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SOCIAL IMPACT OF PRE- AND POST-PENSION REFORM PROGRAMMED RETIREMENT ON URBAN WORKERS

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ABSTRACT

Programmed retirement is a social security benefit that aims to ensure an organized transition from working life to inactivity, ensuring an income for the worker after the end of his professional activity, for men and women. The research seeks to analyze the impact of this type of retirement in the current context, considering the aging population and changes in social security policies. Increasing life expectancy and a decreasing birth rate result in a growing elderly population, while the number of contributors to social security decreases, raising concerns about the sustainability of the system. The study is justified by its social, academic and practical relevance, addressing the challenges of the pension reform and the effects on those who are already entitled to the benefit and future retirees. The objectives are to present general aspects of the programmed retirement; analyze the changes with EC 103/2019 and; evaluate the impact of the Social Security reform on the new programmed retirement. The research used bibliographic and documentary techniques, based on relevant works and documents on the subject, with qualitative analysis of the data. It is verified that the changes brought about by the reform made access to retirement difficult, especially for informal workers and in poorer regions, such as the North and Northeast of Brazil.

Keywords: Scheduled Retirement. Social Impact. Social security.

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INTRODUCTION

Scheduled retirement was established by Constitutional Amendment No. 103/2019, which modified the rules for retirement by age. This type of retirement is provided for in Article 25, item I, paragraph "b" of Decree No. 3,048 of 1999, and is an express benefit of the General Social Security System, as updated by Decree No. 10,410 of 2020. To be granted this benefit, it is necessary to meet the minimum age requirement of 65 (sixty-five) years for men; and 62 (sixty-two years old) for women. (MARTINEZ, 2020).

The problem of the research consists of verifying the social context that is marked by the aging of the population and changes in social security policies. Programmed retirement is becoming an increasingly recurring subject in our society, so that in order to understand the effects of this form of retirement, it is extremely important to assess the impacts on individuals and an entire society.

In view of this, there is a need to address the problems associated with the increase in the life expectancy of the population and the issue of the decrease in the birth rate in our state. These problems lead to an increasingly larger elderly population and a proportionately smaller number of contributors to social security systems.

Therefore, this research is justified by its current social, academic and practical relevance, and by its potential to generate information for those who are already entitled to receive the benefit and those who contribute to social security and will one day retire.

Its specific objectives are: To present the general aspects of programmed retirement; analyze the changes brought about by EC 103/2019; to verify the impact of the Social Security reform aimed at the new programmed retirement.

Thus, this paper presents the historical trajectory of retirement both in the global context and in Brazil, highlighting its social and economic importance. The focus is on scheduled retirement, offering a clear definition and detailed explanation of this benefit. In addition, the changes introduced by the 2019 pension reform are addressed, including the transition rules, accompanied by statistical data that illustrate the impacts of the implementation of the new programmed retirement.

Finally, for the development of this research, the bibliographic and documentary technique was used, based on works on the subject and also under the methodology adopted, refers to the qualitative documentary bibliographic type, since it used as a basis several works and documents of the chosen branch for the composition of the reference work. Using the research of works, articles, articles, among other sources with the intention of improving the understanding of the theme, covering different positions. After the introductory section, the research is composed of the literature review.

The research showed that the Social Security Reform, with EC 103/2019, brought significant changes to scheduled retirement, such as the imposition of a minimum age and an increase in the contribution time. These changes made it difficult to access the benefit, especially for workers in informal situations and poorer regions, such as the North and Northeast.

CHAPTER I - SOCIAL SECURITY

Social Security is a social insurance system in which insured workers contribute monthly. In exchange for these contributions, an income is guaranteed for the insured in situations where he cannot work and ensure his own livelihood. (CASTRO, 2022)

In this chapter, the history of this institute, its evolution both globally and in Brazil, and some of the benefits associated with it will be explored. Special attention will be given to programmed retirement, which is the main focus of this monograph.

SOCIAL SECURITY AND ITS HISTORICAL EVOLUTION IN THE WORLD

The emergence of Social Security must be analyzed in the light of the gradual evolution of fundamental social rights, being introduced as one of the positive responsibilities of the State towards its citizens. (DELGADO, 2021)

The first instance of Social Security appeared in Germany in 1883, when Otto von Bismarck implemented the Social Insurance Law, establishing sick pay. This legislation was followed by other norms that created insurance for accidents at work (1884), disability (1889) and old age (1889) (AMADO, 2020). The initial system was a compulsory and restricted capitalization mechanism, in which employers and employees contributed, but coverage was limited to a specific group of workers (AMADO, 2020).

In the constitutional field, the Constitutions of Mexico (1917) and Germany (1919) were pioneers in including the social security protection of workers. Later, in 1942, England presented the Beveridge Plan, developed by economist William Henry Beveridge. This plan introduced an innovative social security system, financed by general taxes, without the need for specific contributions for its maintenance (AMADO, 2020).

The Universal Declaration of Human Rights, adopted by the UN in 1948, also recognized the right to security in cases of unemployment, illness, disability, widowhood, old age, or other situations that compromise one's ability to sustain oneself. On June 28, 1952, ILO Convention No. 102 was approved, which establishes minimum standards for social security. The convention defines an "ideal of coverage" with nine essential elements, of which signatory countries must ensure at least three, including protection against unemployment, old age and occupational accidents. Brazil ratified this Convention through Legislative Decree No. 269, of September 19, 2008 (HORVARTH JUNIOR, 2011).

