The Moscow Times
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Russian Labor Minister Says Russia Has No Poor Pensioners

By Joseph Birch

April 27, 2016

Russian Labor Minister Maxim Topilin has stated that there are no poor pensioners in Russia, the Slon news website reported Wednesday.

“As you know, we have no poor pensioners. All pensioners receive additional payments on top of the subsistence level,” Topilin told the TASS news agency, Slon reported.

Russia's minimum subsistence level is currently 9,452 rubles ($139).

The minister added that Russia’s poor are largely people of working age and families with children.

Based on this, the Labor Ministry decided that it was not necessary to increase pensions and are instead focusing on potentially increasing the minimum wage, Topilin said.

Topilin’s claim comes after reports of pensioners in Novosibirsk being unable to draw their monthly payments in January “due to underfunding.”

Pensioners were informed by a statement plastered to the post office door that allowance payments and monthly cash payments would not be made “until cash flow is restored,” the Financial Times reported earlier this year.

The state-run VTsIOM pollster reported in December that the share of Russians describing their financial situation as either “bad” or “very bad” has increased by 22 percent since 2014. The percentage of families claiming they “lack money to buy food” has increased to 22 percent.

The Finance Ministry conducted an analysis of all government departments in March this year to achieve a 10 percent cut in 2016’s budget.

“The entire system of social security is very unsustainable,” Tatyana Maleva, director of the Social Analysis and Forecasting Institute at the Presidential Academy of National Economy and Public Administration told the Financial Times.

According to the Rosstat state statistics service, the number of poor in Russia in 2015 reached 19.2 million people, its highest level for ten years.

Figures from the World Bank indicate that in 2016 the amount of poor Russians will increase to 21 million people, bringing the national poverty rate to 14.7 percent, Slon reported.

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Original url:
https://www.themoscowtimes.com/2016/04/27/russian-labor-minister-says-russia-has-no-poor-pensioners-a52710