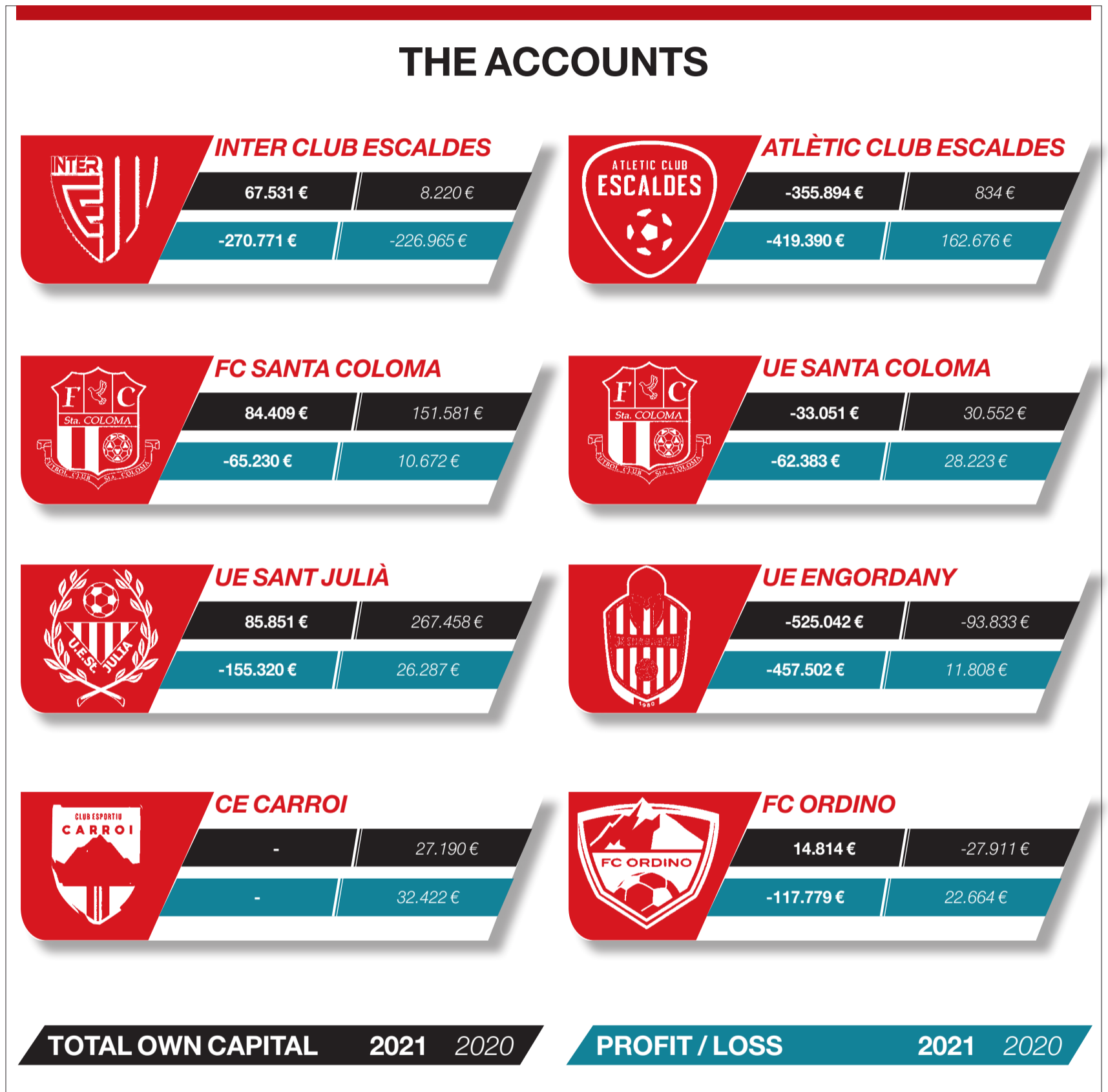
EL PERIÒDIC has had access to these accounts, some of which are still pending a final review by the auditors of each entity, but which in any case would not change the volume of the figures that can be seen in the graph. The largest numbers, which range from 60,000 to

**La FAF** mostra preocupació pel que fa a la incidència dels problemes econòmics en l'àmbit competitiu

450,000 euros, correspond to the negative difference between the income and losses of equipment during the year 2021, which contrasts with the data recorded in 2020, where the profits, still scarce, surpass the losses. However, it should be noted that debts do not mean that a company cannot continue to operate, but will depend on the type of debt, the volume, and its management.

Sources from the Andorran Football Federation (FAF) confirmed to this newspaper that there is some «concern» about the current situation of the clubs in terms of the economic field. However, the federation cannot intervene in any way, beyond the budget allocation established in the regulations of this national competition, «since it is a matter of self-management of each team, but it is true that we are always witnessing issues of non-payment, quality players who have to leave or extreme cases such as the Lusitans.

**UEFA DEPENDENCY** // The clearest difference in the accounts of both teams is whether or not they have competed in European competition. In other words, qualifying for the previous rounds, whether in the Champions League, Europa League or Conference League, means the highest income of all for the teams in the Principality. In this way, teams such as Inter Club d'Escaldes, UE Sant Julià or FC Santa Coloma, which last year took part in the European circuit, have be-



## the keys

- 1 PROFITABILITY**  
Lack of revenue (beyond UEFA) and the difficulty for teams to find private sponsors and get a business out of the club diminish the chances of being able to build a solid and profitable football business.
- 2 SELF-MANAGEMENT**  
The situation of the internal accounts depends entirely on each club, leaving the FAF as an external actor, mediator on certain occasions, but without the ability to influence how each team manages its capital.
- 3 IMAGE**  
Year after year, there are cases of financial difficulties, debts, delays in salaries, non-payment or disappearances of clubs, aspects that, directly or indirectly, affect the image that can be had of the league.
- 4 MEMORY OF THE LUSITANIANS**  
FC Lusitans was one of the regulars in the UEFA preliminaries, but the following year they failed to qualify, leading to defaults, uncertainty and, finally, disappearance. The lack of investors is key in this regard.

en able to receive between 100,000 and 600,000 euros from UEFA.

This game is of vital importance in the coffers of the entities, especially in order to establish signings and salaries in view of the next season. Similarly, as has been the case in recent years, those teams that manage to advance to the UEFA preliminaries have a higher probability of doing so again in the next campaign, with a feedback effect. On the other hand, and in contrast, those clubs that do not repeat the situation will run the risk of being left in a financial mess, due to the fact that staff costs will be much higher than income (of which there would no longer be those of UEFA), with the final possibility of disappearance.

**SALES REVENUE** // Unlike, for example, the Spanish league (LaLiga), one of the other problems is the

lack of revenue from competition. The teams that make up the Multi-Insurance League do not receive any financial contribution in terms of collecting tickets or selling television rights, which turns out to be the spearhead in other countries where football is professionalized. Being a semi-professional league has certain disadvantages, but also advantages, such as the almost zero costs of transferring players or the permissive treatment of UEFA in its philosophy to develop modest football.

Thus, the search for sponsors and commercial businesses has turned out to be the axis on which all the teams are more or less lucky, and on which they end up depending to promote a solid sports project.

The FAF is concerned about the incidence of economic problems in the competitive field. ≡