Social security systems vary widely between countries, reflecting their legal and cultural particularities. Some countries, such as Brazil, combine public and private systems, while others, such as Chile, adopt exclusively private models (AMADO, 2020). There is no universally perfect pension model, although the World Bank has promoted, since 1994, the Theory of the Three Pillars, which has influenced pension reforms in several Latin American countries (AMADO, 2020).

SOCIAL SECURITY IN BRAZIL

The concept of social security in Brazil can be traced back to the colonial period. In 1793, when the protection plan for naval officers was created, which remained in force for more than a hundred years, offering pensions to the widows and daughters of deceased officers, financed by a deduction in the officers' salary (COSTA, 2011). In 1821, the Decree of October 1 granted retirement to masters and teachers after 30 years of service. In 1827, a benefit similar to that of 1790 was instituted for Army officers, guaranteeing a pension to the widow and dependent children (COSTA, 2011).

In 1888, the Relief Fund was created for state-owned railroad workers (Law 3,397), and Decree 9,912-A established the retirement of Correios employees after 30 years of service and 60 years of age (AMADO, 2020). On November 29, 1892, Law 217 instituted disability retirement and death pension for workers at the Navy Arsenal in Rio de Janeiro. Decree 9,824, of 1911, created the Retirement and Pension Fund for Workers of the Mint, aimed at these public servants (AMADO, 2020).

In 1919, the Occupational Accidents Law established occupational accident insurance for all categories, under the responsibility of companies, and introduced the notion of occupational risk (AMADO, 2020). However, the initial milestone of social security protection in Brazil is widely recognized as the Eloy Chaves Law of 1923 (Decree-Law 4.682) (MARTINEZ, 2017). This law authorized railroad companies to create their own retirement and pension funds, marking the beginning of private pensions, since the administration of social security protection was done by the company itself (AMADO, 2020).

During the Vargas government, there was an intervention in the existing pension funds due to management problems. Decree No. 20,465 instituted a new social security model, with state management through social security agencies and protection segmented by professional categories (AMADO, 2020). From 1933 onwards, several retirement and pension institutes were created, including the Seafarers' Welfare Institute (IAPM) in 1934, and other institutes for merchants, bankers, industrialists, state servants, and transport and cargo employees (AMADO, 2020).

The 1934 Constitution was fundamental for the social security system by instituting the tripartite costing of social security, involving resources from the government, companies and employees. The 1946 Constitution was the first to use the term "Social Security" in its article 156 (AMADO, 2020).

In 1960, the unification of social security began with the creation of the Organic Law of Social Security (LOPS), Law No. 3,807, of August 26, 1960. This law consolidated the Brazilian social security system. Decree-Law No. 72/1966 resulted in the merger of the social security institutes into the National Institute of Social Security (INPS), completing the unification of the system (HORVARTH JUNIOR, 2011).

In 1971, rural workers were included in the social security system with Complementary Law No. 11, which created the Rural Worker Assistance Program (Pró-Rural), maintained by FUNRURAL. This program offered old-age and disability retirement, pension, funeral assistance, health services, and social services to rural workers (AMADO, 2020). At that time, two social security systems coexisted in Brazil: the Rural Worker Assistance Program and the Urban Social Security (Law 3.807/1960) (AMADO, 2020).

In 1977, Law No. 6,435 authorized the creation of private supplementary pension funds, with open and closed entities, leading to the emergence of large pension funds, such as PREVI. In the same year, the National Integrated System of Social Security and Social Assistance (SINPAS) was created, responsible for granting and maintaining social security benefits, funding activities and programs, and financial, administrative and asset management, integrating agencies such as DATAPREV, INPS, FUNABEM, INAMPS, CEME, IAPAS and LBA (HORVARTH JUNIOR, 2011).

The 1988 Constitution established a broader protection system, known as social security, applicable to the entire Brazilian society, according to articles 194 to 204. Among the main achievements of this new system are the universalization of free healthcare, the guarantee of a minimum wage for the elderly and disabled in need, social security benefits in the amount of at least one minimum wage, the reduction of the retirement age for rural workers, miners and artisanal fishermen, and the right to a death pension for all, not just for disabled husbands (AMADO, 2020).

After 1988, the Brazilian social security system underwent four Constitutional Amendments: EC No. 20, of 1998, which reformed the general social security system; EC No. 41, of 2003, which reformed the private pension schemes; EC No. 47, of 2005, which regulated pending aspects of the previous reform; and EC No. 103, of 2019, which introduced the most significant reform of the social security system (AMADO, 2020).

In addition, important legislation, such as Law No. 8,213/1991, which deals with Social Security Benefit Plans, Law No. 8,212/1991, which organizes Social Security and institutes the costing plan, and Decree No. 3,048/1999, a social security regulation amended by Decree No. 10,410/20, are fundamental for the functioning of the Brazilian social security system (HORVARTH JUNIOR, 2011).

SOCIAL AND ECONOMIC RELEVANCE OF SCHEDULED RETIREMENT

It is essential to start by clarifying the concepts of social risk and programmed retirement and then analyze the interrelationship between both. The concept of social risk refers to the situations or events provided for by law and covered by social security. These risks, usually associated with future and uncertain events, are considered of social interest due to their probability of occurrence and the need for protection (MARTINEZ, 2017, p. 138). Social risk derives from the generic notion of claim in private insurance, where any future and uncertain event, not fully controlled by the insured, is considered a risk.

Social risk, therefore, is not a material entity, but an abstract conception that relates to the chance of an event occurring. Its definition is linked to the possibility of an event happening, and its measurement is based on the imminence of the fact (MARTINEZ, 2017, p. 138).

In view of these concepts, it is pertinent to question whether programmed retirement is aligned with the logic of social security protection against social risks.

Constitutional Amendment No. 103/2019 brought in scheduled retirement and excluded retirement by contribution time and implemented significant changes in the Brazilian pension system, which has been facing financial imbalances for some years (AMADO, 2020). In 2018, social security expenditures totaled about R$994 billion, while collection was only R$713 billion, resulting in a deficit of R$281 billion, according to the National Treasury's Budget Execution Report. (RCTN, 2018)

The deficit analysis cannot be simplistic, nor can it be assumed that the exclusion of a benefit will solve the problem. The increase in life expectancy is projected to make the elderly population jump from 22 million in 2013 to about 73.5 million in 2060 (LAZZARI, 2020). In the 1950s, there were eight contributors for every beneficiary; in 1970, the ratio was 4.2 to 1; in 1980, 2.8 to 1; and in 1995, 1.9 to 1. In 2014, the number of taxpayers was 71.3 million, but it fell to 66.8 million in 2016 due to the economic recession and unemployment. The number of beneficiaries of retirements and pensions reached almost 29 million in the same period (LAZZARI, 2020).

As a result, the social security system will be pressured by an increase in beneficiaries and a reduction in taxpayers. Retirement by contribution time was identified as one of the factors that contributed to the deficit, among other problems such as poor management of resources, lack of sufficient contributions, inadequate legislation, pending lawsuits, and benefits granted as privileges (LAZZARI, 2020).

Therefore, scheduled retirement was one of the measures adopted to mitigate the destabilizing effects of the Social Security System, given the reality of early retirement and the increase in life expectancy. However, this benefit is only one aspect of the broader problem of the pension deficit. The lack of uniform and self-adjusting rules, which evolve with socioeconomic and demographic changes, suggests that new reforms and the suppression of other benefits may be necessary in the future (LAZZARI, 2020).

It is concluded that the Social Security reforms are part of a continuous process to adjust the system to changes in socioeconomic, demographic, and labor market conditions, seeking to unify the rules for granting the main social security benefits (LAZZARI, 2020).

CHAPTER II - PROGRAMMED RETIREMENT - GENERAL ASPECTS AND EVOLUTION

3.1 DEFINITION OF THE CONCEPT OF PROGRAMMED RETIREMENT

Programmed retirement is a kind of retirement in which the date of its beginning is predictable. The insured will acquire the right to this benefit on the date he completes the age and contribution time provided for in the legislation. (BRAZIL, 2019)

Its objective is to guarantee workers a monthly income when they choose to retire, as long as they meet the legal requirements for granting the benefit. (BRAZIL, 2019)

LEGAL DEFINITION: BASED ON CURRENT LEGISLATION

Scheduled retirement, as defined by current Brazilian legislation, is a social security benefit granted by the National Institute of Social Security (INSS) to insured persons who meet the requirements established by Law No. 8,213, of July 24, 1991, and its subsequent amendments, as well as by Constitutional Amendment No. 103, of November 12, 2019, which introduced significant reforms in the social security system (AMADO, 2020).

GENERAL REQUIREMENTS

Contribution time: number of years required and minimum age: age required for granting

The insured must have contributed to Social Security for a minimum period established by law. In the current context, the requirements are 35 years of contribution for men and 30 years for women, according to the general rule after the Social Security Reform, (BRASIL, 2019).

In addition to the contribution time, it is necessary to reach a minimum age for granting the benefit. Constitutional Amendment No. 103/2019 established a progressive minimum age for scheduled retirement, being 65 years for men and 62 years for women, with the application of transition rules for those who were already in the labor market before the reform, as shown in illustrative table 1 (one).

Table 1: Taxable event of the scheduled retirement.

Critério	Homens	Mulheres
Idade mínima	65 anos	62 anos
Tempo mínimo de contribuição	20 anos	15 anos

Source: GOES, Hugo. Social Security Law Manual, 2019.

With the requirement of 20 years of contribution for men and 15 years for women, in addition to a progressive minimum age of 65 and 62 years, respectively, the new rules directly impact the way workers plan their retirement.

CHAPTER III - EC 103 AND CHANGES IN PENSIONS BY CONTRIBUTION TIME

CONSTITUTIONAL AMENDMENT No. 103/2019

Constitutional Amendment 103/2019 brought significant changes that impacted several areas of Law, including Constitutional, Social Security, Tax and Financial Law, and administrative Law (AMADO, 2020). These changes cover the benefits for federal public servants and insured persons of the Own Social Security Regime (RPPS), in addition to establishing new rules for beneficiaries of the General Social Security Regime (RGPS). Specific rules were also introduced for military police, firefighters, rural workers, and teachers (AMADO, 2020).

The main change addressed to the work is the elimination of retirement by contribution time without minimum age, with the exception that the rights acquired until 11/13/2019 were preserved. In addition, transition rules were established to allow the granting of the benefit for some more time according to the new rules established by the Amendment. For those who were insured under the RGPS on 11/13/2019, EC 103/2019 instituted four transition rules, which will be detailed in subsequent topics (LAZZARI, 2021).

In this way, retirement by age, which previously only required a minimum age and grace period, was replaced by scheduled retirement. This new modality requires a minimum age (65 years for men and 62 years for women as a permanent rule, except for transition cases), in addition to contribution time and grace period, subdivided into common and specific for basic education teachers (AMADO, 2020).

It is worth noting that the retirement of rural workers and the special retirement are also configured as scheduled retirements, since they are not related to misfortunes (AMADO, 2020). On the other hand, the retirement by age of rural workers, miners and artisanal fishermen was maintained, as the National Congress rejected the proposal for constitutional reform that aimed to modify these requirements. Thus, the minimum age criteria (60 years for men and 55 years for women) remain in force (AMADO, 2020).

It is important to highlight the provisions of article 122 of Law No. 8,213/1991, which guarantees the granting of retirement of any type based on the rules in force at the time of compliance with all the necessary requirements for the benefit. This means that, even if the retirement request is made later, the taxpayer maintains the right under the conditions established by the previous legislation, as long as he has met the requirements in the period in which they were in force (LAZZARI, 2021).

Finally, the retirement of people with disabilities, regulated by LC 142/2013, which is a retirement by contribution time with no minimum age, was preserved by EC 103/2019 (LAZZARI, 2021).

Brief historical contextualization of the reform and criticisms

Martinez begins chapter 1, entitled "The History of the 2019 Social Security Reform: from Origin to Publication" (2020, p. 13), citing an elucidative excerpt from the Explanatory Memorandum of the Proposed Constitutional Amendment 6/2019, which gave rise to Constitutional Amendment 103/2019, known as the Social Security Reform. The highlighted excerpt states:

> "This proposal establishes a new, more sustainable and fair logic for social security, with transition rules, transitional provisions and other measures. These measures are essential to gradually ensure the sustainability of the current system, avoiding excessive costs for future generations and the compromise of the payment of benefits to retirees and pensioners, in addition to allowing the construction of a new model that strengthens savings and development in the future." (Martinez 2020, p. 13)

The formal start of the processing of the project took place on February 20, 2019, when then-President Jair Bolsonaro personally delivered the proposal to the presidents of the Chamber and Senate, Rodrigo Maia and Davi Alcolumbre, accompanied by ministers Paulo Guedes (Economy) and Onyx Lorenzoni (Chief of Staff) (MARTINEZ, 2020, p. 16). This symbolic delivery was intended to give strength to the proposal, based on the pillars presented in the Explanatory Memorandum of PEC 6/2019: combating fraud and reducing judicialization, collection of social security tax debts, equity (treating equals equally and unequals unequally), and the creation of a new capitalized social security regime aimed at future generations.

However, the main argument of PEC 6/2019 was the reduction of public spending. The Explanatory Memorandum predicted that, if approved, the reform would save R$ 715 billion in 10 years in the General Social Security Regime (RGPS) alone. Martinez warns about this premise:

> "It has been proven that official data from Social Security itself show that most RGPS beneficiaries receive up to two minimum wages, and 60% receive only one minimum wage. Therefore, the argument that the Reform aims to combat privileges is fallacious" (LAZZARIN, 2020, p. 45).

Based on these data, it is concluded that the justification for combating privileges is not sustainable, since 80% of RGPS policyholders receive up to two minimum wages.

In addition, the Ministry of Economy released on April 25, 2019 a study indicating that the total estimated savings with the reform would be R$ 1.236 trillion in 10 years. Social security spending was pointed out as the main cause of the "fiscal knot" that prevented the country's sustainable economic growth, an argument similar to that used to justify the Labor Reform (Law 13,467/2017). Lazzarin (2020) also points out that, despite the promises made with the Labor Reform, economic indicators show an increase in unemployment, informality, and job insecurity, which also negatively impacted Social Security collection.

The debate around pension reforms is often based on the idea that a deficit in Social Security accounts justifies profound changes in the system. However, scholars such as Salvador (2020) and Agostinho (2020) warn that the deficit, by itself, should not be used as a central argument to suppress social security rights. In addition, ANFIP and DIEESE, in a 2017 study, contest the existence of a real deficit, pointing out that the tripartite financing of Social Security (State, workers and employers) has been disregarded in government budget proposals. According to these entities, Social Security would be in surplus if the constitutional rules were followed, even with the Untying of Union Revenues (DRU) and tax exemptions.

Thus, it is concluded that the justifications for social security reforms, although not recent, continue to follow a logic based on economic and actuarial aspects, often disregarding the essence of social protection. Constitutional Amendment 103/2019 was enacted on November 12, 2019 and published the following day, the date that marks the effectiveness of the new social security rules, according to Martinez (2020, p. 24).

TRANSITION RULES

Retirement by contribution time by the scoring rule

Article 15 of Constitutional Amendment 103/2019 establishes new rules for the retirement of insured persons of the General Social Security Regime (RGPS) who were affiliated until the date of its entry into force, on November 13, 2019. The requirements for granting the benefit are: I – For women, 30 years of contribution; for men, 35 years of contribution. II – The sum of age and contribution time, including fractions, must total 88 points for women and 98 points for men in 2024. As shown in table 2 (two) below, it shows in an explanatory way the form of the score addressed:

Table 2: Minimum score for retirement.

Período de vigência	Mulheres	Homens
Até 30 de dezembro de 2018	85	95
De 31 de dez/18 a 30 de dez/20	86	96
De 31 de dez/20 a 30 de dez/22	87	97
De 31 de dez/22 a 30 de dez/24	88	98
De 31 de dez/24 a 30 de dez/26	89	99
De 31 de dez/26 em diante	90	100

Fonte: INSS, 2019.

In addition to these requirements, article 188-I of the Social Security Regulation, as amended by Decree No. 10,410/2020, establishes that a grace period of 180 monthly contributions is required, applicable to both sexes (BRASIL, 2019). This formula of points for retirement considers the sum of age and the insured's contribution time.

To retire by December 31, 2024 under this rule, a woman should have 88 points and a man, 98 points. From then on, the sum of points increases by 1 each year, reaching 100 points for women in 2033 and 105 points for men in 2028 (AMADO, 2020).

For elementary school teachers with exclusive service time in this function, there is a special rule. By December 31, 2019, a woman should have 81 points and a man, 91 points. These values will increase by 1 point per year, up to 92 points for women in 2030 and 100 points for men in 2028 (AMADO, 2020).

This point rule introduces a variable in the predictability of retirement, since the requirements become progressively more difficult to achieve, requiring more advanced ages for the granting of the benefit (LAZZARI, 2021)

As for the initial monthly income (RMI), while the specific regulation law is not enacted, the provisions of article 26 of Amendment 103/2019 (AMADO, 2020) must be applied. For men, the RMI will be equivalent to 60% of the arithmetic average of all contribution remunerations/wages, with an increase of 2% for each year of contribution that exceeds 20 years. For example, if an insured person has an average of R$ 2,000.00 and 30 years of contribution (10 years in excess) according to table 3 (three), his RMI will be 80% of this amount, that is, R$ 1,600.00. The average contribution wages are calculated based on the Real Plan (July 1994) (LAZZARI, 2021).

Table 3. RMI coefficient for men.

Anos de contribuição	Coeficiente	Anos de contribuição	Coeficiente
20	60%	32	84%
21	62%	33	86%
22	64%	34	88%
23	66%	35	90%
24	68%	36	92%
25	70%	37	94%
26	72%	38	96%
27	74%	39	98%
28	76%	40	100%
29	78%	41	102%
30	80%	42	104%

Source: Brazil, 2019, organized by the author.

For women, the calculation of the RMI is adjusted in article 26, paragraph 5 of Amendment 103/2019, providing for an increase of 2% from 15 years of contribution, see table 4 (four), instead of 20 years. Thus, a woman with an average of R$ 2,000.00 and 25 years of contribution (10 years in excess) will have an RMI of 80% of the value, that is, R$ 1,600.00 (LAZZARI, 2021).

Table 4. RMI Coefficient Women.

Anos de contribuição	Coeficiente	Anos de contribuição	Coeficiente
15	60%	27	84%
16	62%	28	86%
17	64%	29	88%
18	66%	30	90%
19	68%	31	92%
20	70%	32	94%
21	72%	33	96%
22	74%	34	98%
23	76%	35	100%
24	78%	36	102%
25	80%	37	104%

Source: Brazil, 2019, organized by the author.

Additionally, the calculation of the average contribution wages may exclude contributions that reduce the benefit amount, as long as the minimum contribution time required is maintained. However, the deleted time cannot be used for any other purpose. Thus, the provision allows the granting of retirement by contribution time for a few more years (AMADO, 2020).

Retirement by contribution time with minimum age and additional toll of 100%

Article 20 of Constitutional Amendment 103/2019 establishes specific transition rules for insured persons of the General Social Security Regime (RGPS) who were affiliated until the date of entry into force of the Amendment, November 13, 2019. For these insured persons, the requirements for granting retirement are as follows: I – For women, 57 years of age; for men, 60 years of age; II – For women, 30 years of contribution; for men, 35 years of contribution; III – An additional contribution period corresponding to the time remaining to reach the minimum contribution time on the date of entry into force of the Amendment (toll of 100% of the remaining time). (BRAZIL, 2019)

These requirements apply to women from the age of 57 and to men from the age of 60. The 100% toll requires the insured to work for a time equivalent to twice the period that was missing to reach the minimum contribution time under the old rules. For example, if someone was four years away from retiring according to the previous rule, they will have to work for eight years, in addition to meeting the minimum age established (AMADO, 2020).

For elementary school teachers, the requirements are different. Men must be 55 years of age, 30 years of contribution and the toll of 100% of the time remaining to complete the 30 years of contribution on the date of the Amendment. Women must be 52 years old, have 25 years of contribution and have 100% of the time left to complete the 25 years of contribution on the date of the Amendment (AMADO, 2020).

With regard to monthly income, this transition rule adopts a different system from the other rules. Retirement will be calculated based on 100% of the simple arithmetic average of contribution salaries since July 1994 (LAZZARI, 2021). Article 26, paragraph 3, item I of Amendment 103/2019 establishes that the coefficient applied will be 100% on the average of all contribution remunerations/salaries since the competence of July 1994 (AMADO, 2020).

Therefore, this transition rule may be more advantageous for insured persons who were close to retiring on the date of retirement and already meet or are close to meeting the minimum age required. In many cases, due to toll time, scheduled retirement may be more beneficial. For example, a woman who had 25 years of contribution and was already 57 years old on the date of retirement, will need to work another 5 years to complete the required 30 years, in addition to fulfilling a 5-year toll, totaling a retirement at 67 years old. In comparison, by programmed retirement, she could retire at the age of 62 (LAZZARI, 2021).

SCHEDULED RETIREMENT

Finally, the scheduled retirement, provided for in article 18 of Constitutional Amendment 103/2019, intended for insured persons of the General Social Security Regime (RGPS) who were affiliated until the entry into force of the Amendment, on November 13, 2019. The requirements for granting this retirement are: I – For women, 60 years of age; for men, 65 years of age; II – 15 years of contribution, for both sexes.

In addition to these requirements, according to article 188-H of the Social Security Regulation, as amended by Decree No. 10,410/2020, a grace period of 180 monthly contributions is required for both sexes (LAZZARI, 2021). From January 1, 2020, the minimum retirement age for women was progressively increased by six months each year, until it reached 62 years in 2023. For men, the minimum age of 65 years was maintained. The minimum contribution time remains 15 years for both sexes (LAZZARI, 2021).

The calculation of the value of the programmed retirement has been changed. Now, the benefit corresponds to 60% of the full average of all contribution salaries since July 1994, with an increase of 2 percentage points for each year of contribution that exceeds 20 years for men and 15 years for women (LAZZARI, 2021).

However, there is a significant incongruity: for men, the increase of 2 percentage points in the calculation of the benefit is only applied after 20 years of contribution, while the minimum contribution time for retirement is only 15 years. This implies that men need to contribute 5 more years without these additional contributions impacting the value of the benefit, which seems disproportionate (AMADO, 2020). Table 5 (five) records the listed application of the calculation to be followed in retirement:

Table 5. Calculation of the initial monthly income of the programmed retirement.

	Detalhes
Para homem	60% do salário de benefício com acréscimo de 2% para cada ano de contribuição que exceder o tempo de 20 anos.
Para mulher	60% do salário de benefício com acréscimo de 2% para cada ano de contribuição que exceder o tempo de 15 anos.

Source: GOES, Hugo. Social Security Law Manual, 2019.

This calculation methodology seems appropriate for insured persons who joined the system after the date of the Amendment, since they need to complete 20 years of contribution to retire, as established by article 19 of EC 103/2019. However, for insured persons affiliated before the reform, the calculation formula needs to be reconsidered to ensure a fairer and more proportional application (LAZZARI, 2021).

GRANTING OF PRE AND POST-RETIREMENT BENEFITS

The 2019 Social Security Reform is a significant milestone in the Brazilian pension system, profoundly changing the way benefits are granted. To understand these changes, a detailed examination of the pre-reform rules and their implications is necessary, as well as the new guidelines introduced.

Context for the granting of pre-retirement benefits

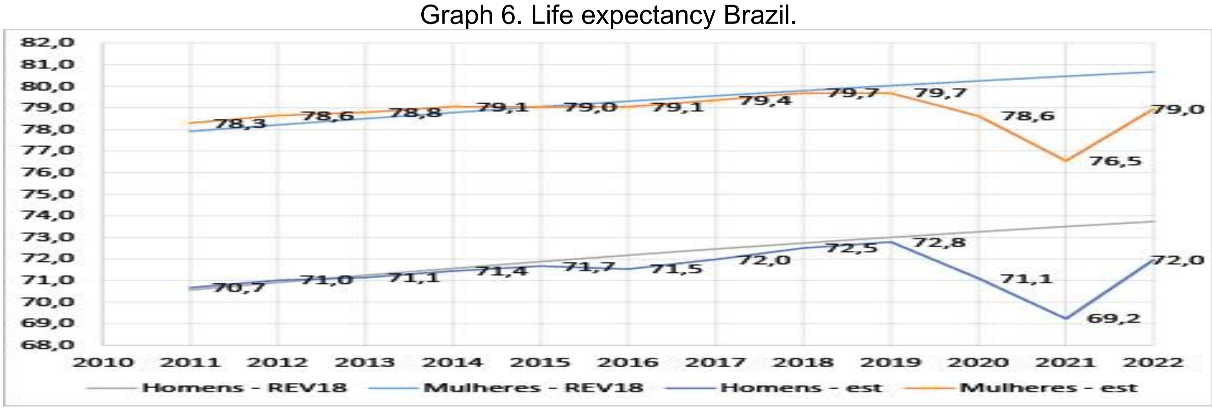
Before the reform, the Brazilian social security system was characterized by rules that sought to offer greater flexibility to policyholders. Among the main benefits was retirement by contribution time, which allowed workers to retire without the imposition of a minimum age, as long as they reached a specific contribution time (35 years for men and 30 years for women).

However, the increase in life expectancy and the financial imbalance of the social security system have raised the need for reforms. The unsustainability of the previous model became evident, especially with the pressure on public accounts due to the growth in the number of beneficiaries.

Life expectancy in Brazil, according to the latest data released by the IBGE in 2024, was estimated at: 79.4 years (for women); 71.3 years (for men).

Table 6 (six) shows this increase in life expectancy in Brazil in recent years.

Graph 6. Life expectancy Brazil.



Source: IBGE/Directorate of Surveys. 2024.

These values are a weighted average considering both men and women. It is also observed that such an increase may be related to the improvement of public services and health care for the population in general.

Increase in Average Retirement Age

The reform also changed the average retirement age, which increased significantly. Before the reform, the average age was 58.6 years; In 2024, the average for men is 63.4 years. This change prolongs the permanence of workers in the labor market, which generates physical and mental exhaustion, in addition to limiting the time of enjoyment of retirement in a more vulnerable phase of life. (IPEA, 2024)

Reduction in the value of benefits

Another important consequence was the reduction in the average value of pensions. The reform changed the calculation formula, which now considers the average of all contributions, instead of just the 80% higher, as it was before. (BRAZIL, 2024)

This new calculation directly affects workers who had long periods of contributions with low wages or those with irregular contributions, increasing inequality among retirees.

Increasing regional and social inequality

The reform also accentuated regional and social inequalities. Workers in poorer regions, with a higher rate of informality, have more difficulty in reaching the minimum contribution time. In the North and Northeast regions, for example, the informality rate is high, which makes it difficult to access retirement by contribution time. (IBGE, 2021)

It is estimated that 60% of those insured under the General Social Security Regime (RGPS) receive only one minimum wage, while 80% receive up to two minimum wages, which demonstrates the economic vulnerability of this portion of the population (Lazzari, 2020).

Statistical data

Let us see that in 2019 there was a total of 419,194 (four hundred and nineteen thousand one hundred and ninety-four) benefits granted for retirement by contribution time, as shown in table 7 (seven) below:

Table 7. Statement of benefits granted (2019).

ANO	2019
CLIENTELA	URBANA
SEXO	Todos
TIPO DE BENEFÍCIO	Benefícios do RGPS
GRUPO BEPS	Aposentadoria por Tempo de Contribuição
ESPÉCIE BEPS	Todos
VALOR TOTAL DE CONCESSÕES	R$ 990.345.952,88
QUANTIDADE TOTAL DE CONCESSÕES	419.194

Source: INSS – Ministry of Economy 2024.

In the following years, we have seen the drop in concessions with the implementation of scheduled retirement, as shown in the figure below dated from the year 2024 to the month of October we have only 272,516 (two hundred and seventy-two thousand five hundred and sixty) concessions, table 8 (eight) below:

Table 8. Statement of benefits granted (2024)

ANO	2024
CLIENTELA	URBANA
SEXO	Todos
TIPO DE BENEFÍCIO	Benefícios do RGPS
GRUPO BEPS	Aposentadoria por Idade
ESPÉCIE BEPS	Todos
VALOR TOTAL DE CONCESSÕES	R$ 471.524.577,65
QUANTIDADE TOTAL DE CONCESSÕES	272.516

Source: INSS – Ministry of Economy 2024.

We have that the drop in the number of pension concessions between 2019 and 2024, observed after the implementation of the Social Security Reform, brought significant social impacts in Brazil, especially with regard to the redistribution of social security responsibilities between the State and citizens.

The increase in the minimum retirement age affected vulnerable social groups more intensely, such as low-income workers, women and the elderly. These changes, although justified under the argument of promoting the fiscal sustainability of the system, aggravated socioeconomic disparities in regions with a higher concentration of informal workers, such as the North and Northeast. (IBGE, 2022)

With the increase in the minimum age and the contribution time, many workers, especially those with lower incomes and careers marked by informality, are facing difficulties in retiring. The new rules for calculating benefits also resulted in lower amounts, directly affecting the income of retirees and, consequently, the quality of life of a significant portion of the elderly population.

This retraction in pension concessions has generated greater dependence on informal or precarious jobs by older workers who are unable to meet the requirements for scheduled retirement.

This also affects the social balance, since low-income families, who depend on the benefit as a source of livelihood, suffer from the postponement of retirement or reduced amounts. (FAGNANI, 2020)

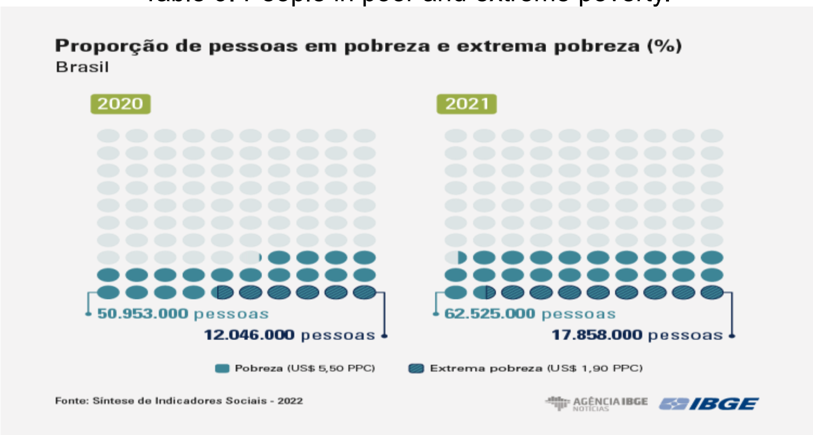
Socially, this context has exacerbated inequalities, especially in the most vulnerable regions of the country, where informality and low incomes predominate. The expectation of fiscal balance brought about by the reform did not result in a fairer or more equitable distribution of social security benefits, disproportionately affecting workers in more precarious and fragile conditions in the labor market. (FAGNANI, 2020)

The increase in poverty among the elderly and the precariousness of the living conditions of this population are direct reflections of the changes, leading to an increase in social vulnerability and the need for compensatory policies to mitigate these effects.

According to IBGE data in 2021, according to the poverty lines defined by the World Bank, approximately 62.5 million people, which corresponds to 29.4% of the Brazilian population, lived in poverty. Of these, 17.9 million, or 8.4% of the population, were in extreme poverty. These numbers and percentages represent the highest recorded since the beginning of the time series, in 2012.

Let us also see that between 2020 and 2021, there was a record increase in both groups: the number of persons below the poverty line grew by 22.7%, adding 11.6 million persons, while the contingent in extreme poverty increased by 48.2%, with 5.8 million more individuals in this situation.

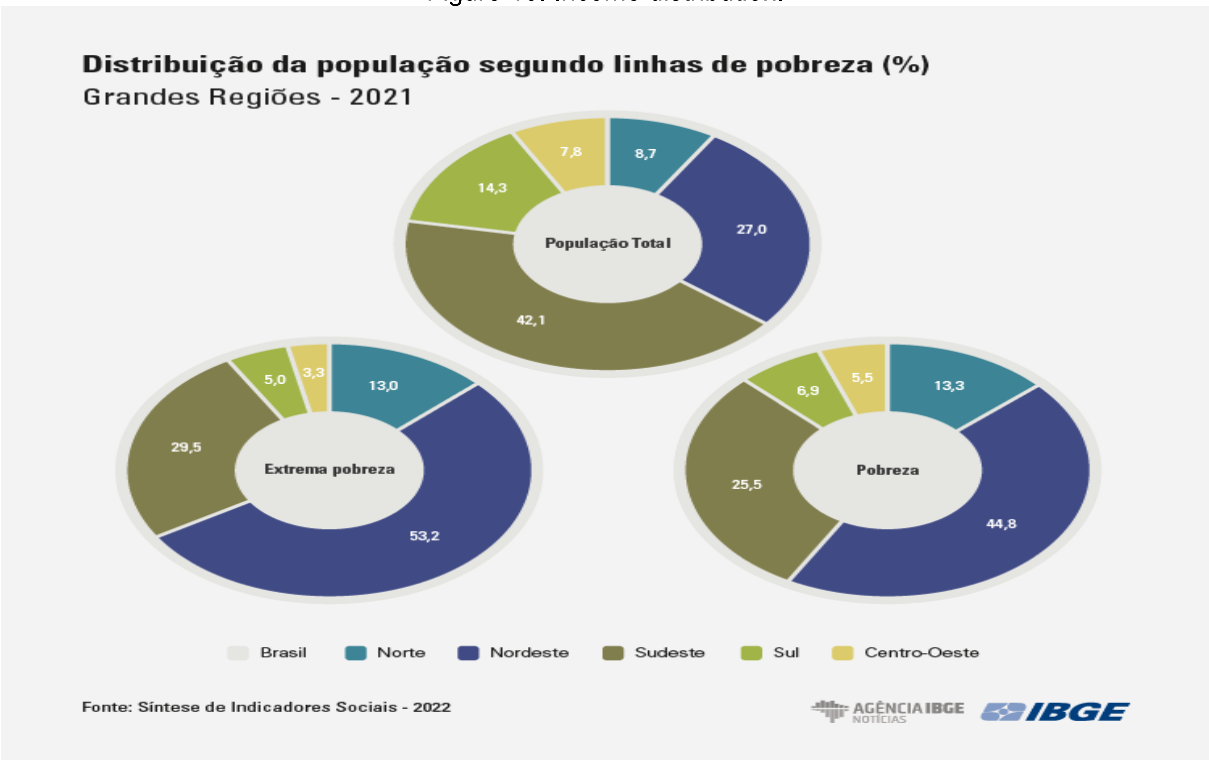
Table 9. People in poor and extreme poverty.



Source: Synthesis of Social Indicators 2022.

Also as shown in table 10 (ten), in the regional analyses, the Northeast (48.7%) and the North (44.9%) had the highest proportions of people living in poverty. In the Southeast and Midwest, 20.6% of the population, or one in five people, were below the poverty line. The lowest proportion was recorded in the South region, with 14.2%.

Figure 10. Income distribution.



Source: Synthesis of Social Indicators 2022.

Therefore, the decrease in retirement concessions over this period reflects a contradiction between the discourse of the sustainability of the social security system and the negative social impacts that the reform brought, especially for the most disadvantaged groups.

CONCLUSION

Scheduled retirement, instituted by Constitutional Amendment No. 103 and regulated by Article 25, item I, paragraph "b" of Decree No. 3,048/1999, with its updates by Decree No. 10,410/2020, represents an important advance in the Brazilian social security system. This benefit establishes a minimum age of 65 years for men and 62 years for women, reflecting an effort to balance the finances of the General Social Security Regime (RGPS) in a context of demographic and economic challenges.

The analysis shows that programmed retirement emerges as a response to new social and economic realities, especially the aging of the population and the decrease in the birth rate. These factors have caused a mismatch between the growing number of retirees and the decreasing number of contributors, creating significant pressure on the social security system. The need to adapt social security policies to ensure the sustainability of the system is therefore crucial.

The research showed that scheduled retirement not only changes the framework for granting benefits, but also impacts the lives of the insured and the structure of social security in a broad way. The study revealed that the implementation of the new rules, while necessary, entails challenges, especially with regard to the adequacy of age requirements and the unequal impact between genders. The pension reform introduced by EC 103/2019 brought significant changes, adjusting scheduled retirement to reflect new economic and demographic realities, but also required a constant reassessment of policies to mitigate possible inequalities.

Therefore, the research confirms the relevance of the topic, both from a social, academic and practical point of view. Understanding the impacts of programmed retirement, considering legislative changes and their effects on different layers of society, is essential for the development of more effective public policies. The need for continuous analysis and monitoring of demographic and economic trends is imperative to ensure that the social security system can fairly and sustainably meet the needs of all insured persons, present and future.

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